

HOUSE BILL No. 1388

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3; IC 6-3.5-12; IC 8-1-2-4.4; IC 23-19-1-2; IC 27-1-12.7-6; IC 28-8-4.1-201; IC 34-30-34.5; IC 35-46-7-2; IC 36-1.

Synopsis: Use of digital assets. Provides an income tax deduction for short term or long term capital gain that is attributable to the sale or exchange of digital assets in a transaction and that is included in federal adjusted gross income, in an amount not to exceed \$200 per transaction for the 2024 taxable year, and adjusted annually for inflation each taxable year thereafter. Provides that a county or municipality may not: (1) impose a tax that is assessed based on use of a digital asset as payment in a transaction; or (2) impose a tax on transactions at a different rate based on the use of a digital asset for payment in the transaction. Prohibits the Indiana utility regulatory commission (commission) from approving a rate schedule for electricity supplied by an electricity supplier to digital asset mining businesses that is unreasonable or unjustly discriminatory as compared to the rate schedule approved by the commission for electricity supplied by the electricity supplier to industrial customers. Provides that a person is not required to be licensed as a securities broker-dealer solely because the person provides, or offers to provide, specified services with respect to transactions involving digital assets. Provides that specified operations conducted with respect to maintenance of a blockchain do not constitute money transmission for purposes of statutes regarding licensure of money transmitters. Provides immunity from civil liability for a person that performs specified actions with respect to validation of a transaction on a blockchain network. Prohibits a county, municipality, or township from adopting or enforcing an ordinance that would have the effect of prohibiting, restricting, or impairing an individual's ability to: (1) use digital assets to purchase
(Continued next page)

Effective: January 1, 2024 (retroactive); July 1, 2024.

VanNatter

January 11, 2024, read first time and referred to Committee on Ways and Means.



Digest Continued

legal goods and services; or (2) use a hardware wallet or self-hosted wallet to store the individual's digital assets. Provides that use of a property for digital asset mining is a permitted industrial use under any applicable zoning ordinance of a unit and may not be disallowed by a zoning ordinance in a zoning district that permits industrial use. Prohibits a unit from applying the unit's zoning ordinances in specified ways to regulate digital asset mining. Makes conforming amendments and technical corrections.



Introduced

Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1388



A BILL FOR AN ACT to amend the Indiana Code concerning technology.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-1-3.5, AS AMENDED BY P.L.236-2023,
2 SECTION 63, AND AS AMENDED BY P.L.194-2023, SECTION 7,
3 AND AS AMENDED BY P.L.201-2023, SECTION 94, AND AS
4 AMENDED BY P.L.202-2023, SECTION 7, AND AS AMENDED BY
5 THE TECHNICAL CORRECTIONS BILL OF THE 2024 GENERAL
6 ASSEMBLY, IS CORRECTED AND AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JANUARY 1, 2024 (RETROACTIVE)]:
8 Sec. 3.5. When used in this article, the term "adjusted gross income"
9 shall mean the following:
10 (a) In the case of all individuals, "adjusted gross income" (as
11 defined in Section 62 of the Internal Revenue Code), modified as
12 follows:
13 (1) Subtract income that is exempt from taxation under this article
14 by the Constitution and statutes of the United States.
15 (2) Except as provided in subsection (c), add an amount equal to



1 any deduction or deductions allowed or allowable pursuant to
 2 Section 62 of the Internal Revenue Code for taxes based on or
 3 measured by income and levied at the state level by any state of
 4 the United States.

5 (3) Subtract one thousand dollars (\$1,000), or in the case of a
 6 joint return filed by a husband and wife, subtract for each spouse
 7 one thousand dollars (\$1,000).

8 (4) Subtract one thousand dollars (\$1,000) for:

9 (A) each of the exemptions provided by Section 151(c) of the
 10 Internal Revenue Code (as effective January 1, 2017);

11 (B) each additional amount allowable under Section 63(f) of
 12 the Internal Revenue Code; and

13 (C) the spouse of the taxpayer if a separate return is made by
 14 the taxpayer and if the spouse, for the calendar year in which
 15 the taxable year of the taxpayer begins, has no gross income
 16 and is not the dependent of another taxpayer.

17 (5) Subtract *each of the following*:

18 (A) One thousand five hundred dollars (\$1,500) for each of the
 19 exemptions allowed under Section 151(c)(1)(B) of the Internal
 20 Revenue Code (as effective January 1, 2004), *except that in*
 21 *the first taxable year in which a particular exemption is*
 22 *allowed under Section 151(c)(1)(B) of the Internal Revenue*
 23 *Code (as effective January 1, 2004), subtract three thousand*
 24 *dollars (\$3,000) for that exemption.*

25 (B) One thousand five hundred dollars (\$1,500) for each
 26 exemption allowed under Section 151(c) of the Internal
 27 Revenue Code (as effective January 1, 2017) for an individual:

28 (i) who is less than nineteen (19) years of age or is a
 29 full-time student who is less than twenty-four (24) years of
 30 age;

31 (ii) for whom the taxpayer is the legal guardian; and

32 (iii) for whom the taxpayer does not claim an exemption
 33 under clause (A).

34 (C) Five hundred dollars (\$500) for each additional amount
 35 allowable under Section 63(f)(1) of the Internal Revenue Code
 36 if the federal adjusted gross income of the taxpayer, or the
 37 taxpayer and the taxpayer's spouse in the case of a joint return,
 38 is less than forty thousand dollars (\$40,000). In the case of a
 39 married individual filing a separate return, the qualifying
 40 income amount in this clause is equal to twenty thousand
 41 dollars (\$20,000).

42 (D) Three thousand dollars (\$3,000) for each exemption



1 allowed under Section 151(c) of the Internal Revenue Code (as
2 effective January 1, 2017) for an individual who is:

- 3 (i) an adopted child of the taxpayer; and
4 (ii) less than nineteen (19) years of age or is a full-time
5 student who is less than twenty-four (24) years of age.

6 This amount is in addition to any amount subtracted under
7 clause (A) or (B).

8 This amount is in addition to the amount subtracted under
9 subdivision (4).

10 (6) Subtract any amounts included in federal adjusted gross
11 income under Section 111 of the Internal Revenue Code as a
12 recovery of items previously deducted as an itemized deduction
13 from adjusted gross income.

14 (7) Subtract any amounts included in federal adjusted gross
15 income under the Internal Revenue Code which amounts were
16 received by the individual as supplemental railroad retirement
17 annuities under 45 U.S.C. 231 and which are not deductible under
18 subdivision (1).

19 (8) Subtract an amount equal to the amount of federal Social
20 Security and Railroad Retirement benefits included in a taxpayer's
21 federal gross income by Section 86 of the Internal Revenue Code.

22 (9) In the case of a nonresident taxpayer or a resident taxpayer
23 residing in Indiana for a period of less than the taxpayer's entire
24 taxable year, the total amount of the deductions allowed pursuant
25 to subdivisions (3), (4), and (5) shall be reduced to an amount
26 which bears the same ratio to the total as the taxpayer's income
27 taxable in Indiana bears to the taxpayer's total income.

28 (10) In the case of an individual who is a recipient of assistance
29 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
30 subtract an amount equal to that portion of the individual's
31 adjusted gross income with respect to which the individual is not
32 allowed under federal law to retain an amount to pay state and
33 local income taxes.

34 (11) In the case of an eligible individual, subtract the amount of
35 a Holocaust victim's settlement payment included in the
36 individual's federal adjusted gross income.

37 (12) Subtract an amount equal to the portion of any premiums
38 paid during the taxable year by the taxpayer for a qualified long
39 term care policy (as defined in IC 12-15-39.6-5) for the taxpayer
40 or the taxpayer's spouse if the taxpayer and the taxpayer's spouse
41 file a joint income tax return or the taxpayer is otherwise entitled
42 to a deduction under this subdivision for the taxpayer's spouse, or



- 1 both.
- 2 (13) Subtract an amount equal to the lesser of:
- 3 (A) two thousand five hundred dollars (\$2,500), or one
- 4 thousand two hundred fifty dollars (\$1,250) in the case of a
- 5 married individual filing a separate return; or
- 6 (B) the amount of property taxes that are paid during the
- 7 taxable year in Indiana by the individual on the individual's
- 8 principal place of residence.
- 9 (14) Subtract an amount equal to the amount of a September 11
- 10 terrorist attack settlement payment included in the individual's
- 11 federal adjusted gross income.
- 12 (15) Add or subtract the amount necessary to make the adjusted
- 13 gross income of any taxpayer that owns property for which bonus
- 14 depreciation was allowed in the current taxable year or in an
- 15 earlier taxable year equal to the amount of adjusted gross income
- 16 that would have been computed had an election not been made
- 17 under Section 168(k) of the Internal Revenue Code to apply bonus
- 18 depreciation to the property in the year that it was placed in
- 19 service.
- 20 (16) Add an amount equal to any deduction allowed under
- 21 Section 172 of the Internal Revenue Code (concerning net
- 22 operating losses).
- 23 (17) Add or subtract the amount necessary to make the adjusted
- 24 gross income of any taxpayer that placed Section 179 property (as
- 25 defined in Section 179 of the Internal Revenue Code) in service
- 26 in the current taxable year or in an earlier taxable year equal to
- 27 the amount of adjusted gross income that would have been
- 28 computed had an election for federal income tax purposes not
- 29 been made for the year in which the property was placed in
- 30 service to take deductions under Section 179 of the Internal
- 31 Revenue Code in a total amount exceeding the sum of:
- 32 (A) twenty-five thousand dollars (\$25,000) to the extent
- 33 deductions under Section 179 of the Internal Revenue Code
- 34 were not elected as provided in clause (B); and
- 35 (B) for taxable years beginning after December 31, 2017, the
- 36 deductions elected under Section 179 of the Internal Revenue
- 37 Code on property acquired in an exchange if:
- 38 (i) the exchange would have been eligible for
- 39 nonrecognition of gain or loss under Section 1031 of the
- 40 Internal Revenue Code in effect on January 1, 2017;
- 41 (ii) the exchange is not eligible for nonrecognition of gain or
- 42 loss under Section 1031 of the Internal Revenue Code; and



1 (iii) the taxpayer made an election to take deductions under
 2 Section 179 of the Internal Revenue Code with regard to the
 3 acquired property in the year that the property was placed
 4 into service.

5 The amount of deductions allowable for an item of property
 6 under this clause may not exceed the amount of adjusted gross
 7 income realized on the property that would have been deferred
 8 under the Internal Revenue Code in effect on January 1, 2017.

9 (18) Subtract an amount equal to the amount of the taxpayer's
 10 qualified military income that was not excluded from the
 11 taxpayer's gross income for federal income tax purposes under
 12 Section 112 of the Internal Revenue Code.

13 (19) Subtract income that is:

14 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
 15 derived from patents); and

16 (B) included in the individual's federal adjusted gross income
 17 under the Internal Revenue Code.

18 (20) Add an amount equal to any income not included in gross
 19 income as a result of the deferral of income arising from business
 20 indebtedness discharged in connection with the reacquisition after
 21 December 31, 2008, and before January 1, 2011, of an applicable
 22 debt instrument, as provided in Section 108(i) of the Internal
 23 Revenue Code. Subtract the amount necessary from the adjusted
 24 gross income of any taxpayer that added an amount to adjusted
 25 gross income in a previous year to offset the amount included in
 26 federal gross income as a result of the deferral of income arising
 27 from business indebtedness discharged in connection with the
 28 reacquisition after December 31, 2008, and before January 1,
 29 2011, of an applicable debt instrument, as provided in Section
 30 108(i) of the Internal Revenue Code.

31 (21) Add the amount excluded from federal gross income under
 32 Section 103 of the Internal Revenue Code for interest received on
 33 an obligation of a state other than Indiana, or a political
 34 subdivision of such a state, that is acquired by the taxpayer after
 35 December 31, 2011. *For purposes of this subdivision:*

36 (A) *if the taxpayer receives interest from a pass through entity,*
 37 *a regulated investment company, a hedge fund, or similar*
 38 *arrangement, the taxpayer will be considered to have*
 39 *acquired the obligation on the date the entity acquired the*
 40 *obligation;*

41 (B) *if ownership of the obligation occurs by means other than*
 42 *a purchase, the date of acquisition of the obligation shall be*



1 *the date ownership of the obligation was transferred, except*
 2 *to the extent provided in clause (A), and if a portion of the*
 3 *obligation is acquired on multiple dates, the date of*
 4 *acquisition shall be considered separately for each portion of*
 5 *the obligation; and*

6 *(C) if ownership of the obligation occurred as the result of a*
 7 *refinancing of another obligation, the acquisition date shall be*
 8 *the date on which the obligation was refinanced.*

9 (22) Subtract an amount as described in Section 1341(a)(2) of the
 10 Internal Revenue Code to the extent, if any, that the amount was
 11 previously included in the taxpayer's adjusted gross income for a
 12 prior taxable year.

13 (23) For taxable years beginning after December 25, 2016, add an
 14 amount equal to the deduction for deferred foreign income that
 15 was claimed by the taxpayer for the taxable year under Section
 16 965(c) of the Internal Revenue Code.

17 (24) Subtract any interest expense paid or accrued in the current
 18 taxable year but not deducted as a result of the limitation imposed
 19 under Section 163(j)(1) of the Internal Revenue Code. Add any
 20 interest expense paid or accrued in a previous taxable year but
 21 allowed as a deduction under Section 163 of the Internal Revenue
 22 Code in the current taxable year. For purposes of this subdivision,
 23 an interest expense is considered paid or accrued only in the first
 24 taxable year the deduction would have been allowable under
 25 Section 163 of the Internal Revenue Code if the limitation under
 26 Section 163(j)(1) of the Internal Revenue Code did not exist.

27 (25) Subtract the amount that would have been excluded from
 28 gross income but for the enactment of Section 118(b)(2) of the
 29 Internal Revenue Code for taxable years ending after December
 30 22, 2017.

31 (26) For taxable years beginning after December 31, 2019, and
 32 before January 1, 2021, add an amount of the deduction claimed
 33 under Section 62(a)(22) of the Internal Revenue Code.

34 (27) For taxable years beginning after December 31, 2019, for
 35 payments made by an employer under an education assistance
 36 program after March 27, 2020:

37 (A) add the amount of payments by an employer that are
 38 excluded from the taxpayer's federal gross income under
 39 Section 127(c)(1)(B) of the Internal Revenue Code; and

40 (B) deduct the interest allowable under Section 221 of the
 41 Internal Revenue Code, if the disallowance under Section
 42 221(e)(1) of the Internal Revenue Code did not apply to the



- 1 payments described in clause (A). For purposes of applying
2 Section 221(b) of the Internal Revenue Code to the amount
3 allowable under this clause, the amount under clause (A) shall
4 not be added to adjusted gross income.
- 5 (28) Add an amount equal to the remainder of:
- 6 (A) the amount allowable as a deduction under Section 274(n)
7 of the Internal Revenue Code; minus
8 (B) the amount otherwise allowable as a deduction under
9 Section 274(n) of the Internal Revenue Code, if Section
10 274(n)(2)(D) of the Internal Revenue Code was not in effect
11 for amounts paid or incurred after December 31, 2020.
- 12 (29) For taxable years beginning after December 31, 2017, and
13 before January 1, 2021, add an amount equal to the excess
14 business loss of the taxpayer as defined in Section 461(l)(3) of the
15 Internal Revenue Code. In addition:
- 16 (A) If a taxpayer has an excess business loss under this
17 subdivision and also has modifications under subdivisions (15)
18 and (17) for property placed in service during the taxable year,
19 the taxpayer shall treat a portion of the taxable year
20 modifications for that property as occurring in the taxable year
21 the property is placed in service and a portion of the
22 modifications as occurring in the immediately following
23 taxable year.
- 24 (B) The portion of the modifications under subdivisions (15)
25 and (17) for property placed in service during the taxable year
26 treated as occurring in the taxable year in which the property
27 is placed in service equals:
- 28 (i) the modification for the property otherwise determined
29 under this section; minus
30 (ii) the excess business loss disallowed under this
31 subdivision;
- 32 but not less than zero (0).
- 33 (C) The portion of the modifications under subdivisions (15)
34 and (17) for property placed in service during the taxable year
35 treated as occurring in the taxable year immediately following
36 the taxable year in which the property is placed in service
37 equals the modification for the property otherwise determined
38 under this section minus the amount in clause (B).
- 39 (D) Any reallocation of modifications between taxable years
40 under clauses (B) and (C) shall be first allocated to the
41 modification under subdivision (15), then to the modification
42 under subdivision (17).



- 1 (30) Add an amount equal to the amount excluded from federal
 2 gross income under Section 108(f)(5) of the Internal Revenue
 3 Code. For purposes of this subdivision:
 4 (A) if an amount excluded under Section 108(f)(5) of the
 5 Internal Revenue Code would be excludible under Section
 6 108(a)(1)(B) of the Internal Revenue Code, the exclusion
 7 under Section 108(a)(1)(B) of the Internal Revenue Code shall
 8 take precedence; and
 9 (B) if an amount would have been excludible under Section
 10 108(f)(5) of the Internal Revenue Code as in effect on January
 11 1, 2020, the amount is not required to be added back under this
 12 subdivision.
- 13 (31) For taxable years ending after March 12, 2020, subtract an
 14 amount equal to the deduction disallowed pursuant to:
 15 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
 16 as modified by Sections 206 and 207 of the Taxpayer Certainty
 17 and Disaster Relief Tax Act (Division EE of Public Law
 18 116-260); and
 19 (B) Section 3134(e) of the Internal Revenue Code.
- 20 (32) Subtract the amount of an *ESA* annual grant amount *and, as*
 21 *applicable, a CSA annual grant amount* distributed to a taxpayer's
 22 Indiana education scholarship account under ~~IC 20-51.4-4-2~~
 23 ~~IC 20-51.4~~ that is used for ~~an~~ *an ESA or CSA* qualified expense (as
 24 defined in ~~IC 20-51.4-2-9~~ ~~IC 20-51.4-2~~) or to an Indiana
 25 enrichment scholarship account under IC 20-52 that is used for
 26 qualified expenses (as defined in IC 20-52-2-6), to the extent the
 27 distribution used for the qualified expense is included in the
 28 taxpayer's federal adjusted gross income under the Internal
 29 Revenue Code.
- 30 (33) For taxable years beginning after December 31, 2019, and
 31 before January 1, 2021, add an amount equal to the amount of
 32 unemployment compensation excluded from federal gross income
 33 under Section 85(c) of the Internal Revenue Code.
- 34 (34) For taxable years beginning after December 31, 2022,
 35 subtract an amount equal to the deduction disallowed under
 36 Section 280C(h) of the Internal Revenue Code.
- 37 (35) *For taxable years beginning after December 31, 2021, add*
 38 *or subtract amounts related to specified research or experimental*
 39 *procedures as required under IC 6-3-2-29.*
- 40 **(36) Subtract the amount of short term or long term capital**
 41 **gain that is attributable to the sale or exchange of one (1) or**
 42 **more digital assets in a transaction and that is included in**



1 federal adjusted gross income, not to exceed:

2 (A) for taxable years beginning after December 31, 2023,
3 and before January 1, 2025, two hundred dollars (\$200)
4 per transaction; and

5 (B) for taxable years beginning after December 31, 2024,
6 an amount per transaction equal to the maximum
7 deduction allowed under this subdivision in the
8 immediately preceding calendar year adjusted by the
9 annual percentage change in the Consumer Price Index for
10 All Urban Consumers published by the federal Bureau of
11 Labor Statistics for the immediately preceding calendar
12 year.

13 ~~(35)~~ ~~(36)~~ (37) Subtract any other amounts the taxpayer is entitled
14 to deduct under IC 6-3-2.

15 ~~(36)~~ ~~(37)~~ (38) Subtract the amount of a CSA annual grant amount
16 distributed to a taxpayer's career scholarship account under
17 IC 20-51.4-4.5 that is used for a CSA qualified expense (as
18 defined in IC 20-51.4-2-3.8), to the extent the distribution used
19 for the CSA qualified expense is included in the taxpayer's federal
20 adjusted gross income under the Internal Revenue Code.

21 (b) In the case of corporations, the same as "taxable income" (as
22 defined in Section 63 of the Internal Revenue Code) adjusted as
23 follows:

24 (1) Subtract income that is exempt from taxation under this article
25 by the Constitution and statutes of the United States.

26 (2) Add an amount equal to any deduction or deductions allowed
27 or allowable pursuant to Section 170 of the Internal Revenue
28 Code (concerning charitable contributions).

29 (3) Except as provided in subsection (c), add an amount equal to
30 any deduction or deductions allowed or allowable pursuant to
31 Section 63 of the Internal Revenue Code for taxes based on or
32 measured by income and levied at the state level by any state of
33 the United States.

34 (4) Subtract an amount equal to the amount included in the
35 corporation's taxable income under Section 78 of the Internal
36 Revenue Code (concerning foreign tax credits).

37 (5) Add or subtract the amount necessary to make the adjusted
38 gross income of any taxpayer that owns property for which bonus
39 depreciation was allowed in the current taxable year or in an
40 earlier taxable year equal to the amount of adjusted gross income
41 that would have been computed had an election not been made
42 under Section 168(k) of the Internal Revenue Code to apply bonus



- 1 depreciation to the property in the year that it was placed in
 2 service.
- 3 (6) Add an amount equal to any deduction allowed under Section
 4 172 of the Internal Revenue Code (concerning net operating
 5 losses).
- 6 (7) Add or subtract the amount necessary to make the adjusted
 7 gross income of any taxpayer that placed Section 179 property (as
 8 defined in Section 179 of the Internal Revenue Code) in service
 9 in the current taxable year or in an earlier taxable year equal to
 10 the amount of adjusted gross income that would have been
 11 computed had an election for federal income tax purposes not
 12 been made for the year in which the property was placed in
 13 service to take deductions under Section 179 of the Internal
 14 Revenue Code in a total amount exceeding the sum of:
- 15 (A) twenty-five thousand dollars (\$25,000) to the extent
 16 deductions under Section 179 of the Internal Revenue Code
 17 were not elected as provided in clause (B); and
- 18 (B) for taxable years beginning after December 31, 2017, the
 19 deductions elected under Section 179 of the Internal Revenue
 20 Code on property acquired in an exchange if:
- 21 (i) the exchange would have been eligible for
 22 nonrecognition of gain or loss under Section 1031 of the
 23 Internal Revenue Code in effect on January 1, 2017;
- 24 (ii) the exchange is not eligible for nonrecognition of gain or
 25 loss under Section 1031 of the Internal Revenue Code; and
- 26 (iii) the taxpayer made an election to take deductions under
 27 Section 179 of the Internal Revenue Code with regard to the
 28 acquired property in the year that the property was placed
 29 into service.
- 30 The amount of deductions allowable for an item of property
 31 under this clause may not exceed the amount of adjusted gross
 32 income realized on the property that would have been deferred
 33 under the Internal Revenue Code in effect on January 1, 2017.
- 34 (8) Add to the extent required by IC 6-3-2-20:
- 35 (A) the amount of intangible expenses (as defined in
 36 IC 6-3-2-20) for the taxable year that reduced the corporation's
 37 taxable income (as defined in Section 63 of the Internal
 38 Revenue Code) for federal income tax purposes; and
- 39 (B) any directly related interest expenses (as defined in
 40 IC 6-3-2-20) that reduced the corporation's adjusted gross
 41 income (determined without regard to this subdivision). For
 42 purposes of this clause, any directly related interest expense



- 1 that constitutes business interest within the meaning of Section
 2 163(j) of the Internal Revenue Code shall be considered to
 3 have reduced the taxpayer's federal taxable income only in the
 4 first taxable year in which the deduction otherwise would have
 5 been allowable under Section 163 of the Internal Revenue
 6 Code if the limitation under Section 163(j)(1) of the Internal
 7 Revenue Code did not exist.
- 8 (9) Add an amount equal to any deduction for dividends paid (as
 9 defined in Section 561 of the Internal Revenue Code) to
 10 shareholders of a captive real estate investment trust (as defined
 11 in section 34.5 of this chapter).
- 12 (10) Subtract income that is:
- 13 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
 14 derived from patents); and
- 15 (B) included in the corporation's taxable income under the
 16 Internal Revenue Code.
- 17 (11) Add an amount equal to any income not included in gross
 18 income as a result of the deferral of income arising from business
 19 indebtedness discharged in connection with the reacquisition after
 20 December 31, 2008, and before January 1, 2011, of an applicable
 21 debt instrument, as provided in Section 108(i) of the Internal
 22 Revenue Code. Subtract from the adjusted gross income of any
 23 taxpayer that added an amount to adjusted gross income in a
 24 previous year the amount necessary to offset the amount included
 25 in federal gross income as a result of the deferral of income
 26 arising from business indebtedness discharged in connection with
 27 the reacquisition after December 31, 2008, and before January 1,
 28 2011, of an applicable debt instrument, as provided in Section
 29 108(i) of the Internal Revenue Code.
- 30 (12) Add the amount excluded from federal gross income under
 31 Section 103 of the Internal Revenue Code for interest received on
 32 an obligation of a state other than Indiana, or a political
 33 subdivision of such a state, that is acquired by the taxpayer after
 34 December 31, 2011. *For purposes of this subdivision:*
- 35 (A) *if the taxpayer receives interest from a pass through entity,*
 36 *a regulated investment company, a hedge fund, or similar*
 37 *arrangement, the taxpayer will be considered to have*
 38 *acquired the obligation on the date the entity acquired the*
 39 *obligation;*
- 40 (B) *if ownership of the obligation occurs by means other than*
 41 *a purchase, the date of acquisition of the obligation shall be*
 42 *the date ownership of the obligation was transferred, except*



1 *to the extent provided in clause (A), and if a portion of the*
 2 *obligation is acquired on multiple dates, the date of*
 3 *acquisition shall be considered separately for each portion of*
 4 *the obligation; and*

5 *(C) if ownership of the obligation occurred as the result of a*
 6 *refinancing of another obligation, the acquisition date shall be*
 7 *the date on which the obligation was refinanced.*

8 (13) For taxable years beginning after December 25, 2016:

9 (A) for a corporation other than a real estate investment trust,
 10 add:

11 (i) an amount equal to the amount reported by the taxpayer
 12 on IRC 965 Transition Tax Statement, line 1; or

13 (ii) if the taxpayer deducted an amount under Section 965(c)
 14 of the Internal Revenue Code in determining the taxpayer's
 15 taxable income for purposes of the federal income tax, the
 16 amount deducted under Section 965(c) of the Internal
 17 Revenue Code; and

18 (B) for a real estate investment trust, add an amount equal to
 19 the deduction for deferred foreign income that was claimed by
 20 the taxpayer for the taxable year under Section 965(c) of the
 21 Internal Revenue Code, but only to the extent that the taxpayer
 22 included income pursuant to Section 965 of the Internal
 23 Revenue Code in its taxable income for federal income tax
 24 purposes or is required to add back dividends paid under
 25 subdivision (9).

26 (14) Add an amount equal to the deduction that was claimed by
 27 the taxpayer for the taxable year under Section 250(a)(1)(B) of the
 28 Internal Revenue Code (attributable to global intangible
 29 low-taxed income). The taxpayer shall separately specify the
 30 amount of the reduction under Section 250(a)(1)(B)(i) of the
 31 Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the
 32 Internal Revenue Code.

33 (15) Subtract any interest expense paid or accrued in the current
 34 taxable year but not deducted as a result of the limitation imposed
 35 under Section 163(j)(1) of the Internal Revenue Code. Add any
 36 interest expense paid or accrued in a previous taxable year but
 37 allowed as a deduction under Section 163 of the Internal Revenue
 38 Code in the current taxable year. For purposes of this subdivision,
 39 an interest expense is considered paid or accrued only in the first
 40 taxable year the deduction would have been allowable under
 41 Section 163 of the Internal Revenue Code if the limitation under
 42 Section 163(j)(1) of the Internal Revenue Code did not exist.



- 1 (16) Subtract the amount that would have been excluded from
 2 gross income but for the enactment of Section 118(b)(2) of the
 3 Internal Revenue Code for taxable years ending after December
 4 22, 2017.
- 5 (17) Add an amount equal to the remainder of:
 6 (A) the amount allowable as a deduction under Section 274(n)
 7 of the Internal Revenue Code; minus
 8 (B) the amount otherwise allowable as a deduction under
 9 Section 274(n) of the Internal Revenue Code, if Section
 10 274(n)(2)(D) of the Internal Revenue Code was not in effect
 11 for amounts paid or incurred after December 31, 2020.
- 12 (18) For taxable years ending after March 12, 2020, subtract an
 13 amount equal to the deduction disallowed pursuant to:
 14 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
 15 as modified by Sections 206 and 207 of the Taxpayer Certainty
 16 and Disaster Relief Tax Act (Division EE of Public Law
 17 116-260); and
 18 (B) Section 3134(e) of the Internal Revenue Code.
- 19 (19) For taxable years beginning after December 31, 2022,
 20 subtract an amount equal to the deduction disallowed under
 21 Section 280C(h) of the Internal Revenue Code.
- 22 (20) *For taxable years beginning after December 31, 2021,*
 23 *subtract the amount of any:*
 24 *(A) federal, state, or local grant received by the taxpayer; and*
 25 *(B) discharged federal, state, or local indebtedness incurred*
 26 *by the taxpayer;*
 27 *for purposes of providing or expanding access to broadband*
 28 *service in this state.*
- 29 (21) *For taxable years beginning after December 31, 2021, add*
 30 *or subtract amounts related to specified research or experimental*
 31 *procedures as required under IC 6-3-2-29.*
- 32 **(22) Subtract the amount of short term or long term capital**
 33 **gain that is attributable to the sale or exchange of one (1) or**
 34 **more digital assets in a transaction and that is included in**
 35 **federal adjusted gross income, not to exceed:**
 36 **(A) for taxable years beginning after December 31, 2023,**
 37 **and before January 1, 2025, two hundred dollars (\$200)**
 38 **per transaction; and**
 39 **(B) for taxable years beginning after December 31, 2024,**
 40 **an amount per transaction equal to the maximum**
 41 **deduction allowed under this subdivision in the**
 42 **immediately preceding calendar year adjusted by the**



1 **annual percentage change in the Consumer Price Index for**
2 **All Urban Consumers published by the federal Bureau of**
3 **Labor Statistics for the immediately preceding calendar**
4 **year.**

5 ~~(20)~~ ~~(22)~~ **(23)** Add or subtract any other amounts the taxpayer is:
6 (A) required to add or subtract; or
7 (B) entitled to deduct;
8 under IC 6-3-2.

9 (c) The following apply to taxable years beginning after December
10 31, 2018, for purposes of the add back of any deduction allowed on the
11 taxpayer's federal income tax return for wagering taxes, as provided in
12 subsection (a)(2) if the taxpayer is an individual or subsection (b)(3) if
13 the taxpayer is a corporation:

14 (1) For taxable years beginning after December 31, 2018, and
15 before January 1, 2020, a taxpayer is required to add back under
16 this section eighty-seven and five-tenths percent (87.5%) of any
17 deduction allowed on the taxpayer's federal income tax return for
18 wagering taxes.

19 (2) For taxable years beginning after December 31, 2019, and
20 before January 1, 2021, a taxpayer is required to add back under
21 this section seventy-five percent (75%) of any deduction allowed
22 on the taxpayer's federal income tax return for wagering taxes.

23 (3) For taxable years beginning after December 31, 2020, and
24 before January 1, 2022, a taxpayer is required to add back under
25 this section sixty-two and five-tenths percent (62.5%) of any
26 deduction allowed on the taxpayer's federal income tax return for
27 wagering taxes.

28 (4) For taxable years beginning after December 31, 2021, and
29 before January 1, 2023, a taxpayer is required to add back under
30 this section fifty percent (50%) of any deduction allowed on the
31 taxpayer's federal income tax return for wagering taxes.

32 (5) For taxable years beginning after December 31, 2022, and
33 before January 1, 2024, a taxpayer is required to add back under
34 this section thirty-seven and five-tenths percent (37.5%) of any
35 deduction allowed on the taxpayer's federal income tax return for
36 wagering taxes.

37 (6) For taxable years beginning after December 31, 2023, and
38 before January 1, 2025, a taxpayer is required to add back under
39 this section twenty-five percent (25%) of any deduction allowed
40 on the taxpayer's federal income tax return for wagering taxes.

41 (7) For taxable years beginning after December 31, 2024, and
42 before January 1, 2026, a taxpayer is required to add back under



- 1 this section twelve and five-tenths percent (12.5%) of any
2 deduction allowed on the taxpayer's federal income tax return for
3 wagering taxes.
- 4 (8) For taxable years beginning after December 31, 2025, a
5 taxpayer is not required to add back under this section any amount
6 of a deduction allowed on the taxpayer's federal income tax return
7 for wagering taxes.
- 8 (d) In the case of life insurance companies (as defined in Section
9 816(a) of the Internal Revenue Code) that are organized under Indiana
10 law, the same as "life insurance company taxable income" (as defined
11 in Section 801 of the Internal Revenue Code), adjusted as follows:
- 12 (1) Subtract income that is exempt from taxation under this article
13 by the Constitution and statutes of the United States.
- 14 (2) Add an amount equal to any deduction allowed or allowable
15 under Section 170 of the Internal Revenue Code (concerning
16 charitable contributions).
- 17 (3) Add an amount equal to a deduction allowed or allowable
18 under Section 805 or Section 832(c) of the Internal Revenue Code
19 for taxes based on or measured by income and levied at the state
20 level by any state.
- 21 (4) Subtract an amount equal to the amount included in the
22 company's taxable income under Section 78 of the Internal
23 Revenue Code (concerning foreign tax credits).
- 24 (5) Add or subtract the amount necessary to make the adjusted
25 gross income of any taxpayer that owns property for which bonus
26 depreciation was allowed in the current taxable year or in an
27 earlier taxable year equal to the amount of adjusted gross income
28 that would have been computed had an election not been made
29 under Section 168(k) of the Internal Revenue Code to apply bonus
30 depreciation to the property in the year that it was placed in
31 service.
- 32 (6) Add an amount equal to any deduction allowed under Section
33 172 of the Internal Revenue Code (concerning net operating
34 losses).
- 35 (7) Add or subtract the amount necessary to make the adjusted
36 gross income of any taxpayer that placed Section 179 property (as
37 defined in Section 179 of the Internal Revenue Code) in service
38 in the current taxable year or in an earlier taxable year equal to
39 the amount of adjusted gross income that would have been
40 computed had an election for federal income tax purposes not
41 been made for the year in which the property was placed in
42 service to take deductions under Section 179 of the Internal



- 1 Revenue Code in a total amount exceeding the sum of:
- 2 (A) twenty-five thousand dollars (\$25,000) to the extent
- 3 deductions under Section 179 of the Internal Revenue Code
- 4 were not elected as provided in clause (B); and
- 5 (B) for taxable years beginning after December 31, 2017, the
- 6 deductions elected under Section 179 of the Internal Revenue
- 7 Code on property acquired in an exchange if:
- 8 (i) the exchange would have been eligible for
- 9 nonrecognition of gain or loss under Section 1031 of the
- 10 Internal Revenue Code in effect on January 1, 2017;
- 11 (ii) the exchange is not eligible for nonrecognition of gain or
- 12 loss under Section 1031 of the Internal Revenue Code; and
- 13 (iii) the taxpayer made an election to take deductions under
- 14 Section 179 of the Internal Revenue Code with regard to the
- 15 acquired property in the year that the property was placed
- 16 into service.
- 17 The amount of deductions allowable for an item of property
- 18 under this clause may not exceed the amount of adjusted gross
- 19 income realized on the property that would have been deferred
- 20 under the Internal Revenue Code in effect on January 1, 2017.
- 21 (8) Subtract income that is:
- 22 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
- 23 derived from patents); and
- 24 (B) included in the insurance company's taxable income under
- 25 the Internal Revenue Code.
- 26 (9) Add an amount equal to any income not included in gross
- 27 income as a result of the deferral of income arising from business
- 28 indebtedness discharged in connection with the reacquisition after
- 29 December 31, 2008, and before January 1, 2011, of an applicable
- 30 debt instrument, as provided in Section 108(i) of the Internal
- 31 Revenue Code. Subtract from the adjusted gross income of any
- 32 taxpayer that added an amount to adjusted gross income in a
- 33 previous year the amount necessary to offset the amount included
- 34 in federal gross income as a result of the deferral of income
- 35 arising from business indebtedness discharged in connection with
- 36 the reacquisition after December 31, 2008, and before January 1,
- 37 2011, of an applicable debt instrument, as provided in Section
- 38 108(i) of the Internal Revenue Code.
- 39 (10) Add an amount equal to any exempt insurance income under
- 40 Section 953(e) of the Internal Revenue Code that is active
- 41 financing income under Subpart F of Subtitle A, Chapter 1,
- 42 Subchapter N of the Internal Revenue Code.



- 1 (11) Add the amount excluded from federal gross income under
 2 Section 103 of the Internal Revenue Code for interest received on
 3 an obligation of a state other than Indiana, or a political
 4 subdivision of such a state, that is acquired by the taxpayer after
 5 December 31, 2011. *For purposes of this subdivision:*
 6 *(A) if the taxpayer receives interest from a pass through entity,*
 7 *a regulated investment company, a hedge fund, or similar*
 8 *arrangement, the taxpayer will be considered to have*
 9 *acquired the obligation on the date the entity acquired the*
 10 *obligation;*
 11 *(B) if ownership of the obligation occurs by means other than*
 12 *a purchase, the date of acquisition of the obligation shall be*
 13 *the date ownership of the obligation was transferred, except*
 14 *to the extent provided in clause (A), and if a portion of the*
 15 *obligation is acquired on multiple dates, the date of*
 16 *acquisition shall be considered separately for each portion of*
 17 *the obligation; and*
 18 *(C) if ownership of the obligation occurred as the result of a*
 19 *refinancing of another obligation, the acquisition date shall be*
 20 *the date on which the obligation was refinanced.*
 21 (12) For taxable years beginning after December 25, 2016, add:
 22 (A) an amount equal to the amount reported by the taxpayer on
 23 IRC 965 Transition Tax Statement, line 1; or
 24 (B) if the taxpayer deducted an amount under Section 965(c)
 25 of the Internal Revenue Code in determining the taxpayer's
 26 taxable income for purposes of the federal income tax, the
 27 amount deducted under Section 965(c) of the Internal Revenue
 28 Code.
 29 (13) Add an amount equal to the deduction that was claimed by
 30 the taxpayer for the taxable year under Section 250(a)(1)(B) of the
 31 Internal Revenue Code (attributable to global intangible
 32 low-taxed income). The taxpayer shall separately specify the
 33 amount of the reduction under Section 250(a)(1)(B)(i) of the
 34 Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the
 35 Internal Revenue Code.
 36 (14) Subtract any interest expense paid or accrued in the current
 37 taxable year but not deducted as a result of the limitation imposed
 38 under Section 163(j)(1) of the Internal Revenue Code. Add any
 39 interest expense paid or accrued in a previous taxable year but
 40 allowed as a deduction under Section 163 of the Internal Revenue
 41 Code in the current taxable year. For purposes of this subdivision,
 42 an interest expense is considered paid or accrued only in the first



- 1 taxable year the deduction would have been allowable under
 2 Section 163 of the Internal Revenue Code if the limitation under
 3 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 4 (15) Subtract the amount that would have been excluded from
 5 gross income but for the enactment of Section 118(b)(2) of the
 6 Internal Revenue Code for taxable years ending after December
 7 22, 2017.
- 8 (16) Add an amount equal to the remainder of:
 9 (A) the amount allowable as a deduction under Section 274(n)
 10 of the Internal Revenue Code; minus
 11 (B) the amount otherwise allowable as a deduction under
 12 Section 274(n) of the Internal Revenue Code, if Section
 13 274(n)(2)(D) of the Internal Revenue Code was not in effect
 14 for amounts paid or incurred after December 31, 2020.
- 15 (17) For taxable years ending after March 12, 2020, subtract an
 16 amount equal to the deduction disallowed pursuant to:
 17 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
 18 as modified by Sections 206 and 207 of the Taxpayer Certainty
 19 and Disaster Relief Tax Act (Division EE of Public Law
 20 116-260); and
 21 (B) Section 3134(e) of the Internal Revenue Code.
- 22 (18) For taxable years beginning after December 31, 2022,
 23 subtract an amount equal to the deduction disallowed under
 24 Section 280C(h) of the Internal Revenue Code.
- 25 *(19) For taxable years beginning after December 31, 2021, add*
 26 *or subtract amounts related to specified research or experimental*
 27 *procedures as required under IC 6-3-2-29.*
- 28 **(20) Subtract the amount of short term or long term capital**
 29 **gain that is attributable to the sale or exchange of one (1) or**
 30 **more digital assets in a transaction and that is included in**
 31 **federal adjusted gross income, not to exceed:**
 32 **(A) for taxable years beginning after December 31, 2023,**
 33 **and before January 1, 2025, two hundred dollars (\$200)**
 34 **per transaction; and**
 35 **(B) for taxable years beginning after December 31, 2024,**
 36 **an amount per transaction equal to the maximum**
 37 **deduction allowed under this subdivision in the**
 38 **immediately preceding calendar year adjusted by the**
 39 **annual percentage change in the Consumer Price Index for**
 40 **All Urban Consumers published by the federal Bureau of**
 41 **Labor Statistics for the immediately preceding calendar**
 42 **year.**



- 1 ~~(19)~~ ~~(20)~~ **(21)** Add or subtract any other amounts the taxpayer is:
 2 (A) required to add or subtract; or
 3 (B) entitled to deduct;
 4 under IC 6-3-2.
- 5 (e) In the case of insurance companies subject to tax under Section
 6 831 of the Internal Revenue Code and organized under Indiana law, the
 7 same as "taxable income" (as defined in Section 832 of the Internal
 8 Revenue Code), adjusted as follows:
- 9 (1) Subtract income that is exempt from taxation under this article
 10 by the Constitution and statutes of the United States.
- 11 (2) Add an amount equal to any deduction allowed or allowable
 12 under Section 170 of the Internal Revenue Code (concerning
 13 charitable contributions).
- 14 (3) Add an amount equal to a deduction allowed or allowable
 15 under Section 805 or Section 832(c) of the Internal Revenue Code
 16 for taxes based on or measured by income and levied at the state
 17 level by any state.
- 18 (4) Subtract an amount equal to the amount included in the
 19 company's taxable income under Section 78 of the Internal
 20 Revenue Code (concerning foreign tax credits).
- 21 (5) Add or subtract the amount necessary to make the adjusted
 22 gross income of any taxpayer that owns property for which bonus
 23 depreciation was allowed in the current taxable year or in an
 24 earlier taxable year equal to the amount of adjusted gross income
 25 that would have been computed had an election not been made
 26 under Section 168(k) of the Internal Revenue Code to apply bonus
 27 depreciation to the property in the year that it was placed in
 28 service.
- 29 (6) Add an amount equal to any deduction allowed under Section
 30 172 of the Internal Revenue Code (concerning net operating
 31 losses).
- 32 (7) Add or subtract the amount necessary to make the adjusted
 33 gross income of any taxpayer that placed Section 179 property (as
 34 defined in Section 179 of the Internal Revenue Code) in service
 35 in the current taxable year or in an earlier taxable year equal to
 36 the amount of adjusted gross income that would have been
 37 computed had an election for federal income tax purposes not
 38 been made for the year in which the property was placed in
 39 service to take deductions under Section 179 of the Internal
 40 Revenue Code in a total amount exceeding the sum of:
- 41 (A) twenty-five thousand dollars (\$25,000) to the extent
 42 deductions under Section 179 of the Internal Revenue Code



1 were not elected as provided in clause (B); and
 2 (B) for taxable years beginning after December 31, 2017, the
 3 deductions elected under Section 179 of the Internal Revenue
 4 Code on property acquired in an exchange if:

5 (i) the exchange would have been eligible for
 6 nonrecognition of gain or loss under Section 1031 of the
 7 Internal Revenue Code in effect on January 1, 2017;

8 (ii) the exchange is not eligible for nonrecognition of gain or
 9 loss under Section 1031 of the Internal Revenue Code; and

10 (iii) the taxpayer made an election to take deductions under
 11 Section 179 of the Internal Revenue Code with regard to the
 12 acquired property in the year that the property was placed
 13 into service.

14 The amount of deductions allowable for an item of property
 15 under this clause may not exceed the amount of adjusted gross
 16 income realized on the property that would have been deferred
 17 under the Internal Revenue Code in effect on January 1, 2017.

18 (8) Subtract income that is:

19 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
 20 derived from patents); and

21 (B) included in the insurance company's taxable income under
 22 the Internal Revenue Code.

23 (9) Add an amount equal to any income not included in gross
 24 income as a result of the deferral of income arising from business
 25 indebtedness discharged in connection with the reacquisition after
 26 December 31, 2008, and before January 1, 2011, of an applicable
 27 debt instrument, as provided in Section 108(i) of the Internal
 28 Revenue Code. Subtract from the adjusted gross income of any
 29 taxpayer that added an amount to adjusted gross income in a
 30 previous year the amount necessary to offset the amount included
 31 in federal gross income as a result of the deferral of income
 32 arising from business indebtedness discharged in connection with
 33 the reacquisition after December 31, 2008, and before January 1,
 34 2011, of an applicable debt instrument, as provided in Section
 35 108(i) of the Internal Revenue Code.

36 (10) Add an amount equal to any exempt insurance income under
 37 Section 953(e) of the Internal Revenue Code that is active
 38 financing income under Subpart F of Subtitle A, Chapter 1,
 39 Subchapter N of the Internal Revenue Code.

40 (11) Add the amount excluded from federal gross income under
 41 Section 103 of the Internal Revenue Code for interest received on
 42 an obligation of a state other than Indiana, or a political



1 subdivision of such a state, that is acquired by the taxpayer after
 2 December 31, 2011. *For purposes of this subdivision:*

3 *(A) if the taxpayer receives interest from a pass through entity,*
 4 *a regulated investment company, a hedge fund, or similar*
 5 *arrangement, the taxpayer will be considered to have*
 6 *acquired the obligation on the date the entity acquired the*
 7 *obligation;*

8 *(B) if ownership of the obligation occurs by means other than*
 9 *a purchase, the date of acquisition of the obligation shall be*
 10 *the date ownership of the obligation was transferred, except*
 11 *to the extent provided in clause (A), and if a portion of the*
 12 *obligation is acquired on multiple dates, the date of*
 13 *acquisition shall be considered separately for each portion of*
 14 *the obligation; and*

15 *(C) if ownership of the obligation occurred as the result of a*
 16 *refinancing of another obligation, the acquisition date shall be*
 17 *the date on which the obligation was refinanced.*

18 (12) For taxable years beginning after December 25, 2016, add:

19 (A) an amount equal to the amount reported by the taxpayer on
 20 IRC 965 Transition Tax Statement, line 1; or

21 (B) if the taxpayer deducted an amount under Section 965(c)
 22 of the Internal Revenue Code in determining the taxpayer's
 23 taxable income for purposes of the federal income tax, the
 24 amount deducted under Section 965(c) of the Internal Revenue
 25 Code.

26 (13) Add an amount equal to the deduction that was claimed by
 27 the taxpayer for the taxable year under Section 250(a)(1)(B) of the
 28 Internal Revenue Code (attributable to global intangible
 29 low-taxed income). The taxpayer shall separately specify the
 30 amount of the reduction under Section 250(a)(1)(B)(i) of the
 31 Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the
 32 Internal Revenue Code.

33 (14) Subtract any interest expense paid or accrued in the current
 34 taxable year but not deducted as a result of the limitation imposed
 35 under Section 163(j)(1) of the Internal Revenue Code. Add any
 36 interest expense paid or accrued in a previous taxable year but
 37 allowed as a deduction under Section 163 of the Internal Revenue
 38 Code in the current taxable year. For purposes of this subdivision,
 39 an interest expense is considered paid or accrued only in the first
 40 taxable year the deduction would have been allowable under
 41 Section 163 of the Internal Revenue Code if the limitation under
 42 Section 163(j)(1) of the Internal Revenue Code did not exist.



- 1 (15) Subtract the amount that would have been excluded from
 2 gross income but for the enactment of Section 118(b)(2) of the
 3 Internal Revenue Code for taxable years ending after December
 4 22, 2017.
- 5 (16) Add an amount equal to the remainder of:
 6 (A) the amount allowable as a deduction under Section 274(n)
 7 of the Internal Revenue Code; minus
 8 (B) the amount otherwise allowable as a deduction under
 9 Section 274(n) of the Internal Revenue Code, if Section
 10 274(n)(2)(D) of the Internal Revenue Code was not in effect
 11 for amounts paid or incurred after December 31, 2020.
- 12 (17) For taxable years ending after March 12, 2020, subtract an
 13 amount equal to the deduction disallowed pursuant to:
 14 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
 15 as modified by Sections 206 and 207 of the Taxpayer Certainty
 16 and Disaster Relief Tax Act (Division EE of Public Law
 17 116-260); and
 18 (B) Section 3134(e) of the Internal Revenue Code.
- 19 (18) For taxable years beginning after December 31, 2022,
 20 subtract an amount equal to the deduction disallowed under
 21 Section 280C(h) of the Internal Revenue Code.
- 22 *(19) For taxable years beginning after December 31, 2021, add*
 23 *or subtract amounts related to specified research or experimental*
 24 *procedures as required under IC 6-3-2-29.*
- 25 **(20) Subtract the amount of short term or long term capital**
 26 **gain that is attributable to the sale or exchange of one (1) or**
 27 **more digital assets in a transaction and that is included in**
 28 **federal adjusted gross income, not to exceed:**
 29 **(A) for taxable years beginning after December 31, 2023,**
 30 **and before January 1, 2025, two hundred dollars (\$200)**
 31 **per transaction; and**
 32 **(B) for taxable years beginning after December 31, 2024,**
 33 **an amount per transaction equal to the maximum**
 34 **deduction allowed under this subdivision in the**
 35 **immediately preceding calendar year adjusted by the**
 36 **annual percentage change in the Consumer Price Index for**
 37 **All Urban Consumers published by the federal Bureau of**
 38 **Labor Statistics for the immediately preceding calendar**
 39 **year.**
- 40 ~~(19)~~ ~~(20)~~ **(21) Add or subtract any other amounts the taxpayer is:**
 41 **(A) required to add or subtract; or**
 42 **(B) entitled to deduct;**



- 1 under IC 6-3-2.
- 2 (f) In the case of trusts and estates, "taxable income" (as defined for
- 3 trusts and estates in Section 641(b) of the Internal Revenue Code)
- 4 adjusted as follows:
- 5 (1) Subtract income that is exempt from taxation under this article
- 6 by the Constitution and statutes of the United States.
- 7 (2) Subtract an amount equal to the amount of a September 11
- 8 terrorist attack settlement payment included in the federal
- 9 adjusted gross income of the estate of a victim of the September
- 10 11 terrorist attack or a trust to the extent the trust benefits a victim
- 11 of the September 11 terrorist attack.
- 12 (3) Add or subtract the amount necessary to make the adjusted
- 13 gross income of any taxpayer that owns property for which bonus
- 14 depreciation was allowed in the current taxable year or in an
- 15 earlier taxable year equal to the amount of adjusted gross income
- 16 that would have been computed had an election not been made
- 17 under Section 168(k) of the Internal Revenue Code to apply bonus
- 18 depreciation to the property in the year that it was placed in
- 19 service.
- 20 (4) Add an amount equal to any deduction allowed under Section
- 21 172 of the Internal Revenue Code (concerning net operating
- 22 losses).
- 23 (5) Add or subtract the amount necessary to make the adjusted
- 24 gross income of any taxpayer that placed Section 179 property (as
- 25 defined in Section 179 of the Internal Revenue Code) in service
- 26 in the current taxable year or in an earlier taxable year equal to
- 27 the amount of adjusted gross income that would have been
- 28 computed had an election for federal income tax purposes not
- 29 been made for the year in which the property was placed in
- 30 service to take deductions under Section 179 of the Internal
- 31 Revenue Code in a total amount exceeding the sum of:
- 32 (A) twenty-five thousand dollars (\$25,000) to the extent
- 33 deductions under Section 179 of the Internal Revenue Code
- 34 were not elected as provided in clause (B); and
- 35 (B) for taxable years beginning after December 31, 2017, the
- 36 deductions elected under Section 179 of the Internal Revenue
- 37 Code on property acquired in an exchange if:
- 38 (i) the exchange would have been eligible for
- 39 nonrecognition of gain or loss under Section 1031 of the
- 40 Internal Revenue Code in effect on January 1, 2017;
- 41 (ii) the exchange is not eligible for nonrecognition of gain or
- 42 loss under Section 1031 of the Internal Revenue Code; and



1 (iii) the taxpayer made an election to take deductions under
 2 Section 179 of the Internal Revenue Code with regard to the
 3 acquired property in the year that the property was placed
 4 into service.

5 The amount of deductions allowable for an item of property
 6 under this clause may not exceed the amount of adjusted gross
 7 income realized on the property that would have been deferred
 8 under the Internal Revenue Code in effect on January 1, 2017.

9 (6) Subtract income that is:

10 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
 11 derived from patents); and

12 (B) included in the taxpayer's taxable income under the
 13 Internal Revenue Code.

14 (7) Add an amount equal to any income not included in gross
 15 income as a result of the deferral of income arising from business
 16 indebtedness discharged in connection with the reacquisition after
 17 December 31, 2008, and before January 1, 2011, of an applicable
 18 debt instrument, as provided in Section 108(i) of the Internal
 19 Revenue Code. Subtract from the adjusted gross income of any
 20 taxpayer that added an amount to adjusted gross income in a
 21 previous year the amount necessary to offset the amount included
 22 in federal gross income as a result of the deferral of income
 23 arising from business indebtedness discharged in connection with
 24 the reacquisition after December 31, 2008, and before January 1,
 25 2011, of an applicable debt instrument, as provided in Section
 26 108(i) of the Internal Revenue Code.

27 (8) Add the amount excluded from federal gross income under
 28 Section 103 of the Internal Revenue Code for interest received on
 29 an obligation of a state other than Indiana, or a political
 30 subdivision of such a state, that is acquired by the taxpayer after
 31 December 31, 2011. *For purposes of this subdivision:*

32 (A) *if the taxpayer receives interest from a pass through entity,*
 33 *a regulated investment company, a hedge fund, or similar*
 34 *arrangement, the taxpayer will be considered to have*
 35 *acquired the obligation on the date the entity acquired the*
 36 *obligation;*

37 (B) *if ownership of the obligation occurs by means other than*
 38 *a purchase, the date of acquisition of the obligation shall be*
 39 *the date ownership of the obligation was transferred, except*
 40 *to the extent provided in clause (A), and if a portion of the*
 41 *obligation is acquired on multiple dates, the date of*
 42 *acquisition shall be considered separately for each portion of*



- 1 *the obligation; and*
 2 *(C) if ownership of the obligation occurred as the result of a*
 3 *refinancing of another obligation, the acquisition date shall be*
 4 *the date on which the obligation was refinanced.*
 5 (9) For taxable years beginning after December 25, 2016, add an
 6 amount equal to:
 7 (A) the amount reported by the taxpayer on IRC 965
 8 Transition Tax Statement, line 1;
 9 (B) if the taxpayer deducted an amount under Section 965(c)
 10 of the Internal Revenue Code in determining the taxpayer's
 11 taxable income for purposes of the federal income tax, the
 12 amount deducted under Section 965(c) of the Internal Revenue
 13 Code; and
 14 (C) with regard to any amounts of income under Section 965
 15 of the Internal Revenue Code distributed by the taxpayer, the
 16 deduction under Section 965(c) of the Internal Revenue Code
 17 attributable to such distributed amounts and not reported to the
 18 beneficiary.
 19 For purposes of this article, the amount required to be added back
 20 under clause (B) is not considered to be distributed or
 21 distributable to a beneficiary of the estate or trust for purposes of
 22 Sections 651 and 661 of the Internal Revenue Code.
 23 (10) Subtract any interest expense paid or accrued in the current
 24 taxable year but not deducted as a result of the limitation imposed
 25 under Section 163(j)(1) of the Internal Revenue Code. Add any
 26 interest expense paid or accrued in a previous taxable year but
 27 allowed as a deduction under Section 163 of the Internal Revenue
 28 Code in the current taxable year. For purposes of this subdivision,
 29 an interest expense is considered paid or accrued only in the first
 30 taxable year the deduction would have been allowable under
 31 Section 163 of the Internal Revenue Code if the limitation under
 32 Section 163(j)(1) of the Internal Revenue Code did not exist.
 33 (11) Add an amount equal to the deduction for qualified business
 34 income that was claimed by the taxpayer for the taxable year
 35 under Section 199A of the Internal Revenue Code.
 36 (12) Subtract the amount that would have been excluded from
 37 gross income but for the enactment of Section 118(b)(2) of the
 38 Internal Revenue Code for taxable years ending after December
 39 22, 2017.
 40 (13) Add an amount equal to the remainder of:
 41 (A) the amount allowable as a deduction under Section 274(n)
 42 of the Internal Revenue Code; minus



- 1 (B) the amount otherwise allowable as a deduction under
 2 Section 274(n) of the Internal Revenue Code, if Section
 3 274(n)(2)(D) of the Internal Revenue Code was not in effect
 4 for amounts paid or incurred after December 31, 2020.
- 5 (14) For taxable years beginning after December 31, 2017, and
 6 before January 1, 2021, add an amount equal to the excess
 7 business loss of the taxpayer as defined in Section 461(l)(3) of the
 8 Internal Revenue Code. In addition:
- 9 (A) If a taxpayer has an excess business loss under this
 10 subdivision and also has modifications under subdivisions (3)
 11 and (5) for property placed in service during the taxable year,
 12 the taxpayer shall treat a portion of the taxable year
 13 modifications for that property as occurring in the taxable year
 14 the property is placed in service and a portion of the
 15 modifications as occurring in the immediately following
 16 taxable year.
- 17 (B) The portion of the modifications under subdivisions (3)
 18 and (5) for property placed in service during the taxable year
 19 treated as occurring in the taxable year in which the property
 20 is placed in service equals:
- 21 (i) the modification for the property otherwise determined
 22 under this section; minus
 23 (ii) the excess business loss disallowed under this
 24 subdivision;
 25 but not less than zero (0).
- 26 (C) The portion of the modifications under subdivisions (3)
 27 and (5) for property placed in service during the taxable year
 28 treated as occurring in the taxable year immediately following
 29 the taxable year in which the property is placed in service
 30 equals the modification for the property otherwise determined
 31 under this section minus the amount in clause (B).
- 32 (D) Any reallocation of modifications between taxable years
 33 under clauses (B) and (C) shall be first allocated to the
 34 modification under subdivision (3), then to the modification
 35 under subdivision (5).
- 36 (15) For taxable years ending after March 12, 2020, subtract an
 37 amount equal to the deduction disallowed pursuant to:
- 38 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
 39 as modified by Sections 206 and 207 of the Taxpayer Certainty
 40 and Disaster Relief Tax Act (Division EE of Public Law
 41 116-260); and
 42 (B) Section 3134(e) of the Internal Revenue Code.



- 1 (16) For taxable years beginning after December 31, 2022,
 2 subtract an amount equal to the deduction disallowed under
 3 Section 280C(h) of the Internal Revenue Code.
- 4 (17) Except as provided in subsection (c), for taxable years
 5 beginning after December 31, 2022, add an amount equal to any
 6 deduction or deductions allowed or allowable in determining
 7 taxable income under Section 641(b) of the Internal Revenue
 8 Code for taxes based on or measured by income and levied at the
 9 state level by any state of the United States.
- 10 *(18) For taxable years beginning after December 31, 2021, add*
 11 *or subtract amounts related to specified research or experimental*
 12 *procedures as required under IC 6-3-2-29.*
- 13 **(19) Subtract the amount of short term or long term capital**
 14 **gain that is attributable to the sale or exchange of one (1) or**
 15 **more digital assets in a transaction and that is included in**
 16 **federal adjusted gross income, not to exceed:**
- 17 **(A) for taxable years beginning after December 31, 2023,**
 18 **and before January 1, 2025, two hundred dollars (\$200)**
 19 **per transaction; and**
- 20 **(B) for taxable years beginning after December 31, 2024,**
 21 **an amount per transaction equal to the maximum**
 22 **deduction allowed under this subdivision in the**
 23 **immediately preceding calendar year adjusted by the**
 24 **annual percentage change in the Consumer Price Index for**
 25 **All Urban Consumers published by the federal Bureau of**
 26 **Labor Statistics for the immediately preceding calendar**
 27 **year.**
- 28 ~~(18)~~ ~~(19)~~ **(20) Add or subtract any other amounts the taxpayer is:**
 29 **(A) required to add or subtract; or**
 30 **(B) entitled to deduct;**
 31 **under IC 6-3-2.**
- 32 **(g) For purposes of IC 6-3-2.1, IC 6-3-4-12, IC 6-3-4-13, and**
 33 **IC 6-3-4-15 for taxable years beginning after December 31, 2022,**
 34 **"adjusted gross income" of a pass through entity means the *aggregate***
 35 ***of* items of ordinary income and loss in the case of a partnership or a**
 36 **corporation described in IC 6-3-2-2.8(2), or *aggregate distributable net***
 37 ***income of a trust or estate as defined in Section 643 of the Internal***
 38 ***Revenue Code; distributions subject to tax for state and federal income***
 39 ***tax for beneficiaries in the case of a trust or estate, whichever is***
 40 **applicable, for the taxable year modified as follows:**
- 41 **(1) Add the separately stated items of income and gains, or the**
 42 **equivalent items that must be considered separately by a**



1 beneficiary, as determined for federal purposes, attributed to the
 2 partners, shareholders, or beneficiaries of the pass through entity,
 3 determined without regard to whether the owner is permitted to
 4 exclude all or part of the income or gain or deduct any amount
 5 against the income or gain.

6 (2) Subtract the separately stated items of deductions or losses or
 7 items that must be considered separately by beneficiaries, as
 8 determined for federal purposes, attributed to partners,
 9 shareholders, or beneficiaries of the pass through entity and that
 10 are deductible by an individual in determining adjusted gross
 11 income as defined under Section 62 of the Internal Revenue
 12 Code:

13 (A) limited as if the partners, shareholders, and beneficiaries
 14 deducted the maximum allowable loss or deduction allowable
 15 for the taxable year prior to any amount deductible from the
 16 pass through entity; but

17 (B) not considering any disallowance of deductions resulting
 18 from federal basis limitations for the partner, shareholder, or
 19 beneficiary.

20 (3) Add or subtract any modifications to adjusted gross income
 21 that would be required both for individuals under subsection (a)
 22 and corporations under subsection (b) to the extent otherwise
 23 provided in those subsections, including amounts that are
 24 allowable for which such modifications are necessary to account
 25 for separately stated items in subdivision (1) or (2).

26 (h) Subsections ~~(a)(35); (b)(20); (d)(19); (e)(19); or (f)(18)~~ ~~(a)(36);~~
 27 ~~(b)(22); (d)(20); (e)(20); or (f)(19)~~ **(a)(37), (b)(23), (d)(21), (e)(21), or**
 28 **(f)(20)** may not be construed to require an add back or allow a
 29 deduction or exemption more than once for a particular add back,
 30 deduction, or exemption.

31 (i) For taxable years beginning after December 25, 2016, if:

32 (1) a taxpayer is a shareholder, either directly or indirectly, in a
 33 corporation that is an E&P deficit foreign corporation as defined
 34 in Section 965(b)(3)(B) of the Internal Revenue Code, and the
 35 earnings and profit deficit, or a portion of the earnings and profit
 36 deficit, of the E&P deficit foreign corporation is permitted to
 37 reduce the federal adjusted gross income or federal taxable
 38 income of the taxpayer, the deficit, or the portion of the deficit,
 39 shall also reduce the amount taxable under this section to the
 40 extent permitted under the Internal Revenue Code, however, in no
 41 case shall this permit a reduction in the amount taxable under
 42 Section 965 of the Internal Revenue Code for purposes of this



1 section to be less than zero (0); and
 2 (2) the Internal Revenue Service issues guidance that such an
 3 income or deduction is not reported directly on a federal tax
 4 return or is to be reported in a manner different than specified in
 5 this section, this section shall be construed as if federal adjusted
 6 gross income or federal taxable income included the income or
 7 deduction.

8 (j) If a partner is required to include an item of income, a deduction,
 9 or another tax attribute in the partner's adjusted gross income tax return
 10 pursuant to IC 6-3-4.5, such item shall be considered to be includible
 11 in the partner's federal adjusted gross income or federal taxable
 12 income, regardless of whether such item is actually required to be
 13 reported by the partner for federal income tax purposes. For purposes
 14 of this subsection:

- 15 (1) items for which a valid election is made under IC 6-3-4.5-6,
 16 IC 6-3-4.5-8, or IC 6-3-4.5-9 shall not be required to be included
 17 in the partner's adjusted gross income or taxable income; and
 18 (2) items for which the partnership did not make an election under
 19 IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9, but for which the
 20 partnership is required to remit tax pursuant to IC 6-3-4.5-18,
 21 shall be included in the partner's adjusted gross income or taxable
 22 income.

23 (k) *The following apply for purposes of this section:*

24 (1) *For purposes of subsections (b) and (f), if a taxpayer is an*
 25 *organization that has more than one (1) trade or business subject*
 26 *to the provisions of Section 512(a)(6) of the Internal Revenue*
 27 *Code, the following rules apply for taxable years beginning after*
 28 *December 31, 2017:*

29 (A) *If a trade or business has federal unrelated business*
 30 *taxable income of zero (0) or greater for a taxable year, the*
 31 *unrelated business taxable income and modifications required*
 32 *under this section shall be combined in determining the*
 33 *adjusted gross income of the taxpayer and shall not be treated*
 34 *as being subject to the provisions of Section 512(a)(6) of the*
 35 *Internal Revenue Code if one (1) or more trades or businesses*
 36 *have negative Indiana adjusted gross income after*
 37 *adjustments.*

38 (B) *If a trade or business has federal unrelated business*
 39 *taxable income of less than zero (0) for a taxable year, the*
 40 *taxpayer shall apply the modifications under this section for*
 41 *the taxable year against the net operating loss in the manner*
 42 *required under IC 6-3-2-2.5 and IC 6-3-2-2.6 for separately*



1 stated net operating losses. However, if the application of
2 modifications required under IC 6-3-2-2.5 or IC 6-3-2-2.6
3 results in the separately stated net operating loss for the trade
4 or business being zero (0), the modifications that increase
5 adjusted gross income under this section and remain after the
6 calculations to adjust the separately stated net operating loss
7 to zero (0) that result from the trade or business must be
8 treated as modifications to which clause (A) applies for the
9 taxable year.

10 (C) If a trade or business otherwise described in Section
11 512(a)(6) of the Internal Revenue Code incurred a net
12 operating loss for a taxable year beginning after December
13 31, 2017, and before January 1, 2021, and the net operating
14 loss was carried back for federal tax purposes:

15 (i) if the loss was carried back to a taxable year for which
16 the requirements under Section 512(a)(6) of the Internal
17 Revenue Code did not apply, the portion of the loss and
18 modifications attributable to the loss shall be treated as
19 adjusted gross income of the taxpayer for the first taxable
20 year of the taxpayer beginning after December 31, 2022,
21 and shall be treated as part of the adjusted gross income
22 attributable to clause (A), unless, and to the extent, the loss
23 and modifications were applied to adjusted gross income for
24 a previous taxable year, as determined under this article;
25 and

26 (ii) if the loss was carried back to a taxable year for which
27 the requirements under Section 512(a)(6) of the Internal
28 Revenue Code applied, the portion of the loss and
29 modifications attributable to the loss shall be treated as
30 adjusted gross income of the taxpayer for the first taxable
31 year of the taxpayer beginning after December 31, 2022,
32 and for purposes of this clause, the inclusion of losses and
33 modifications shall be in the same manner as provided in
34 clause (B), unless, and to the extent, the loss and
35 modifications were applied to adjusted gross income for a
36 previous taxable year, as determined under this article.

37 (D) Notwithstanding any provision in this subdivision, if a
38 taxpayer computed its adjusted gross income for a taxable
39 year beginning before January 1, 2023, based on a reasonable
40 interpretation of this article, the taxpayer shall be permitted
41 to compute its adjusted gross income for those taxable years
42 based on that interpretation. However, a taxpayer must



- 1 *continue to report any tax attributes for taxable years*
 2 *beginning after December 31, 2022, in a manner consistent*
 3 *with its previous interpretation.*
- 4 (2) *In the case of a corporation, other than a captive real estate*
 5 *investment trust, for which the adjusted gross income under this*
 6 *article is determined after a deduction for dividends paid under*
 7 *the Internal Revenue Code, the modifications required under this*
 8 *section shall be applied in ratio to the corporation's taxable*
 9 *income (as defined in Section 63 of the Internal Revenue Code)*
 10 *after deductions for dividends paid under the Internal Revenue*
 11 *Code compared to the corporation's taxable income (as defined*
 12 *in Section 63 of the Internal Revenue Code) before the deduction*
 13 *for dividends paid under the Internal Revenue Code.*
- 14 (3) *In the case of a trust or estate, the trust or estate is required*
 15 *to include only the portion of the modifications not passed*
 16 *through to beneficiaries.*
- 17 (4) *In the case of a taxpayer for which modifications are required*
 18 *to be applied against a separately stated net operating loss under*
 19 *IC 6-3-2-2.5 or IC 6-3-2-2.6, the modifications required under*
 20 *this section must be adjusted to reflect the required application*
 21 *of the modifications against a separately stated net operating*
 22 *loss, in order to avoid the application of a particular*
 23 *modification multiple times.*
- 24 SECTION 2. IC 6-3-1-4.2 IS ADDED TO THE INDIANA CODE
 25 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2024 (RETROACTIVE)]: **Sec. 4.2. "Digital asset"**
 27 **means:**
- 28 (1) **virtual currency;**
 29 (2) **cryptocurrencies;**
 30 (3) **natively electronic assets, including stablecoins and**
 31 **nonfungible tokens; and**
 32 (4) **other digital only assets that confer economic, proprietary,**
 33 **or access rights or powers.**
- 34 SECTION 3. IC 6-3-2-2.5, AS AMENDED BY P.L.194-2023,
 35 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2024 (RETROACTIVE)]: Sec. 2.5. (a) This section
 37 applies to a resident person.
- 38 (b) Resident persons are entitled to a net operating loss deduction.
 39 The amount of the deduction taken in a taxable year may not exceed
 40 the taxpayer's unused Indiana net operating losses carried over to that
 41 year. A taxpayer is not entitled to carryback any net operating losses
 42 after December 31, 2011.



- 1 (c) An Indiana net operating loss equals the sum of the following:
 2 (1) Subject to subsection (j), any separately stated net operating
 3 loss, plus each of the following, as applicable:
 4 (A) In the case of an individual, any deductions allowable in
 5 determining the separately stated net operating loss for the
 6 taxable year, but not allowable in determining federal adjusted
 7 gross income.
 8 (B) In the case of a separately stated net operating loss that
 9 results from an excess business loss (as defined in Section
 10 461(l) of the Internal Revenue Code) for a taxable year
 11 beginning after December 31, 2022, the modifications
 12 required by IC 6-3-1-3.5, as set forth in subsection (d), that
 13 result in an increase of the taxpayer's Indiana adjusted gross
 14 income and that arise from federal deductions that resulted in
 15 the excess business loss.
 16 (C) In the case of a separately stated net operating loss not
 17 described in clause (B), the modifications required by
 18 IC 6-3-1-3.5, as set forth in subsection (d). For purposes of this
 19 clause, a modification that results in an increase to a taxpayer's
 20 adjusted gross income is considered an addition, and a
 21 modification that results in a decrease to a taxpayer's adjusted
 22 gross income is considered a subtraction.
 23 If the amount determined under this subdivision is less than zero
 24 (0), the amount is an Indiana net operating loss.
 25 (2) Subject to subsection (j), the taxpayer's preliminary federal net
 26 operating loss for a taxable year plus the sum of the following:
 27 (A) The application of certain modifications required by
 28 IC 6-3-1-3.5 as set forth in subsection (d). For purposes of this
 29 clause, a modification that results in an increase to a taxpayer's
 30 adjusted gross income is considered an addition, and a
 31 modification that results in a decrease to a taxpayer's adjusted
 32 gross income is considered a subtraction.
 33 (B) In the case of an individual, any deductions allowable in
 34 determining the preliminary federal net operating loss for the
 35 taxable year, but not allowable in determining federal adjusted
 36 gross income.
 37 If the amount determined under this subdivision is less than zero
 38 (0), the amount is an Indiana net operating loss. If the amount
 39 determined under this subdivision is equal to or greater than zero
 40 (0), the Indiana net operating loss under this subdivision is zero
 41 (0).
 42 (3) The excess business loss deduction disallowed under



1 IC 6-3-1-3.5(a)(29) and IC 6-3-1-3.5(f)(14).

2 (d) For purposes of subsection (c), the modifications that are to be
3 applied are those modifications required under IC 6-3-1-3.5 for the
4 same taxable year in which each net operating loss was incurred,
5 except that the modifications do not include the modifications required
6 under:

7 (1) IC 6-3-1-3.5(a)(3);

8 (2) IC 6-3-1-3.5(a)(4);

9 (3) IC 6-3-1-3.5(a)(5);

10 (4) ~~IC 6-3-1-3.5(a)(36)~~; **IC 6-3-1-3.5(a)(37)**;

11 (5) ~~IC 6-3-1-3.5(f)(19)~~; **IC 6-3-1-3.5(f)(20)**; and

12 (6) any modification required under Section 172(d) or Section
13 512(b) of the Internal Revenue Code that is also required under
14 IC 6-3-1-3.5 in determining Indiana adjusted gross income.

15 (e) Subject to the limitations contained in subsections (g), (h), and
16 (i), an Indiana net operating loss carryover shall be available as a
17 deduction from the taxpayer's adjusted gross income (as defined in
18 IC 6-3-1-3.5) in the carryover year provided in subsection (f), but not
19 in excess of the taxpayer's adjusted gross income (as defined in
20 IC 6-3-1-3.5) in the carryover year determined without regard to this
21 section.

22 (f) Carryovers shall be determined under this subsection as follows:

23 (1) An Indiana net operating loss shall be an Indiana net operating
24 loss carryover to each of the carryover years following the taxable
25 year of the loss.

26 (2) An Indiana net operating loss may not be carried over for
27 more than twenty (20) taxable years after the taxable year of the
28 loss.

29 (g) Except as provided in subsection (h), the entire amount of the
30 Indiana net operating loss for any taxable year shall be carried to the
31 earliest of the taxable years to which (as determined under subsection
32 (f)) the loss may be carried. The amount of the Indiana net operating
33 loss remaining after the deduction is taken under this section in a
34 taxable year may be carried over as provided in subsection (f). The
35 amount of the Indiana net operating loss carried over from year to year
36 shall be reduced to the extent that the Indiana net operating loss
37 carryover is used by the taxpayer to obtain a deduction in a taxable
38 year, or as required by subsection (i), until the occurrence of the earlier
39 of the following:

40 (1) The entire amount of the Indiana net operating loss has been
41 used as a deduction or reduced as required by subsection (i).

42 (2) The Indiana net operating loss has been carried over to each



- 1 of the carryover years provided by subsection (f).
- 2 (h) An Indiana net operating loss that arises after the application of
3 Section 512(a)(6) of the Internal Revenue Code shall be allowable
4 only:
- 5 (1) in a taxable year in which the trade or business that generated
6 the federal net operating loss has an adjusted gross income greater
7 than zero (0) as determined under IC 6-3-1-3.5; and
8 (2) against the trade's or business's adjusted gross income;
9 until the federal net operating loss from the trade or business has been
10 exhausted. When the federal net operating loss from the trade or
11 business has been exhausted, and subject to the limitations of this
12 section, any remaining Indiana net operating loss shall be allowable
13 against any trade or business of the taxpayer.
- 14 (i) The following rules apply to an Indiana net operating loss:
- 15 (1) If the taxpayer had a discharge of indebtedness that is
16 excluded from gross income under Section 108(a)(1)(A), Section
17 108(a)(1)(B), or Section 108(a)(1)(C) of the Internal Revenue
18 Code, the Indiana net operating loss shall be reduced by the
19 remainder of:
- 20 (A) the amount of discharge of indebtedness excluded from
21 federal gross income; minus
22 (B) the amount of discharge of indebtedness that reduced the
23 tax attributes under Section 108(b)(2)(D), Section
24 108(b)(2)(E), or Section 108(b)(2)(F) of the Internal Revenue
25 Code or was applied for federal tax purposes under Section
26 108(b)(5) of the Internal Revenue Code.
- 27 (2) Any reduction in an Indiana net operating loss shall be first
28 applied to the Indiana net operating loss for the taxable year of the
29 discharge, and then to any Indiana net operating loss carryovers.
- 30 (3) The provisions of Section 108(d)(6) and Section 108(d)(7) of
31 the Internal Revenue Code shall apply to any discharge of
32 indebtedness for purposes of determining the reduction of net
33 operating losses under this section.
- 34 (j) The following apply for purposes of calculating an Indiana net
35 operating loss under subsection (c):
- 36 (1) An itemized deduction shall be applied first under subsection
37 (c)(1), and any amount not applied under subsection (c)(1) to
38 make the net operating loss equal to zero (0) shall be applied
39 under subsection (c)(2).
- 40 (2) In the case of a modification under IC 6-3-1-3.5 required to
41 modify a separately stated net operating loss or a preliminary
42 federal net operating loss, the amount of the modification may not



1 exceed the amount prescribed under IC 6-3-1-3.5 and must be
2 applied in the following order:

3 (A) Against a separately stated net operating loss under
4 subsection (c)(1)(B), but only to the extent necessary to
5 increase the separately stated net operating loss, after
6 application of subsection (c)(1)(A) and (c)(1)(B), to an amount
7 not greater than zero (0).

8 (B) Against a separately stated net operating loss under
9 subsection (c)(1)(C), but only to the extent necessary to
10 increase the separately stated net operating loss to an amount
11 not greater than zero (0).

12 (C) To compute a modification to a preliminary federal net
13 operating loss under subsection (c)(2).

14 SECTION 4. IC 6-3-2-2.6, AS AMENDED BY P.L.194-2023,
15 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JANUARY 1, 2024 (RETROACTIVE)]: Sec. 2.6. (a) This section
17 applies to a corporation or a nonresident person.

18 (b) Corporations and nonresident persons are entitled to a net
19 operating loss deduction. The amount of the deduction taken in a
20 taxable year may not exceed the taxpayer's unused Indiana net
21 operating losses carried over to that year. A taxpayer is not entitled to
22 carryback any net operating losses after December 31, 2011.

23 (c) An Indiana net operating loss equals the sum of the following:

24 (1) Subject to subsection (m), any separately stated net operating
25 loss derived from sources within Indiana, plus each of the
26 following, as applicable:

27 (A) In the case of an individual, any deductions allowable in
28 determining the separately stated net operating loss for the
29 taxable year that are derived from sources within Indiana but
30 not allowable in determining federal adjusted gross income.

31 (B) In the case of a separately stated net operating loss that
32 results from an excess business loss (as defined in Section
33 461(l) of the Internal Revenue Code) for a taxable year
34 beginning after December 31, 2022, the modifications
35 required by IC 6-3-1-3.5, as set forth in subsection (d)(1), that
36 result in an increase of the taxpayer's Indiana adjusted gross
37 income and that arise from federal deductions that resulted in
38 the excess business loss.

39 (C) In the case of a separately stated net operating loss not
40 described in clause (B), the modifications required by
41 IC 6-3-1-3.5, as set forth in subsection (d)(1). For purposes of
42 this clause, a modification that results in an increase to a



- 1 taxpayer's adjusted gross income is considered an addition,
 2 and a modification that results in a decrease to a taxpayer's
 3 adjusted gross income is considered a subtraction.
- 4 If the amount determined under this subdivision is less than zero
 5 (0), the amount is an Indiana net operating loss.
- 6 (2) Subject to subsection (m), the taxpayer's preliminary federal
 7 net operating loss for a taxable year derived from sources within
 8 Indiana plus the sum of the following:
- 9 (A) The application of certain modifications required by
 10 IC 6-3-1-3.5 as set forth in subsection (d)(1). For purposes of
 11 this clause, a modification that results in an increase to a
 12 taxpayer's adjusted gross income is considered an addition,
 13 and a modification that results in a decrease to a taxpayer's
 14 adjusted gross income is considered a subtraction.
- 15 (B) In the case of an individual, any deductions derived from
 16 sources within Indiana and allowable in determining the
 17 preliminary federal net operating loss for the taxable year but
 18 not allowable in determining federal adjusted gross income.
- 19 If the amount determined under this subdivision is less than zero
 20 (0), the amount is an Indiana net operating loss. If the amount
 21 determined under this subdivision is equal to or greater than zero
 22 (0), the Indiana net operating loss under this subdivision is zero
 23 (0).
- 24 (3) The excess business loss deduction disallowed under
 25 IC 6-3-1-3.5(a)(29) and IC 6-3-1-3.5(f)(14) and incurred from
 26 Indiana sources.
- 27 (d) The following provisions apply for purposes of subsection (c):
- 28 (1) The modifications that are to be applied are those
 29 modifications required under IC 6-3-1-3.5 for the same taxable
 30 year in which each net operating loss was incurred, except that the
 31 modifications do not include the modifications required under:
- 32 (A) IC 6-3-1-3.5(a)(3);
 33 (B) IC 6-3-1-3.5(a)(4);
 34 (C) IC 6-3-1-3.5(a)(5);
 35 (D) ~~IC 6-3-1-3.5(a)(36)~~; **IC 6-3-1-3.5(a)(37)**;
 36 (E) ~~IC 6-3-1-3.5(b)(22)~~; **IC 6-3-1-3.5(b)(23)**;
 37 (F) ~~IC 6-3-1-3.5(d)(20)~~; **IC 6-3-1-3.5(d)(21)**;
 38 (G) ~~IC 6-3-1-3.5(e)(20)~~; **IC 6-3-1-3.5(e)(21)**;
 39 (H) ~~IC 6-3-1-3.5(f)(19)~~; **IC 6-3-1-3.5(f)(20)**; and
 40 (I) any modification required under Section 172(d) or Section
 41 512(b) of the Internal Revenue Code that is also required
 42 under IC 6-3-1-3.5 in determining Indiana adjusted gross



- 1 income.
- 2 (2) The amount of the taxpayer's net operating loss that is derived
- 3 from sources within Indiana shall be determined in the same
- 4 manner that the amount of the taxpayer's adjusted gross income
- 5 derived from sources within Indiana is determined under section
- 6 2 of this chapter for the same taxable year during which each loss
- 7 was incurred.
- 8 (e) Subject to the limitations contained in subsections (g) through
- 9 (l), an Indiana net operating loss carryover shall be available as a
- 10 deduction from the taxpayer's adjusted gross income derived from
- 11 sources within Indiana (as defined in section 2 of this chapter) in the
- 12 carryover year provided in subsection (f), but not in excess of the
- 13 taxpayer's adjusted gross income (as defined in IC 6-3-1-3.5) in the
- 14 carryover year determined without regard to the deduction allowable
- 15 under this section.
- 16 (f) Carryovers shall be determined under this subsection as follows:
- 17 (1) An Indiana net operating loss shall be an Indiana net operating
- 18 loss carryover to each of the carryover years following the taxable
- 19 year of the loss.
- 20 (2) An Indiana net operating loss may not be carried over for
- 21 more than twenty (20) taxable years after the taxable year of the
- 22 loss.
- 23 (g) The entire amount of the Indiana net operating loss for any
- 24 taxable year shall be carried to the earliest of the taxable years to which
- 25 (as determined under subsection (f)) the loss may be carried. The
- 26 amount of the Indiana net operating loss remaining after the deduction
- 27 is taken under this section in a taxable year may be carried over as
- 28 provided in subsection (f). The amount of the Indiana net operating loss
- 29 carried over from year to year shall be reduced to the extent that the
- 30 Indiana net operating loss carryover is used by the taxpayer to obtain
- 31 a deduction in a taxable year, or as required by subsection (i), until the
- 32 occurrence of the earlier of the following:
- 33 (1) The entire amount of the Indiana net operating loss has been
- 34 used as a deduction or reduced as required by subsection (i).
- 35 (2) The Indiana net operating loss has been carried over to each
- 36 of the carryover years provided by subsection (f).
- 37 (h) An Indiana net operating loss deduction determined under this
- 38 section shall be allowed notwithstanding the fact that in the year the
- 39 taxpayer incurred the net operating loss the taxpayer was not subject to
- 40 the tax imposed under section 1 of this chapter because the taxpayer
- 41 was:
- 42 (1) a life insurance company (as defined in Section 816(a) of the



- 1 Internal Revenue Code); or
 2 (2) an insurance company subject to tax under Section 831 of the
 3 Internal Revenue Code.
- 4 (i) Notwithstanding subsection (g), the following apply to an Indiana
 5 net operating loss:
- 6 (1) An Indiana net operating loss that arises after the application
 7 of Section 512(a)(6) of the Internal Revenue Code shall be
 8 allowable only:
- 9 (A) in a taxable year in which the trade or business that
 10 generated the federal net operating loss has an adjusted gross
 11 income derived from sources within Indiana greater than zero
 12 (0) as determined under IC 6-3-1-3.5; and
- 13 (B) against the trade's or business's adjusted gross income;
 14 until the federal net operating loss from the trade or business has
 15 been exhausted. When the federal net operating loss from the
 16 trade or business has been exhausted, and subject to the
 17 limitations of this section, any remaining Indiana net operating
 18 loss shall be allowable against any trade or business of the
 19 taxpayer.
- 20 (2) In the case of a corporation described in section 2.8(2) of this
 21 chapter, an Indiana net operating loss deduction that is
 22 attributable to a preconversion year may not be greater than any
 23 net recognized built-in gain of the corporation as defined in
 24 Section 1374(d)(2) of the Internal Revenue Code derived from
 25 sources within Indiana.
- 26 (j) The following rules apply to an Indiana net operating loss:
- 27 (1) If the taxpayer had a discharge of indebtedness derived from
 28 Indiana sources that is excluded from gross income under Section
 29 108(a)(1)(A), Section 108(a)(1)(B), or Section 108(a)(1)(C) of the
 30 Internal Revenue Code, the Indiana net operating loss shall be
 31 reduced by the remainder of:
- 32 (A) the amount of discharge of indebtedness excluded from
 33 federal gross income derived from Indiana sources; minus
 34 (B) the amount of discharge of indebtedness derived from
 35 Indiana sources that reduced the tax attributes under Section
 36 108(b)(2)(D), Section 108(b)(2)(E), or Section 108(b)(2)(F) of
 37 the Internal Revenue Code or was applied for federal tax
 38 purposes under Section 108(b)(5) of the Internal Revenue
 39 Code.
- 40 (2) Any reduction in an Indiana net operating loss shall be first
 41 applied to the Indiana net operating loss for the taxable year of the
 42 discharge, and then to any Indiana net operating loss carryovers.



- 1 (3) The provisions of Section 108(d)(6) and Section 108(d)(7) of
 2 the Internal Revenue Code shall apply to any discharge of
 3 indebtedness for purposes of determining the reduction of net
 4 operating losses under this section.
- 5 (k) If a taxpayer has an ownership change for which the limitations
 6 of net operating losses under Section 382 of the Internal Revenue Code
 7 apply, the following shall apply:
- 8 (1) The amount a taxpayer may claim as an Indiana net operating
 9 loss deduction for a taxable year beginning after December 31,
 10 2022, shall not exceed the limitation imposed by Section
 11 382(b)(1) of the Internal Revenue Code multiplied by the
 12 apportionment percentage determined under section 2 of this
 13 chapter for the year in which the net operating loss is being
 14 claimed, unless otherwise provided by this subsection. The
 15 following apply:
- 16 (A) The limitation under this subdivision does not apply to
 17 adjusted gross income accrued in the portion of the taxable
 18 year on or before the change date (as defined in Section 382(j)
 19 of the Internal Revenue Code). For purposes of this
 20 subdivision, the adjusted gross income of the taxpayer shall be
 21 multiplied by the number of days in the taxable year on or
 22 before the change date to the number of days in the taxable
 23 year.
- 24 (B) For the portion of the taxable year after the change date (as
 25 defined in Section 382(j) of the Internal Revenue Code), the
 26 limitation under this subdivision shall be the limitation
 27 otherwise computed in this subdivision multiplied by the
 28 number of days in the taxable year after the change date to the
 29 number of days in the taxable year.
- 30 (2) If a taxpayer's Indiana net operating loss determined under this
 31 subsection is not fully deductible as a result of subsection (e) for
 32 a taxable year, the limitation under this subsection for the
 33 following taxable year shall be increased by the net operating loss
 34 determined but not allowable as a deduction for the taxable year.
- 35 (3) If the continuity of business requirements under Section
 36 382(c) of the Internal Revenue Code are not met, the Indiana net
 37 operating loss available for carryforward shall be zero (0) except
 38 to the extent of recognized built in gains derived from Indiana
 39 sources and amounts allowable under subdivision (2).
- 40 (4) If the limitation under Section 382(b) of the Internal Revenue
 41 Code is increased for a taxable year under Section 382(h) of the
 42 Internal Revenue Code, the limitation under subdivision (1) for



- 1 that taxable year shall be increased by the federal increase in the
 2 net operating loss limitation for the taxable year multiplied by the
 3 Indiana apportionment percentage for that taxable year.
- 4 (5) For purposes of any other matters not provided for in
 5 subdivisions (1) through (4), the taxpayer and the department are
 6 required to apply the limitations and rules under Section 382 of
 7 the Internal Revenue Code in a manner consistent with this
 8 subsection.
- 9 (6) This subsection applies to a taxpayer regardless of whether the
 10 taxpayer actually has a federal net operating loss subject to
 11 Section 382 of the Internal Revenue Code or whether any federal
 12 net operating losses have been exhausted.
- 13 (1) If two (2) or more corporations file a consolidated return under
 14 IC 6-3-4-14 or a combined return under this chapter and have an
 15 Indiana net operating loss on a consolidated or combined basis for a
 16 taxable year:
- 17 (1) the Indiana net operating loss attributable to each corporation
 18 included in the consolidated or combined return shall be
 19 determined in a manner consistent with the attribution of federal
 20 net operating losses for consolidated groups as provided under the
 21 Internal Revenue Code and regulations promulgated thereunder;
 22 (2) the application of Indiana net operating losses and reduction
 23 of losses attributable to each member shall be in a manner
 24 consistent with the application and reduction of federal net
 25 operating losses for consolidated groups as provided under the
 26 Internal Revenue Code and regulations promulgated thereunder;
 27 and
- 28 (3) the availability of net operating losses to each corporation
 29 upon an ownership change or change in filing status shall be in a
 30 manner consistent with the availability and use of federal net
 31 operating losses for consolidated groups as provided under the
 32 Internal Revenue Code and regulations promulgated thereunder.
- 33 (m) The following apply for purposes of calculating an Indiana net
 34 operating loss under subsection (c):
- 35 (1) An itemized deduction shall be applied first under subsection
 36 (c)(1), and any amount not applied under subsection (c)(1) to
 37 make the net operating loss equal to zero (0) shall be applied
 38 under subsection (c)(2).
- 39 (2) In the case of a modification under IC 6-3-1-3.5 required to
 40 modify a separately stated net operating loss or a preliminary
 41 federal net operating loss, the amount of the modification may not
 42 exceed the amount prescribed under IC 6-3-1-3.5 and must be



1 applied in the following order:

2 (A) Against a separately stated net operating loss under
3 subsection (c)(1)(B), but only to the extent necessary to
4 increase the separately stated net operating loss, after
5 application of subsection (c)(1)(A) and (c)(1)(B), to an amount
6 not greater than zero (0).

7 (B) Against a separately stated net operating loss under
8 subsection (c)(1)(C), but only to the extent necessary to
9 increase the separately stated net operating loss to an amount
10 not greater than zero (0).

11 (C) To compute a modification to a preliminary federal net
12 operating loss under subsection (c)(2).

13 SECTION 5. IC 6-3.5-12 IS ADDED TO THE INDIANA CODE
14 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2024]:

16 **Chapter 12. Transactions Involving Digital Assets**

17 **Sec. 1. As used in this chapter, "digital asset" has the meaning**
18 **set forth in IC 6-3-1-4.2.**

19 **Sec. 2. (a) A county or municipality may not impose a tax that**
20 **is assessed based on use of a digital asset as payment in a**
21 **transaction.**

22 **(b) A county or municipality that imposes a tax on any form of**
23 **transaction may not impose the tax at a different rate based on the**
24 **use of a digital asset for payment in the transaction.**

25 SECTION 6. IC 8-1-2-4.4 IS ADDED TO THE INDIANA CODE
26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
27 1, 2024]: **Sec. 4.4. (a) The following definitions apply throughout**
28 **this section:**

29 **(1) "Blockchain protocol" has the meaning set forth in**
30 **IC 34-30-34.5-2.**

31 **(2) "Digital asset mining business" means a person that uses**
32 **one (1) or more computers that consume a total amount of**
33 **electricity of more than one (1) megawatt for the purpose of**
34 **securing a blockchain protocol.**

35 **(3) "Electricity supplier" has the meaning set forth in**
36 **IC 8-1-2.3-2.**

37 **(b) The commission may not approve a rate schedule for**
38 **electricity supplied by an electricity supplier to digital asset mining**
39 **businesses that is unreasonable or unjustly discriminatory as**
40 **compared to the rate schedule approved by the commission for**
41 **electricity supplied by the electricity supplier to industrial**
42 **customers.**



1 SECTION 7. IC 23-19-1-2, AS AMENDED BY P.L.158-2022,
 2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2024]: Sec. 2. In this article, unless the context otherwise
 4 requires:

5 (1) "Agent" means an individual, other than a broker-dealer, who
 6 represents a broker-dealer in effecting or attempting to effect
 7 purchases or sales of securities or represents an issuer in effecting
 8 or attempting to effect purchases or sales of the issuer's securities.
 9 However, a partner, officer, or director of a broker-dealer or
 10 issuer, or an individual having a similar status or performing
 11 similar functions is an agent only if the individual otherwise
 12 comes within the term. The term does not include an individual
 13 excluded by rule adopted or order issued under this article.

14 (2) "Bank" means:

15 (A) a banking institution organized under the laws of the
 16 United States;

17 (B) a member bank of the Federal Reserve System;

18 (C) any other banking institution, whether incorporated or not,
 19 doing business under the laws of a state or of the United
 20 States, a substantial portion of the business of which consists
 21 of receiving deposits or exercising fiduciary powers similar to
 22 those permitted to be exercised by national banks under the
 23 authority of the Comptroller of the Currency under Section 1
 24 of Public Law 87-722 (12 U.S.C. 92a), and which is
 25 supervised and examined by a state or federal agency having
 26 supervision over banks, and which is not operated for the
 27 purpose of evading this article; and

28 (D) a receiver, conservator, or other liquidating agent of any
 29 institution or firm included in clause (A), (B), or (C).

30 (3) "Broker-dealer" means a person engaged in the business of
 31 effecting transactions in securities for the account of others or for
 32 the person's own account. The term does not include:

33 (A) an agent;

34 (B) an issuer;

35 (C) a bank, a savings institution, or a trust company that is a
 36 wholly owned subsidiary of a bank or savings institution if its
 37 activities as a broker-dealer are limited to those specified in
 38 subsections 3(a)(4)(B)(i) through (vi), (viii) through (x), and
 39 (xi) if limited to unsolicited transactions; 3(a)(5)(B); and
 40 3(a)(5)(C) of the Securities Exchange Act of 1934 (15 U.S.C.
 41 78c(a)(4) and 15 U.S.C. 78c(a)(5)) or a bank that satisfies the
 42 conditions described in subsection 3(a)(4)(E) of the Securities



- 1 Exchange Act of 1934 (15 U.S.C. 78c(a)(4));
 2 (D) an international banking institution; or
 3 (E) a person excluded by rule adopted or order issued under
 4 this article.
- 5 **For the purposes of this subdivision, "effecting transactions**
 6 **in securities" does not include providing, or offering to**
 7 **provide, digital asset mining or staking as a service.**
- 8 (4) "Commissioner" means the securities commissioner appointed
 9 under IC 23-19-6-1(a).
- 10 (5) "Depository institution" means:
 11 (A) a bank; or
 12 (B) a savings institution, trust company, credit union, or
 13 similar institution that is organized or chartered under the laws
 14 of a state or of the United States, authorized to receive
 15 deposits, and supervised and examined by an official or
 16 agency of a state or the United States if its deposits or share
 17 accounts are insured to the maximum amount authorized by
 18 statute by the Federal Deposit Insurance Corporation, the
 19 National Credit Union Share Insurance Fund, or a successor
 20 authorized by federal law. The term does not include:
 21 (i) an insurance company or other organization primarily
 22 engaged in the business of insurance;
 23 (ii) a Morris Plan bank; or
 24 (iii) an industrial loan company that is not an insured
 25 depository institution as defined in Section 3(c)(2) of the
 26 Federal Deposit Insurance Act (12 U.S.C. 1813(c)(2)) or any
 27 successor federal statute.
- 28 **(6) "Digital asset mining" has the meaning set forth in**
 29 **IC 34-30-34.5-3.**
- 30 ~~(6)~~ (7) "Federal covered investment adviser" means a person
 31 registered under the Investment Advisers Act of 1940.
- 32 ~~(7)~~ (8) "Federal covered security" means a security that is, or
 33 upon completion of a transaction will be, a covered security under
 34 Section 18(b) of the Securities Act of 1933 (15 U.S.C. 77r(b)) or
 35 rules or regulations adopted under that provision.
- 36 ~~(8)~~ (9) "Filing" means the receipt under this article of a record by
 37 the commissioner or a designee of the commissioner.
- 38 ~~(9)~~ (10) "Fraud", "fraudulent", "deceit", and "defraud" mean a
 39 misrepresentation of a material fact, a promise, representation, or
 40 prediction not made honestly or in good faith, or the failure to
 41 disclose a material fact necessary in order to make the statements
 42 made, in light of the circumstances under which they were made,



1 not misleading. This definition does not limit or diminish the full
 2 meaning of the terms as applied by or defined in courts of law or
 3 equity. The terms are not limited to common law deceit.

4 ~~(+)~~ **(11)** "Guaranteed" means guaranteed as to payment of all
 5 principal, dividends, and interest.

6 ~~(+)~~ **(12)** "Institutional investor" means any of the following,
 7 whether acting for itself or for others in a fiduciary capacity:

8 (A) a depository institution or international banking
 9 institution;

10 (B) an insurance company;

11 (C) a separate account of an insurance company;

12 (D) an investment company as defined in the Investment
 13 Company Act of 1940;

14 (E) a broker-dealer registered under the Securities Exchange
 15 Act of 1934;

16 (F) an employee pension, profit-sharing, or benefit plan if the
 17 plan has total assets in excess of ten million dollars
 18 (\$10,000,000) or its investment decisions are made by a
 19 named fiduciary, as defined in the Employee Retirement
 20 Income Security Act of 1974, that is a broker-dealer registered
 21 under the Securities Exchange Act of 1934, an investment
 22 adviser registered or exempt from registration under the
 23 Investment Advisers Act of 1940, an investment adviser
 24 registered under this article, a depository institution, or an
 25 insurance company;

26 (G) a plan established and maintained by a state, a political
 27 subdivision of a state, or an agency or instrumentality of a state
 28 or a political subdivision of a state for the benefit of its
 29 employees, if the plan has total assets in excess of ten million
 30 dollars (\$10,000,000) or its investment decisions are made by
 31 a duly designated public official or by a named fiduciary, as
 32 defined in the Employee Retirement Income Security Act of
 33 1974, that is a broker-dealer registered under the Securities
 34 Exchange Act of 1934, an investment adviser registered or
 35 exempt from registration under the Investment Advisers Act
 36 of 1940, an investment adviser registered under this article, a
 37 depository institution, or an insurance company;

38 (H) a trust, if it has total assets in excess of ten million dollars
 39 (\$10,000,000), its trustee is a depository institution, and its
 40 participants are exclusively plans of the types identified in
 41 clause (F) or (G), regardless of the size of their assets, except
 42 a trust that includes as participants self-directed individual



- 1 retirement accounts or similar self-directed plans;
 2 (I) an organization described in Section 501(c)(3) of the
 3 Internal Revenue Code (26 U.S.C. 501(c)(3)), corporation,
 4 Massachusetts trust or similar business trust, limited liability
 5 company, or partnership, not formed for the specific purpose
 6 of acquiring the securities offered, with total assets in excess
 7 of ten million dollars (\$10,000,000);
 8 (J) a small business investment company licensed by the Small
 9 Business Administration under Section 301(c) of the Small
 10 Business Investment Act of 1958 (15 U.S.C. 681(c)) with total
 11 assets in excess of ten million dollars (\$10,000,000);
 12 (K) a private business development company, as defined in
 13 Section 202(a)(22) of the Investment Advisers Act of 1940 (15
 14 U.S.C. 80b-2(a)(22)) with total assets in excess of ten million
 15 dollars (\$10,000,000);
 16 (L) a federal covered investment adviser acting for its own
 17 account;
 18 (M) a "qualified institutional buyer", as defined in Rule
 19 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under
 20 the Securities Act of 1933 (17 CFR 230.144A);
 21 (N) a "major U.S. institutional investor", as defined in Rule
 22 15a-6(b)(4)(i) adopted under the Securities Exchange Act of
 23 1934 (17 CFR 240.15a-6);
 24 (O) any other person, other than an individual, of institutional
 25 character with total assets in excess of ten million dollars
 26 (\$10,000,000) not organized for the specific purpose of
 27 evading this article; or
 28 (P) any other person specified by rule adopted or order issued
 29 under this article.
- 30 ~~(12)~~ **(13)** "Insurance company" means a company organized as an
 31 insurance company whose primary business is writing insurance
 32 or reinsuring risks underwritten by insurance companies and
 33 which is subject to supervision by the insurance commissioner or
 34 a similar official or agency of a state.
- 35 ~~(13)~~ **(14)** "Insured" means insured as to payment of all principal
 36 and all interest.
- 37 ~~(14)~~ **(15)** "International banking institution" means an
 38 international financial institution of which the United States is a
 39 member and whose securities are exempt from registration under
 40 the Securities Act of 1933.
- 41 ~~(15)~~ **(16)** "Investment adviser" means a person that, for
 42 compensation, engages in the business of advising others, either



1 directly or through publications or writings, as to the value of
 2 securities or the advisability of investing in, purchasing, or selling
 3 securities or that, for compensation and as a part of a regular
 4 business, issues or promulgates analyses or reports concerning
 5 securities. The term includes a financial planner or other person
 6 that, as an integral component of other financially related
 7 services, provides investment advice to others for compensation
 8 as part of a business or that holds itself out as providing
 9 investment advice to others for compensation. The term does not
 10 include:

- 11 (A) an investment adviser representative;
- 12 (B) a lawyer, accountant, engineer, or teacher whose
 13 performance of investment advice is solely incidental to the
 14 practice of the person's profession;
- 15 (C) a broker-dealer or its agents whose performance of
 16 investment advice is solely incidental to the conduct of
 17 business as a broker-dealer and that does not receive special
 18 compensation for the investment advice;
- 19 (D) a publisher of a bona fide newspaper, news magazine, or
 20 business or financial publication of general and regular
 21 circulation;
- 22 (E) a federal covered investment adviser;
- 23 (F) a bank, a savings institution, or a trust company that is a
 24 wholly owned subsidiary of a bank or savings institution;
- 25 (G) any other person that is excluded by the Investment
 26 Advisers Act of 1940 from the definition of investment
 27 adviser; or
- 28 (H) any other person excluded by rule adopted or order issued
 29 under this article.

30 ~~(16)~~ **(17)** "Investment adviser representative" means an individual
 31 employed by or associated with an investment adviser or federal
 32 covered investment adviser and who makes any recommendations
 33 or otherwise gives investment advice regarding securities,
 34 manages accounts or portfolios of clients, determines which
 35 recommendation or advice regarding securities should be given,
 36 provides investment advice or holds herself or himself out as
 37 providing investment advice, or supervises employees who
 38 perform any of the foregoing. The term does not include an
 39 individual who:

- 40 (A) performs only clerical or ministerial acts;
- 41 (B) is an agent whose performance of investment advice is
 42 solely incidental to the individual acting as an agent and who



- 1 does not receive special compensation for investment advisory
 2 services;
 3 (C) is employed by or associated with a federal covered
 4 investment adviser, unless the individual has a "place of
 5 business" in this state, as that term is defined by rule adopted
 6 under Section 203A of the Investment Advisers Act of 1940
 7 (15 U.S.C. 80b-3a), and is:
 8 (i) an "investment adviser representative", as that term is
 9 defined by rule adopted under Section 203A of the
 10 Investment Advisers Act of 1940 (15 U.S.C. 80b-3a); or
 11 (ii) not a "supervised person", as that term is defined in
 12 Section 202(a)(25) of the Investment Advisers Act of 1940
 13 (15 U.S.C. 80b-2(a)(25)); or
 14 (D) is excluded by rule adopted or order issued under this
 15 article.
- 16 ~~(+7)~~ **(18)** "Issuer" means a person that issues or proposes to issue
 17 a security, subject to the following:
 18 (A) The issuer of a voting trust certificate, collateral trust
 19 certificate, certificate of deposit for a security, or share in an
 20 investment company without a board of directors or
 21 individuals performing similar functions is the person
 22 performing the acts and assuming the duties of depositor or
 23 manager under the trust or other agreement or instrument
 24 under which the security is issued.
 25 (B) The issuer of an equipment trust certificate or similar
 26 security serving the same purpose is the person by which the
 27 property is or will be used or to which the property or
 28 equipment is or will be leased or conditionally sold or that is
 29 otherwise contractually responsible for assuring payment of
 30 the certificate.
 31 (C) The issuer of a fractional undivided interest in an oil, gas,
 32 or other mineral lease or in payments out of production under
 33 a lease, right, or royalty is the owner of an interest in the lease
 34 or in payments out of production under a lease, right, or
 35 royalty, whether whole or fractional, that creates fractional
 36 interests for the purpose of sale.
- 37 ~~(+8)~~ **(19)** "Nonissuer transaction" or "nonissuer distribution"
 38 means a transaction or distribution not directly or indirectly for
 39 the benefit of the issuer.
- 40 ~~(+9)~~ **(20)** "Offer to purchase" includes an attempt or offer to
 41 obtain, or solicitation of an offer to sell, a security or interest in a
 42 security for value. The term does not include a tender offer that is



- 1 subject to Section 14(d) of the Securities Exchange Act of 1934
 2 (15 U.S.C. 78n(d)).
- 3 ~~(20)~~ **(21)** "Person" means an individual; corporation; business
 4 trust; estate; trust; partnership; limited liability company;
 5 association; joint venture; government; governmental subdivision,
 6 agency, or instrumentality; public corporation; or any other legal
 7 or commercial entity.
- 8 ~~(21)~~ **(22)** "Place of business" of a broker-dealer, an investment
 9 adviser, or a federal covered investment adviser means:
- 10 (A) an office at which the broker-dealer, investment adviser,
 11 or federal covered investment adviser regularly provides
 12 brokerage or investment advice or solicits, meets with, or
 13 otherwise communicates with customers or clients; or
- 14 (B) any other location that is held out to the general public as
 15 a location at which the broker-dealer, investment adviser, or
 16 federal covered investment adviser provides brokerage or
 17 investment advice or solicits, meets with, or otherwise
 18 communicates with customers or clients.
- 19 ~~(22)~~ **(23)** "Predecessor act" means IC 23-2-1 (before its repeal).
- 20 ~~(23)~~ **(24)** "Price amendment" means the amendment to a
 21 registration statement filed under the Securities Act of 1933 or, if
 22 an amendment is not filed, the prospectus or prospectus
 23 supplement filed under the Securities Act of 1933 that includes a
 24 statement of the offering price, underwriting and selling discounts
 25 or commissions, amount of proceeds, conversion rates, call prices,
 26 and other matters dependent upon the offering price.
- 27 ~~(24)~~ **(25)** "Principal place of business" of a broker-dealer or an
 28 investment adviser means the executive office of the
 29 broker-dealer or investment adviser from which the officers,
 30 partners, or managers of the broker-dealer or investment adviser
 31 direct, control, and coordinate the activities of the broker-dealer
 32 or investment adviser.
- 33 ~~(25)~~ **(26)** "Record", except in the phrases "of record", "official
 34 record", and "public record", means information that is inscribed
 35 on a tangible medium or that is stored in an electronic or other
 36 medium and is retrievable in perceivable form.
- 37 ~~(26)~~ **(27)** "Sale" includes every contract of sale, contract to sell,
 38 or disposition of a security or interest in a security for value, and
 39 "offer to sell" includes every attempt or offer to dispose of, or
 40 solicitation of an offer to purchase, a security or interest in a
 41 security for value. Both terms include:
- 42 (A) a security given or delivered with, or as a bonus on



1 account of, a purchase of securities or any other thing
 2 constituting part of the subject of the purchase and having
 3 been offered and sold for value;
 4 (B) a gift of assessable stock involving an offer and sale; and
 5 (C) a sale or offer of a warrant or right to purchase or
 6 subscribe to another security of the same or another issuer and
 7 a sale or offer of a security that gives the holder a present or
 8 future right or privilege to convert the security into another
 9 security of the same or another issuer, including an offer of the
 10 other security.

11 ~~(27)~~ **(28)** "Securities and Exchange Commission" means the
 12 United States Securities and Exchange Commission.

13 ~~(28)~~ **(29)** "Security" means a note; stock; treasury stock; security
 14 future; bond; debenture; evidence of indebtedness; certificate of
 15 interest or participation in a profit-sharing agreement; collateral
 16 trust certificate; preorganization certificate or subscription;
 17 transferable share; investment contract; voting trust certificate;
 18 certificate of deposit for a security; fractional undivided interest
 19 in oil, gas, or other mineral rights; put, call, straddle, option, or
 20 privilege on a security, certificate of deposit, or group or index of
 21 securities, including an interest therein or based on the value
 22 thereof; put, call, straddle, option, or privilege entered into on a
 23 national securities exchange relating to foreign currency; or, in
 24 general, an interest or instrument commonly known as a
 25 "security"; or a certificate of interest or participation in, temporary
 26 or interim certificate for, receipt for, guarantee of, or warrant or
 27 right to subscribe to or purchase, any of the foregoing. The term:
 28 (A) includes both a certificated and an uncertificated security;
 29 (B) does not include an insurance or endowment policy or
 30 annuity contract under which an insurance company promises
 31 to pay a fixed or variable sum of money either in a lump sum
 32 or periodically for life or another specified period;
 33 (C) does not include an interest in a contributory or
 34 noncontributory pension or welfare plan subject to the
 35 Employee Retirement Income Security Act of 1974;
 36 (D) includes as an "investment contract" an investment in a
 37 common enterprise with the expectation of profits to be
 38 derived primarily from the efforts of a person other than the
 39 investor and a "common enterprise" means an enterprise in
 40 which the fortunes of the investor are interwoven with those of
 41 either the person offering the investment, a third party, or other
 42 investors; and



- 1 (E) includes as an "investment contract", among other
 2 contracts, an interest in a limited partnership and a limited
 3 liability company and an investment in a viatical settlement or
 4 similar agreement.
- 5 ~~(29)~~ (30) "Self-regulatory organization" means a national
 6 securities exchange registered under the Securities Exchange Act
 7 of 1934, a national securities association of broker-dealers
 8 registered under the Securities Exchange Act of 1934, a clearing
 9 agency registered under the Securities Exchange Act of 1934, or
 10 the Municipal Securities Rulemaking Board established under the
 11 Securities Exchange Act of 1934.
- 12 ~~(30)~~ (31) "Sign" means, with present intent to authenticate or
 13 adopt a record:
- 14 (A) to execute or adopt a tangible symbol; or
 15 (B) to attach or logically associate with the record an
 16 electronic symbol, sound, or process.
- 17 **(32) "Staking as a service" has the meaning set forth in**
 18 **IC 34-30-34.5-6.**
- 19 ~~(31)~~ (33) "Third party solicitor" means a person that, for
 20 compensation, directly or indirectly, solicits a client for or refers
 21 a client to an investment adviser, a federal covered investment
 22 adviser, or an investment adviser representative. The term does
 23 not include the following:
- 24 (A) An employee subject to the supervision and control of an
 25 investment adviser registered under IC 23-19-4-3.
 26 (B) A "supervised person", as defined in Section 202(a)(25) of
 27 the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(25)).
 28 (C) A partner, officer, director, or employee of a person that
 29 controls, is controlled by, or is under common control with an
 30 investment adviser or a federal covered investment adviser.
 31 (D) An individual excluded by a rule adopted or order issued
 32 under this article.
- 33 ~~(32)~~ (34) "State" means a state of the United States, the District
 34 of Columbia, Puerto Rico, the United States Virgin Islands, or any
 35 territory or insular possession subject to the jurisdiction of the
 36 United States.
- 37 ~~(33)~~ (35) "Accredited investor" has the meaning set forth in 17
 38 CFR 230.501(a).
- 39 SECTION 8. IC 27-1-12.7-6, AS AMENDED BY P.L.27-2007,
 40 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2024]: Sec. 6. The issuance of a funding agreement:
 42 (1) constitutes an activity necessary, convenient, or expedient to



1 the business of a life insurance company under IC 27-1-7-2;
 2 (2) is not insurance under IC 27-1-5-1;
 3 (3) is not a security (as defined in ~~IC 23-19-1-2(28)~~;
 4 **IC 23-19-1-2(29)**); and
 5 (4) does not constitute gross premium for taxation purposes under
 6 IC 27-1-18-2.

7 SECTION 9. IC 28-8-4.1-201, AS ADDED BY P.L.198-2023,
 8 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2024]: Sec. 201. The following definitions apply throughout
 10 this chapter:

11 (1) "Acting in concert" means persons knowingly acting together
 12 with a common goal of jointly acquiring control of a licensee
 13 whether or not pursuant to an express agreement.

14 (2) "Authorized delegate" means a person a licensee designates to
 15 engage in money transmission on behalf of the licensee.

16 (3) "Average daily money transmission liability", with respect to
 17 a calendar quarter, means:

18 (A) the sum of the amounts of a licensee's outstanding money
 19 transmission obligations in Indiana at the end of each day in
 20 the calendar quarter; divided by

21 (B) the total number of days in that calendar quarter.

22 For purposes of this subdivision, a "calendar quarter" is a quarter
 23 ending on March 31, June 30, September 30, or December 31.

24 (4) "Bank Secrecy Act" means:

25 (A) the Bank Secrecy Act (31 U.S.C. 5311 et seq.); and

26 (B) regulations adopted under the Bank Secrecy Act (31
 27 U.S.C. 5311 et seq.).

28 **(5) "Blockchain protocol" has the meaning set forth in**
 29 **IC 34-30-34.5-2.**

30 ~~(5)~~ **(6)** "Closed loop stored value" means stored value that is
 31 redeemable by the issuer only for goods or services provided by
 32 the issuer or the issuer's affiliate or by franchisees of the issuer or
 33 the issuer's affiliate, except to the extent required by applicable
 34 law to be redeemable in cash for its cash value.

35 ~~(6)~~ **(7)** "Control" means any of the following:

36 (A) The power to vote, directly or indirectly, at least
 37 twenty-five percent (25%) of the outstanding voting shares or
 38 voting interests of a licensee or of a person in control of a
 39 licensee.

40 (B) The power to elect or appoint a majority of key individuals
 41 or executive officers, managers, directors, trustees, or other
 42 persons exercising managerial authority of a person in control



- 1 of a licensee.
- 2 (C) The power to exercise, directly or indirectly, a controlling
- 3 influence over the management or policies of a licensee or of
- 4 a person in control of a licensee. For purposes of this clause,
- 5 a person is presumed to exercise a controlling influence if the
- 6 person holds the power to vote, directly or indirectly, at least
- 7 ten percent (10%) of the outstanding voting shares or voting
- 8 interests of a licensee or of a person in control of a licensee.
- 9 However, a person presumed to exercise a controlling
- 10 influence under this clause may rebut the presumption of
- 11 control if the person is a passive investor.
- 12 For purposes of this subdivision, the percentage of a person
- 13 controlled by any other person is determined by aggregating the
- 14 other person's interest with the interest of any other immediate
- 15 family member of that person, including the person's spouse,
- 16 parents, children, siblings, mothers-in-law and fathers-in-law,
- 17 sons-in-law and daughters-in-law, and any other person who
- 18 shares the person's home.
- 19 ~~(7)~~ (8) "Department" refers to the members of the department of
- 20 financial institutions.
- 21 **(9) "Digital asset mining" has the meaning set forth in**
- 22 **IC 34-30-34.5-3.**
- 23 **(10) "Digital asset mining business" has the meaning set forth**
- 24 **in IC 8-1-2-4.4.**
- 25 ~~(8)~~ (11) "Director" refers to the director of the department
- 26 appointed under IC 28-11-2-1.
- 27 ~~(9)~~ (12) "Eligible rating" means a credit rating of any of the three
- 28 (3) highest rating categories provided by an eligible rating
- 29 service, including any rating category modifiers, such as "plus" or
- 30 "minus" for S&P Global, or an equivalent modifier for any other
- 31 eligible rating service. The term includes the following:
- 32 (A) A long term credit rating equal to at least A- by S&P
- 33 Global, or an equivalent long term credit rating for any other
- 34 eligible rating service.
- 35 (B) A short term credit rating equal to at least A-2 by S&P
- 36 Global, or an equivalent short term credit rating for any other
- 37 eligible rating service.
- 38 In any case in which the credit ratings differ among eligible rating
- 39 services, the highest rating applies in determining whether the
- 40 credit rating is an "eligible rating" as defined in this subdivision.
- 41 ~~(10)~~ (13) "Eligible rating service" means:
- 42 (A) a nationally recognized statistical rating organization, as



- 1 defined by the United States Securities and Exchange
 2 Commission; or
 3 (B) any other organization designated as such by the director.
 4 ~~(11)~~ **(14)** "Federally insured depository financial institution"
 5 means:
 6 (A) a bank;
 7 (B) a credit union;
 8 (C) a savings and loan association;
 9 (D) a trust company;
 10 (E) a corporate fiduciary;
 11 (F) a savings association;
 12 (G) a savings bank;
 13 (H) an industrial bank; or
 14 (I) an industrial loan company;
 15 that is organized under the law of the United States or any state of
 16 the United States and that has federally or privately insured
 17 deposits as permitted by state or federal law.
 18 ~~(12)~~ **(15)** "In Indiana", with respect to the location of a
 19 transaction, means the following:
 20 (A) At a physical location in Indiana, for a transaction
 21 requested in person.
 22 (B) For a transaction requested electronically or by telephone,
 23 a determination made by the provider of money transmission,
 24 by relying on the following, that the person requesting the
 25 transaction is in Indiana:
 26 (i) Information, provided by the person, regarding the
 27 location of the individual's residential address or the
 28 business entity's principal place of business or other physical
 29 address location, as applicable.
 30 (ii) Any records associated with the person that the provider
 31 of money transmission may have that indicate the person's
 32 location, including an address associated with an account.
 33 ~~(13)~~ **(16)** "Individual" means a natural person.
 34 ~~(14)~~ **(17)** "Key individual" means an individual ultimately
 35 responsible for establishing or directing policies and procedures
 36 of a licensee, such as an executive officer, manager, director, or
 37 trustee.
 38 ~~(15)~~ **(18)** "Licensee" means a person licensed under this chapter.
 39 ~~(16)~~ **(19)** "Material litigation" means litigation that, according to
 40 United States generally accepted accounting principles, is
 41 significant to a person's financial health and would be required to
 42 be disclosed in the person's annual audited financial statements,



- 1 report to shareholders, or similar records.
 2 ~~(17)~~ **(20)** "Money" means a medium of exchange that is issued by
 3 the United States government or by a foreign government. The
 4 term includes a monetary unit of account established by an
 5 intergovernmental organization or by agreement between two (2)
 6 or more governments.
 7 ~~(18)~~ **(21)** "Monetary value" means a medium of exchange,
 8 whether or not redeemable in money.
 9 ~~(19)~~ **(22)** "Money transmission" means any of the following:
 10 (A) Selling or issuing payment instruments to a person located
 11 in Indiana.
 12 (B) Selling or issuing stored value to a person located in
 13 Indiana.
 14 (C) Receiving money for transmission from a person located
 15 in Indiana.
 16 The term does not include the provision of solely online or
 17 telecommunications services or network access. **The term does**
 18 **not include digital asset mining, operating a digital asset**
 19 **mining business, transferring digital assets exclusively on a**
 20 **blockchain protocol, staking, staking as a service, or operating**
 21 **a node or series of nodes on a blockchain protocol.**
 22 ~~(20)~~ **(23)** "MSB accredited state" means a state agency that is
 23 accredited by the Conference of State Bank Supervisors and
 24 Money Transmitter Regulators Association for money
 25 transmission licensing and supervision.
 26 ~~(21)~~ **(24)** "Multistate licensing process" means an agreement
 27 entered into by and among state regulators related to:
 28 (A) coordinated processing of applications for money
 29 transmission licenses;
 30 (B) applications for the acquisition and control of a licensee;
 31 (C) control determinations; or
 32 (D) notice and information requirements for a change of key
 33 individuals.
 34 ~~(22)~~ **(25)** "NMLS" means the Nationwide Multistate Licensing
 35 System and Registry:
 36 (A) developed by the Conference of State Bank Supervisors
 37 and the American Association of Residential Mortgage
 38 Regulators; and
 39 (B) owned and operated by the State Regulatory Registry,
 40 LLC, or by any successor or affiliated entity;
 41 for the licensing and registry of persons in financial services
 42 industries.



1 **(26) "Node" has the meaning set forth in IC 34-30-34.5-4.**

2 ~~(23)~~ **(27) "Outstanding money transmission obligation", as**
 3 established and extinguished in accordance with applicable state
 4 law, means:

5 (A) any payment instrument or stored value that:

6 (i) is issued or sold by a licensee to a person located in the
 7 United States, or reported as sold by an authorized delegate

8 of the licensee to a person located in the United States; and

9 (ii) has not yet been paid or refunded by or for the licensee,
 10 or escheated in accordance with applicable abandoned

11 property laws; or

12 (B) any money that:

13 (i) is received for transmission by a licensee, or by an
 14 authorized delegate of the licensee, from a person located in
 15 the United States; and

16 (ii) has not been received by the payee or refunded to the
 17 seller, or escheated in accordance with applicable
 18 abandoned property laws.

19 For purposes of this subdivision, a person is located "in the
 20 United States" if the person is located in any state, territory, or
 21 possession of the United States or in the District of Columbia, the
 22 Commonwealth of Puerto Rico, or a United States military
 23 installation located in a foreign country.

24 ~~(24)~~ **(28) "Passive investor" means a person that:**

25 (A) does not have the power to elect a majority of key
 26 individuals or executive officers, managers, directors, trustees,
 27 or other persons exercising managerial authority over a person
 28 in control of a licensee;

29 (B) is not employed by and does not have any managerial
 30 duties with respect to the licensee or a person in control of the
 31 licensee;

32 (C) does not have the power to exercise, directly or indirectly,
 33 a controlling influence over the management or policies of the
 34 licensee or a person in control of the licensee; and

35 (D) either:

36 (i) attests to as facts the characteristics of passivity set forth
 37 in clauses (A) through (C), in a form and by a medium
 38 prescribed by the director; or

39 (ii) commits to the characteristics of passivity set forth in
 40 clauses (A) through (C) in a written document.

41 ~~(25)~~ **(29) "Payment instrument" means a written or electronic**
 42 check, draft, money order, traveler's check, or other written or



1 electronic instrument for the transmission or payment of money
 2 or monetary value, whether or not negotiable. The term does not
 3 include:

4 (A) stored value; or

5 (B) any instrument that:

6 (i) is redeemable by the issuer only for goods or services
 7 provided by the issuer or its affiliate, or franchisees of the
 8 issuer or its affiliate, except to the extent required by
 9 applicable law to be redeemable in cash for its cash value;

10 or

11 (ii) is not sold to the public but is issued and distributed as
 12 part of a loyalty, rewards, or promotional program.

13 ~~(26)~~ **(30)** "Person" means any individual, general partnership,
 14 limited partnership, limited liability company, corporation, trust,
 15 association, joint stock corporation, or other corporate entity, as
 16 so identified by the director.

17 ~~(27)~~ **(31)** "Receiving money for transmission" means receiving
 18 money or monetary value in the United States for transmission
 19 within or outside the United States by electronic or other means.
 20 The term "money received for transmission" has a corresponding
 21 meaning.

22 **(32) "Staking" has the meaning set forth in IC 34-30-34.5-5.**

23 **(33) "Staking as a service" has the meaning set forth in**
 24 **IC 34-30-34.5-6.**

25 ~~(28)~~ **(34)** "Stored value" means monetary value representing a
 26 claim, against the issuer, that is evidenced by an electronic or
 27 digital record and that is intended and accepted for use as a means
 28 of redemption for money or monetary value, or payment for goods
 29 or services. The term includes "prepaid access" as defined in 31
 30 CFR 1010.100. The term does not include:

31 (A) a payment instrument;

32 (B) closed loop stored value; or

33 (C) stored value not sold to the public but issued and
 34 distributed as part of a loyalty, rewards, or promotional
 35 program.

36 ~~(29)~~ **(35)** "Tangible net worth" means the aggregate assets of a
 37 licensee, excluding all intangible assets, less liabilities, as
 38 determined in accordance with United States generally accepted
 39 accounting principles.

40 SECTION 10. IC 34-30-34.5 IS ADDED TO THE INDIANA
 41 CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2024]:



1 **Chapter 34.5. Immunity for Digital Asset Mining**

2 **Sec. 1. As used in this chapter, "blockchain" means data that is:**

- 3 (1) shared across a network to create a ledger of verified
 4 transactions or information among network participants
 5 linked using cryptography to maintain the integrity of the
 6 ledger and to execute other functions; and
 7 (2) distributed among network participants in an automated
 8 fashion to concurrently update network participants on the
 9 state of the ledger and any other functions.

10 **Sec. 2. As used in this chapter, "blockchain protocol" means any**
 11 **executable software deployed to a blockchain composed of source**
 12 **code that is publicly available and accessible, including a smart**
 13 **contract or network of smart contracts.**

14 **Sec. 3. As used in this chapter, "digital asset mining" means the**
 15 **use of one (1) or more nodes for the purpose of securing a**
 16 **blockchain protocol.**

17 **Sec. 4. As used in this chapter, "node" means a computational**
 18 **device that does one (1) or more of the following:**

- 19 (1) Communicates with other devices or participants on a
 20 blockchain to maintain consensus and integrity of the
 21 blockchain.
 22 (2) Contains and validates transaction blocks.
 23 (3) Contains and updates a copy of the blockchain.

24 **Sec. 5. "Staking" means the act of committing digital assets for**
 25 **a period of time to validate and secure a specific blockchain**
 26 **protocol using a node to lock digital assets in order to operate the**
 27 **consensus mechanism of a blockchain protocol.**

28 **Sec. 6. "Staking as a service" means the provision of technical**
 29 **staking services, including the operation of nodes and associated**
 30 **infrastructure, necessary to facilitate participation in the consensus**
 31 **mechanisms of blockchain protocols.**

32 **Sec. 7. Notwithstanding any other provision of law, a person**
 33 **that engages in any of the following with respect to a transaction**
 34 **on a blockchain network is not subject to civil liability solely for**
 35 **the person's validation of the transaction:**

- 36 (1) Digital asset mining.
 37 (2) Operating a node or series of nodes on a blockchain
 38 network.
 39 (3) Staking or providing staking as a service.

40 SECTION 11. IC 35-46-7-2, AS AMENDED BY P.L.27-2007,
 41 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2024]: Sec. 2. This chapter does not apply to the following:



- 1 (1) A gift or donation of money or other asset given to:
- 2 (A) a health care provider in the corporate name of the health
- 3 care provider; or
- 4 (B) a health care provider that is organized under Section
- 5 501(c)(3) of the Internal Revenue Code.
- 6 (2) A gift or loan of money or other asset given by a person who
- 7 receives services from a health care provider to a member of the
- 8 person's family who:
- 9 (A) is employed by a health care provider; or
- 10 (B) owns, wholly or jointly, a health care provider.
- 11 (3) A bequest of personal property or devise of real property made
- 12 in an executable will as described in IC 29-1-5-5 to a health care
- 13 provider or an owner, employee, or agent of a health care
- 14 provider.
- 15 (4) The purchase of a security (as defined in ~~IC 23-19-1-2(28)~~
- 16 **IC 23-19-1-2(29)**) that is traded on a national or regional
- 17 exchange.
- 18 (5) A gift or gratuity, not exceeding five hundred dollars (\$500)
- 19 in the aggregate per year per person receiving services from the
- 20 health care provider, to an employee of a health care provider.
- 21 (6) A gift or donation of money or other asset given to purchase
- 22 or otherwise acquire a product, service, or amenity for the use,
- 23 entertainment, or enjoyment of persons receiving services from a
- 24 health care provider.

25 SECTION 12. IC 36-1-3-14 IS ADDED TO THE INDIANA CODE
 26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 27 1, 2024]: **Sec. 14. (a) The following definitions apply throughout**
 28 **this section:**

- 29 (1) **"Digital asset" has the meaning set forth in IC 6-3-1-4.2.**
- 30 (2) **"Hardware wallet" means a physical device that is not**
- 31 **continuously connected to the Internet and allows an**
- 32 **individual to secure and transfer digital assets and under**
- 33 **which the owner of the digital assets retains independent**
- 34 **control over the digital assets.**
- 35 (3) **"Self hosted wallet" means a digital interface used to**
- 36 **secure and transfer digital assets and under which the owner**
- 37 **of the digital assets retains independent control over the**
- 38 **digital assets that is secured by the digital interface.**
- 39 (b) **A unit may not adopt or enforce an ordinance that would**
- 40 **have the effect of prohibiting, restricting, or impairing an**
- 41 **individual's ability to:**
- 42 (1) **use digital assets to purchase legal goods and services; or**



1 **(2) use a hardware wallet or self-hosted wallet to store the**
2 **individual's digital assets.**
3 SECTION 13. IC 36-1-30.5 IS ADDED TO THE INDIANA CODE
4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2024]:
6 **Chapter 30.5. Regulation of Digital Asset Mining**
7 **Sec. 1. As used in this chapter, "blockchain" has the meaning set**
8 **forth in IC 34-30-34.5-1.**
9 **Sec. 2. As used in this chapter, "digital asset mining business"**
10 **has the meaning set forth in IC 8-1-2-4.4.**
11 **Sec. 3. As used in this chapter, "node" has the meaning set forth**
12 **in IC 34-30-34.5-4.**
13 **Sec. 4. Use of a property for a digital asset mining business is a**
14 **permitted industrial use under any applicable zoning ordinance of**
15 **a unit and may not be disallowed by a zoning ordinance (as defined**
16 **in IC 36-7-1-22) in a zoning district or classification of a unit that**
17 **permits industrial use.**
18 **Sec. 5. A unit may enact or enforce a law or plan that regulates,**
19 **prohibits, or limits use of property for digital asset mining in an**
20 **industrial zoning district or classification of a unit only:**
21 **(1) for the purpose of zoning regulations related to noise; and**
22 **(2) if enforcement is performed in the same manner as**
23 **enforcement that applies to similar properties that are not**
24 **used for digital asset mining businesses.**
25 **Sec. 6. A unit may not:**
26 **(1) require a special exception, special use, or zoning variance**
27 **for the use of a property for a digital asset mining business in**
28 **an industrial zoning district or classification of a unit;**
29 **(2) interpret and enforce the unit's zoning regulations in a**
30 **manner that is intended for or has the effect of prohibiting or**
31 **unreasonably restricting the use of industrial property for a**
32 **digital asset mining business; or**
33 **(3) require a permit for the use of a property for a digital**
34 **asset mining business in an area that is zoned for industrial**
35 **use.**
36 **Sec. 7. A unit may change the zoning classification of a property**
37 **used for a digital asset mining business only as provided under**
38 **IC 36-7-4.**
39 SECTION 14. An emergency is declared for this act.

