

PROPOSED AMENDMENT

HB 1001 # 25

DIGEST

Civil service annuity deduction. Increases the amount of federal civil service annuity benefits that an individual or the individual's surviving spouse may deduct from adjusted gross income tax.

1 Page 95, between lines 45 and 46, begin a new paragraph and insert:
2 "SECTION 43. IC 6-3-2-3.7, AS AMENDED BY P.L.250-2015,
3 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2026]: Sec. 3.7. (a) Each taxable year, an individual or
5 the individual's surviving spouse is entitled to an adjusted gross income
6 tax deduction equal to the remainder of:
7 (1) the:
8 (A) first eight thousand dollars (\$8,000), for taxable years
9 beginning after December 31, 2014, and before January 1,
10 2016; ~~and~~
11 (B) first sixteen thousand dollars (\$16,000), for taxable years
12 beginning after December 31, 2015, **and before January 1,**
13 **2026;**
14 (C) **first twenty-two thousand dollars (\$22,000), for taxable**
15 **years beginning after December 31, 2025, and before**
16 **January 1, 2028;**
17 (D) **first twenty-four thousand dollars (\$24,000), for**
18 **taxable years beginning after December 31, 2027, and**
19 **before January 1, 2030; and**
20 (E) **first twenty-six thousand dollars (\$26,000), for taxable**
21 **years beginning after December 31, 2029;**
22 which is received by the individual or the individual's surviving
23 spouse during the taxable year from a federal civil service
24 annuity, and which is included in adjusted gross income under
25 Section 62 of the Internal Revenue Code; minus
26 (2) the total amount of Social Security benefits and railroad
27 retirement benefits received by the individual or the individual's

1 surviving spouse during the taxable year.

2 (b) The individual is only entitled to the deduction provided by this
3 section if the individual is at least sixty-two (62) years of age before the
4 end of the taxable year. This subsection does not apply to the
5 individual's surviving spouse."

6 Page 120, between lines 30 and 31, begin a new paragraph and
7 insert:

8 "SECTION 84. [EFFECTIVE JANUARY 1, 2026] **(a) IC 6-3-2-3.7,**
9 **as amended by this act, applies to taxable years beginning after**
10 **December 31, 2025.**

11 **(b) This SECTION expires January 1, 2028."**

12 Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as introduced.)