

# SENATE BILL No. 390

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-2-30; IC 6-3-4-1.

**Synopsis:** Adjusted gross income tax filing requirement. Provides that minimum wage income is exempt from the adjusted gross income tax. Defines "minimum wage income". Provides that an individual whose only source of income is minimum wage income is not required to file a state income tax return. Provides that an employer is not required to withhold taxes from minimum wage income paid to an employee.

**Effective:** January 1, 2025 (retroactive).

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January 13, 2025, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

# SENATE BILL No. 390



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 6-3-2-30 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2025 (RETROACTIVE)]; **Sec. 30. (a) As used in this**  
4 **section, "minimum wage income" means gross income earned by**  
5 **an individual as an employee in a taxable year in which the**  
6 **individual:**  
7 (1) was employed by not more than one (1) employer at any  
8 given time during the taxable year; and  
9 (2) was paid a wage for the employment referenced in  
10 subdivision (1) that did not exceed the statutory minimum  
11 under the minimum wage law in IC 22-2-2.  
12 The term includes any overtime pay the individual may have  
13 earned for the employment during the taxable year.  
14 (b) Minimum wage income is exempt from the adjusted gross  
15 income tax imposed under this article.  
16 (c) An employer is not required to withhold taxes imposed under  
17 this article from minimum wage income paid to an employee



1 **described in subsection (a).**

2 SECTION 2. IC 6-3-4-1, AS AMENDED BY P.L.137-2012,  
3 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 1. **(a) Except as**  
5 **provided in subsection (b)**, returns with respect to taxes imposed by  
6 this act shall be made by the following:

7 (1) Every resident individual having for the taxable year gross  
8 income in an amount greater than the modifications provided  
9 under IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4).

10 (2) Every nonresident individual having for the taxable year any  
11 gross income from sources within the state of Indiana, except for  
12 a team member (as defined in IC 6-3-2-2.7) who is covered by a  
13 composite return filed under IC 6-3-2-2.7.

14 (3) Every corporation having for the taxable year any gross  
15 income from sources within the state of Indiana.

16 (4) For taxable years beginning after December 31, 2012, every  
17 resident estate having for the taxable year any gross income from  
18 sources within the state of Indiana exceeding the amount provided  
19 in Section 6012(a)(3) of the Internal Revenue Code.

20 (5) For taxable years beginning after December 31, 2012, every  
21 resident trust having for the taxable year any gross income from  
22 sources within the state of Indiana exceeding the amount provided  
23 in Section 6012(a)(4) of the Internal Revenue Code.

24 (6) For taxable years beginning after December 31, 2012, every  
25 nonresident estate having for the taxable year any gross income  
26 from sources within the state of Indiana exceeding the amount  
27 provided in Section 6012(a)(3) of the Internal Revenue Code.

28 (7) For taxable years beginning after December 31, 2012, every  
29 nonresident trust having for the taxable year any gross income  
30 from sources within the state of Indiana exceeding the amount  
31 provided in Section 6012(a)(4) of the Internal Revenue Code.

32 **(b) The return requirement under this section does not apply to**  
33 **an individual whose only gross income for the taxable year is**  
34 **minimum wage income (as defined in IC 6-3-2-30).**

35 SECTION 3. [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]  
36 **(a) IC 6-3-2-30, as added by this act, and IC 6-3-4-1, as amended by**  
37 **this act, apply to taxable years beginning after December 31, 2024.**

38 **(b) This SECTION expires July 1, 2028.**

39 SECTION 4. **An emergency is declared for this act.**

