

# SENATE BILL No. 183

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-2-29.5.

**Synopsis:** Income tax deduction for health insurance premiums. Provides that a taxpayer who is covered by a health insurance plan may deduct from the taxpayer's adjusted gross income an amount equal to the total amount of premiums on the health insurance plan the taxpayer paid for coverage during the taxable year.

**Effective:** July 1, 2026.

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January 5, 2026, read first time and referred to Committee on Appropriations.

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Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

## SENATE BILL No. 183

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

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

1       SECTION 1. IC 6-3-2-29.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2026]: **Sec. 29.5. (a) This section applies to taxable years**  
4 **beginning after December 31, 2026.**

5       **(b) As used in this section, "health insurance plan" means a**  
6 **policy, contract, certificate, or agreement offered or issued:**

7           **(1) by an entity that assumes or carries insurance risk; and**

8           **(2) to provide, deliver, arrange for, pay for, or reimburse the**  
9 **costs of health care services, including dental and vision**  
10 **services.**

11       **(c) As used in this section, "taxpayer" means:**

12           **(1) an individual filing a single return;**

13           **(2) a married couple filing a joint return; or**

14           **(3) a married individual filing a separate return.**

15       **(d) Each taxable year, a taxpayer who is covered by a health**  
16 **insurance plan may deduct from the taxpayer's adjusted gross**  
17 **income an amount equal to the total amount of premiums on the**



1 health insurance plan the taxpayer paid for coverage during the  
2 taxable year.

3 (e) In the case of a married individual filing a separate return,  
4 the amount of the deduction for each spouse is equal to fifty  
5 percent (50%) of the total amount of premiums allowed to be  
6 deducted under subsection (d).

