

PRINTING CODE. Deletions appear in ~~this style type~~. Insertions appear in this style type. Typeface changes are shown in ~~this~~ ~~style~~ ~~type~~ or in this style type.

ENGROSSED HOUSE BILL No. 1034

Proposed Changes to March 8, 2023 printing by AM103403

DIGEST OF PROPOSED AMENDMENT

Exemption phase in. Provides that the exemption for military pay earned by members of an active component of the armed forces of the United States from the individual income tax applies to 100% of wages that are paid to the member for taxable years beginning in 2024. (The current bill phased in the exemption over four years.)

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;

18 (B) The period during which the member is mobilized and

EH 1034—LS 6038/DI 116



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
a
r
k
u
p

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 202 < > [4] and thereafter for service in the active component.

M
a
r
k
u
p

EH 1034—LS 6038/DI 116



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY