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## HOUSE BILL No. 1034

AM103402 has been incorporated into February 2, 2023 printing.

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**Synopsis:** Income tax exemption for military pay.

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HB 1034—LS 6038/DI 116



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February 2, 2023

First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

## HOUSE BILL No. 1034

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 6-3-1-34, AS ADDED BY P.L.144-2007,  
2           SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3           JULY 1, 2023]: Sec. 34. "Qualified military income" means ~~wages that~~  
4           ~~are paid:~~ **the following:**

5           (1) **Wages that are paid** to a member of

6           ~~(A)~~ a reserve component of the armed forces of the United  
7           States or

8           ~~(B)~~ the National Guard **for the member's service in the**  
9           **reserve component or National Guard. and**

10          (2) for any of the following applicable periods; or any  
11          combination of the following applicable periods; in a calendar  
12          year:

13          (A) The member's full-time service on involuntary orders  
14          in:

15                  (i) a reserve component of the armed forces of the  
16                  United States; or

17                  (ii) the National Guard.

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(B) The period during which the member is mobilized and deployed for full-time service in:

(i) a reserve component of the armed forces of the United States; or

(ii) the National Guard;

(C) The period during which the member's National Guard unit is federalized;

**(2) For a member of an active component of the armed forces of the United States:**

(A) twenty-five percent (25%) of wages that are paid to the member for taxable years beginning in 2024 for service in the active component;

(B) fifty percent (50%) of wages that are paid to the member for taxable years beginning in 2025 for service in the active component;

(C) seventy-five percent (75%) of wages that are paid to the member for taxable years beginning in 2026 for service in the active component; and

(D) one hundred percent (100%) of wages that are paid to the member for taxable years beginning in 2027 and thereafter for service in the active component.

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