



# SENATE MOTION

**MR. PRESIDENT:**

**I move** that Engrossed House Bill 1001 be amended to read as follows:

- 1 Page 101, between lines 8 and 9, begin a new paragraph and insert:  
2 "SECTION 78. IC 6-3.1-41 IS ADDED TO THE INDIANA CODE  
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
4 JANUARY 1, 2025 (RETROACTIVE)]:  
5 **Chapter 41. Employment of Individuals in the Military**  
6 **Sec. 1. As used in this chapter, "pass through entity" means:**  
7 (1) a corporation that is exempt from the adjusted gross  
8 income tax under IC 6-3-2-2.8(2);  
9 (2) a partnership;  
10 (3) a trust;  
11 (4) an estate;  
12 (5) a limited liability company; or  
13 (6) a limited liability partnership.  
14 **Sec. 2. As used in this chapter, "qualified individual" means an**  
15 **individual who resides in Indiana and serves as a member of:**  
16 (1) a reserve component of the armed forces of the United  
17 States; or  
18 (2) the Indiana National Guard.  
19 **Sec. 3. As used in this chapter, "state tax liability" means the**  
20 **taxpayer's total tax liability that is incurred under:**  
21 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);  
22 (2) IC 27-1-18-2 (the insurance premiums tax) or IC 6-8-15  
23 (the nonprofit agricultural organization health coverage tax);  
24 and  
25 (3) IC 6-5.5 (the financial institutions tax);  
26 as computed after the application of the credits that, under  
27 IC 6-3.1-1-2, are to be applied before the credit provided by this  
28 chapter.

1           **Sec. 4. (a) Subject to subsection (c), a taxpayer that employs a**  
2 **qualified individual during a taxable year is entitled to a credit**  
3 **against the taxpayer's state tax liability for the taxable year based**  
4 **on the time in which the qualified individual is:**

5           **(1) employed by the taxpayer; and**

6           **(2) training, drilling, or otherwise on active duty orders with**  
7 **a reserve component of the armed forces of the United States**  
8 **or the Indiana National Guard during the qualified**  
9 **individual's normal working hours;**

10 **during the taxable year.**

11           **(b) The amount of the tax credit with respect to a particular**  
12 **qualified individual is the amount determined in the last STEP of**  
13 **the following STEPS:**

14           **STEP ONE: Determine the number of hours that the qualified**  
15 **individual is training, drilling, or otherwise on active duty**  
16 **orders with a reserve component of the armed forces of the**  
17 **United States or the Indiana National Guard during the**  
18 **qualified individual's normal working hours during the**  
19 **taxable year.**

20           **STEP TWO: Multiply the STEP ONE result by the qualified**  
21 **individual's normal hourly wage.**

22           **STEP THREE: Multiply the STEP TWO result by five-tenths**  
23 **(0.5).**

24           **(c) A taxpayer may not claim the credit under this chapter for**  
25 **a qualified individual who uses any type of paid leave during the**  
26 **time for which the qualified individual is training, drilling, or**  
27 **otherwise on active duty orders with a reserve component of the**  
28 **armed forces of the United States or the Indiana National Guard**  
29 **during the taxable year.**

30           **Sec. 5. In order to receive the credit provided under this**  
31 **chapter, a taxpayer must claim the credit on the taxpayer's annual**  
32 **state tax return in the manner prescribed by the department. The**  
33 **taxpayer shall submit to the department any information that the**  
34 **department determines is necessary for the calculation of the**  
35 **credit.**

36           **Sec. 6. (a) If the amount determined under section 4(b) of this**  
37 **chapter for a taxable year exceeds the taxpayer's state tax liability**  
38 **for that taxable year, the taxpayer may carry the excess over to the**  
39 **immediately following taxable years. The amount of the credit**  
40 **carryover from a taxable year shall be reduced to the extent that**  
41 **the carryover is used by the taxpayer to obtain a credit under this**  
42 **chapter for any subsequent taxable year.**

43           **(b) A taxpayer is not entitled to any carryback or refund of any**  
44 **unused credit.**

45           **(c) A taxpayer may not assign any part of a credit to which the**  
46 **taxpayer is entitled under this chapter.**

47           **Sec. 7. If a pass through entity is entitled to a credit under this**

1 chapter but does not have state tax liability against which the tax  
 2 credit may be applied, an individual who is a shareholder, partner,  
 3 beneficiary, or member of the pass through entity is entitled to a  
 4 tax credit equal to:

5 (1) the tax credit determined for the pass through entity for  
 6 the taxable year; multiplied by

7 (2) the percentage of the pass through entity's distributive  
 8 income to which the shareholder, partner, beneficiary, or  
 9 member is entitled.

10 The credit provided under this section is in addition to a tax credit  
 11 to which a shareholder, partner, beneficiary, or member of a pass  
 12 through entity is entitled. However, a pass through entity and an  
 13 individual who is a shareholder, partner, beneficiary, or member  
 14 of a pass through entity may not claim more than one (1) credit."

15 Page 169, between lines 1 and 2, begin a new paragraph and insert:  
 16 "SECTION 220. [EFFECTIVE JANUARY 1, 2025  
 17 (RETROACTIVE)]: (a) IC 6-3.1-41, as added by this act, applies to  
 18 taxable years beginning after December 31, 2024.

19 (b) This SECTION expires July 1, 2028."

20 Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed April 11, 2025.)

---

Senator POL JR.