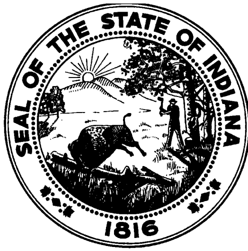

Journal of the House

State of Indiana

122nd General Assembly *Second Regular Session*

Twenty Second Day **Monday Afternoon** **February 21, 2022**

The invocation was offered by Pastor Dave Cook from Calvary Baptist Church in Greenwood, a guest of Representative Davis.

The House convened at 1:30 p.m. with Speaker Todd M. Huston in the Chair.

The Pledge of Allegiance to the Flag was led by Representative Davis.

The Speaker ordered the roll of the House to be called:

Abbott	Karickhoff	Torr	J. Young
Andrade	King	VanNatter	Zent
Austin	Klinker	Vermilion	Ziemke
Aylesworth	Lauer	Wesco	Mr. Speaker
Baird	Ledbetter		
Barrett	Lehe		
Bartels	Lehman		
Bartlett	Leonard		
Bauer, M	Lindauer		
Behning	Lucas		
Borders	Lyness □		
Boy	Manning		
Brown, T.	May		
Campbell	Mayfield		
Carbaugh	McNamara		
Cherry	Miller		
Clere	Moed		
Cook	Morris		
Davis	Morrison		
Davisson	Moseley		
DeVon	Negele		
DeLaney	Nisly		
Dvorak □	O'Brien		
Eberhart	Olthoff		
Ellington	Pack		
Engleman	Payne		
Errington	Pfaff		
Fleming	Pierce		
Frye	Porter		
GiaQuinta	Prescott		
Goodrich	Pressel		
Gore	Pryor		
Gutwein	Rowray		
Hamilton	Saunders		
Harris	Schaibley		
Hatcher	Shackleford		
Hatfield	Slager □		
Heaton	Smaltz		
Heine	Smith, V.		
Hostettler □	Snow		
Jackson	Soliday		
Jacob	Speedy		
Jeter □	Steuerwald		
Johnson	Summers		
Jordan	Teshka		
Judy	Thompson □		

Roll Call 204: 94 present; 6 excused. The Speaker announced a quorum in attendance. [*NOTE*: □ *indicates those who were excused*.]

HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Tuesday, February 22, 2022, at 1:30 p.m.

LEHMAN

The motion was adopted by a constitutional majority.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 2, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 23, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 2. IC 20-26-5-42.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 42.1. (a) Not later than April 15 each year, each school corporation and charter school shall report to the department the number of students who meet the following conditions during the student's expected graduation year (as defined in IC 20-26-13-4):**

(1) The student was enrolled in the school corporation on the day in September fixed by the state board for the fall count of students under IC 20-43-4-3.

(2) The student successfully completed Indiana high school graduation requirements before the day in February fixed by the state board for the spring count of students under IC 20-43-4-3.

(3) The student was not enrolled in the school corporation on the day in February fixed by the state board for the spring count of students under IC 20-43-4-3.

(b) In addition to the number provided under subsection (a), each school corporation and charter school shall submit information prescribed by the department that is necessary to verify the number reported under subsection (a).

SECTION 3. IC 20-43-4-2, AS AMENDED BY P.L.165-2021, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A school corporation's ADM is the number of eligible pupils enrolled in:

(1) the school corporation; or

(2) a transferee corporation;

on the day fixed in September by the state board for a count of students under section 3 of this chapter and as subsequently adjusted not later than the date specified under the rules adopted

by the state board. The state board may adjust the school's count of eligible pupils if the state board determines that the count is unrepresentative of the school corporation's enrollment. In addition, a school corporation may petition the state board to make an adjusted count of students enrolled in the school corporation if the corporation has reason to believe that the count is unrepresentative of the school corporation's enrollment. In addition, a school corporation shall determine the number of eligible pupils enrolled in~~:~~

~~(1)~~ the school corporation~~;~~ or

~~(2)~~ a transferee corporation~~;~~

on the day fixed in February by the state board for a spring count of students under section 3 of this chapter and as subsequently adjusted under this chapter or under rules adopted by the state board. **The department shall adjust a school corporation's February count of students as provided in section 3.6 of this chapter.**

(b) Each school corporation shall, before April 1 of each year, provide to the department an estimate of the school corporation's ADM that will result from the count of eligible pupils in the following September. The department may update and adjust the estimate as determined appropriate by the department. In each odd-numbered year, the department shall provide the updated and adjusted estimate of the school corporation's ADM to the legislative services agency before April 10 of that year.

(c) A new charter school shall submit an enrollment estimate to the department before April 1 of the year the new charter school will be open for enrollment. The department shall use the new charter school's enrollment estimate as the basis for the new charter school's distribution beginning in July and until actual ADM is available, subject to section 9 of this chapter. However, if the new charter school's enrollment estimate is greater than eighty percent (80%) of the new charter school's authorized enrollment cap, the department may use that enrollment estimate if the department has requested and reviewed other enrollment data that support that enrollment estimate. However, if the enrollment data requested and reviewed by the department does not support the enrollment estimate submitted by the new charter school, the department shall determine the estimated ADM based on the enrollment data requested and reviewed by the department. In each odd-numbered year, the department shall provide the new charter school's estimated ADM to the legislative services agency before April 10 of that year.

SECTION 4. IC 20-43-4-3.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.6. (a) Beginning with the February count of students made in 2022, the department shall adjust the February count of a school corporation's ADM (as otherwise adjusted under this chapter) by adding to each count the number of students who meet the following conditions during the student's expected graduation year (as defined in IC 20-26-13-4):**

(1) The student was enrolled in the school corporation on the day in September fixed by the state board for the fall count of students under section 3 of this chapter.

(2) The student successfully completed Indiana high school graduation requirements before the day in February fixed by the state board for the spring count of students under section 3 of this chapter.

(3) The student was not enrolled in the school corporation on the day in February fixed by the state board for the spring count of students under section 3 of this chapter.

(b) If a February count of students is adjusted retroactively under this section, the adjusted count retroactively applies to the amount of state tuition support distributed to a school corporation affected by the adjusted count, as provided in section 9 of this chapter.".

Page 24, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 7. IC 20-43-4-9, AS AMENDED BY P.L.108-2019, SECTION 224, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Subject to subsections (b) and (c), this subsection applies to the calculation of state tuition support distributions that are based on the current ADM of a school corporation. The fall count of ADM, as adjusted by the state board under section 2 of this chapter, shall be used to compute state tuition support distributions made in the first six (6) months of the current state fiscal year. ~~and~~ The spring count of ADM, as adjusted by:

(1) the state board under section 2 of this chapter; **and**

(2) the department under section 3.6 of this chapter;

shall be used to compute state tuition support distributions made in the second six (6) months of the state fiscal year.

(b) This subsection applies to a school corporation that does not provide the estimates required by section 2(b) of this chapter before the deadline. For monthly state tuition support distributions made before the count of ADM is finalized, the department shall determine the distribution amount for such a school corporation for a state fiscal year of the biennium, using data that were used by the general assembly in determining the state tuition support appropriation for the budget act for that state fiscal year. The department may adjust the data used under this subsection for errors.

(c) If the:

(1) state board; **or**

(2) department, under section 3.6 of this chapter;

adjusts a count of ADM after a distribution is made under this article, the adjusted count retroactively applies to the amount of state tuition support distributed to a school corporation affected by the adjusted count. The department shall settle any overpayment or underpayment of state tuition support resulting from an adjusted count of ADM on the schedule determined by the department and approved by the budget agency.".

Page 27, line 10, after "chapter." insert "**If the school corporation or school provides matching grants, the school corporation or school may suggest qualified providers for particular services.**".

Page 29, line 2, delete "student." and insert "**student, including any assessment results or other information used to evaluate the enrichment student's progress.**".

Renumber all SECTIONS consecutively.

(Reference is to ESB 2 as printed February 10, 2022.)

and when so amended that said bill do pass.

Committee Vote: yeas 24, nays 0.

BROWN, T, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 5, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 12-15-15-1.2, AS ADDED BY P.L.132-2021, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.2. (a) This section applies only to state fiscal years beginning after June 30, 2021, and ending before July 1, 2023.

(b) As used in this section, "children's hospital" means:

(1) a freestanding general acute care hospital that:

(A) is designated by the Medicare program as a children's hospital; or

(B) furnishes inpatient and outpatient health care services to patients who are predominantly individuals less than nineteen (19) years of age; or

(2) a facility located within a freestanding general acute care hospital that:
(A) is designated by the Medicare program as a children's hospital; or
(B) furnishes inpatient and outpatient health care services to patients who are predominately individuals less than nineteen (19) years of age.

(c) This section applies to reimbursement for inpatient Medicaid services and outpatient Medicaid services provided to a Medicaid recipient who is less than nineteen (19) years of age at a children's hospital that is located in a state bordering Indiana. This section does not apply to reimbursement for non-emergency medical transportation.

(d) Subject to subsection (a), the office shall reimburse a children's hospital for covered services provided to a Medicaid recipient that is described in subsection (c) at a rate set by the secretary that is based on a reimbursement formula that is:
(1) comparable to the current federal Medicare reimbursement rate for the service provided by the children's hospital; or
(2) one hundred thirty percent (130%) of the Medicaid reimbursement rate for a service that does not have a Medicare reimbursement rate.

(e) Before September 1, 2021, the office shall apply to the United States Department of Health and Human Services for any state plan amendment or Medicaid waiver necessary to implement and administer this section.

(f) The office may adopt rules under IC 4-22-2 necessary for the implementation of this section.

(g) Not later than September 30, 2022, the office shall complete a review of methods of calculating outlier payments in a way that does not negatively impact final reimbursement determined according to the rate set under subsection (d) as compared to final reimbursement when calculated as if the rate adjustment was not required under subsection (d).

~~(g)~~ **(h)** This section expires July 1, 2023.".

Page 5, line 2, after "more" insert "**than**".

Renumber all SECTIONS consecutively.

(Reference is to ESB 5 as printed February 10, 2022.)

and when so amended that said bill do pass.

Committee Vote: yeas 24, nays 0.

BROWN T, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 186, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to ESB 186 as printed February 17, 2022.)

Committee Vote: Yeas 17, Nays 0.

BROWN T, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 251, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to ESB 251 as printed February 10, 2022.)

Committee Vote: Yeas 23, Nays 0.

BROWN T, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 365, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to ESB 365 as printed February 10, 2022.)

Committee Vote: Yeas 24, Nays 0.

BROWN T, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 381, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to ESB 381 as printed February 15, 2022.)

Committee Vote: Yeas 19, Nays 0.

BROWN T, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 382, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, after "budget" insert "**agency shall augment from the state general fund the amount of money appropriated for the department of state revenue collection and administration fund in P.L.165-2021 by seven million one hundred thousand dollars ($7,100,000).**".

Page 1, delete lines 4 through 5.

Page 1, line 6, delete "information office to" and insert "**The augmentation made under this section must**".

Page 1, line 6, after "funding the" insert "**geographic information**".

Page 1, line 8, delete "local income tax" and insert "**listed tax administration**".

Page 16, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 10. IC 6-1.1-4-46 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: **Sec. 46. (a) This section applies to assessment dates after December 31, 2022.**

(b) As used in this section, "self-service storage facility" means any real property designed and used for the renting of space under a rental agreement that provides a renter access to rented space for the storage and retrieval of the renter's property.

(c) The true tax value of a self-service storage facility must be determined based solely on the land and the improvements, less normal depreciation and normal obsolescence, and must exclude business intangible value. Business intangible value is any value of the self-service storage facility and related business operations in excess of the depreciated replacement cost of the improvements and the value of the land.

(d) The true tax value of a self-service storage facility is the lowest valuation determined by applying each of the following appraisal approaches and excluding business intangible value:
(1) Cost approach that includes an estimated reproduction or replacement cost of buildings and land improvements as of the date of valuation, together with estimates of the losses in value that have taken

place due to wear and tear, design and plan, and other depreciation and obsolescence.
(2) Sales comparison approach, using data for generally comparable property.
(3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use.".

Page 21, line 13, after "consideration" insert "**from the purchaser**".

Page 33, delete lines 38 through 41, begin a new paragraph and insert:

"**(d) Notwithstanding subsection (c), a taxpayer filing a report under this subsection or section 21(d) of this chapter (prior to recodification) after December 31, 2021, and before January 1, 2023, will be required to file the next required report on or before the following dates:**
(1) May 15, 2024, if the taxpayer does not have a federal employer identification number or has a federal employer identification number ending in 00 through 24, inclusive.
(2) May 15, 2025, if the taxpayer has a federal employer identification number ending in 25 through 49, inclusive.
(3) May 15, 2026, if the taxpayer has a federal employer identification number ending in 50 through 74, inclusive.
(4) May 15, 2027, if the taxpayer has a federal employer identification number ending in 75 through 99 inclusive.".

Page 37, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 31. IC 6-3-1-3.5, AS AMENDED BY P.L.159-2021, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2021 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:
(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
(2) Except as provided in subsection (c), add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
(3) Subtract one thousand dollars ($1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars ($1,000).
(4) Subtract one thousand dollars ($1,000) for:
(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code (as effective January 1, 2017);
(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and
(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.
(5) Subtract:
(A) one thousand five hundred dollars ($1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004);
(B) one thousand five hundred dollars ($1,500) for each exemption allowed under Section 151(c) of the Internal Revenue Code (as effective January 1, 2017) for an individual:
(i) who is less than nineteen (19) years of age or is a full-time student who is less than twenty-four (24) years of age;
(ii) for whom the taxpayer is the legal guardian; and
(iii) for whom the taxpayer does not claim an exemption under clause (A); and
(C) five hundred dollars ($500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the federal adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars ($40,000). In the case of a married individual filing a separate return, the qualifying income amount in this clause is equal to twenty thousand dollars ($20,000).
This amount is in addition to the amount subtracted under subdivision (4).
(6) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.
(7) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).
(8) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.
(9) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), and (5) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.
(10) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.
(11) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.
(12) Subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse if the taxpayer and the taxpayer's spouse file a joint income tax return or the taxpayer is otherwise entitled to a deduction under this subdivision for the taxpayer's spouse, or both.
(13) Subtract an amount equal to the lesser of:
(A) two thousand five hundred dollars ($2,500), or one thousand two hundred fifty dollars ($1,250) in the case of a married individual filing a separate return; or
(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.
(14) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.
(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property

for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(16) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(17) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars ($25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

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

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

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

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

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

(19) Subtract income that is:

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

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

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

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

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

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

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

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

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

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

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

(B) deduct the interest allowable under Section 221 of the Internal Revenue Code, if the disallowance under Section 221(e)(1) of the Internal Revenue Code did not apply to the payments described in clause (A). For purposes of applying Section 221(b) of the Internal Revenue Code to the amount allowable under this clause, the amount under clause (A) shall not be added to adjusted gross income.

(28) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(29) For taxable years beginning after December 31, 2017, and before January 1, 2021, add an amount equal to the excess business loss of the taxpayer as defined in Section 461(l)(3) of the Internal Revenue Code. In addition:

(A) If a taxpayer has an excess business loss under this subdivision and also has modifications under subdivisions (15) and (17) for property placed in service during the taxable year, the taxpayer shall treat a portion of the taxable year modifications for that property as occurring in the taxable year the property is placed in service and a portion of the modifications as occurring in the immediately following taxable year.

(B) The portion of the modifications under subdivisions (15) and (17) for property placed in service during the taxable year treated as occurring in the taxable year in which the property is placed in service equals:

(i) the modification for the property otherwise

determined under this section; minus
(ii) the excess business loss disallowed under this subdivision;
but not less than zero (0).
(C) The portion of the modifications under subdivisions (15) and (17) for property placed in service during the taxable year treated as occurring in the taxable year immediately following the taxable year in which the property is placed in service equals the modification for the property otherwise determined under this section minus the amount in clause (B).
(D) Any reallocation of modifications between taxable years under clauses (B) and (C) shall be first allocated to the modification under subdivision (15), then to the modification under subdivision (17).
(30) Add an amount equal to the amount excluded from federal gross income under Section 108(f)(5) of the Internal Revenue Code. For purposes of this subdivision:
(A) if an amount excluded under Section 108(f)(5) of the Internal Revenue Code would be excludible under Section 108(a)(1)(B) of the Internal Revenue Code, the exclusion under Section 108(a)(1)(B) of the Internal Revenue Code shall take precedence; **and**
(B) if an amount would have been excludible under Section 108(f)(5) of the Internal Revenue Code as in effect on January 1, 2020, the amount is not required to be added back under this subdivision.
(31) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:
(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and
(B) Section 3134(e) of the Internal Revenue Code.
(32) Subtract the amount of an annual grant amount distributed to a taxpayer's Indiana education scholarship account under IC 20-51.4-4-2 that is used for a qualified expense (as defined in IC 20-51.4-2-9), to the extent the distribution used for the qualified expense is included in the taxpayer's federal adjusted gross income under the Internal Revenue Code.
(33) For taxable years beginning after December 31, 2019, and before January 1, 2021, add an amount equal to the amount of unemployment compensation excluded from federal gross income under Section 85(c) of the Internal Revenue Code.
(34) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.
~~(34)~~ **(35)** Subtract any other amounts the taxpayer is entitled to deduct under IC 6-3-2.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:
(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code (concerning charitable contributions).
(3) Except as provided in subsection (c), add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code (concerning foreign tax credits).
(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).
(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:
(A) twenty-five thousand dollars ($25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and
(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:
(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;
(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and
(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.
The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.
(8) Add to the extent required by IC 6-3-2-20:
(A) the amount of intangible expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes; and
(B) any directly related interest expenses (as defined in IC 6-3-2-20) that reduced the corporation's adjusted gross income (determined without regard to this subdivision). For purposes of this clause, any directly related interest expense that constitutes business interest within the meaning of Section 163(j) of the Internal Revenue Code shall be considered to have reduced the taxpayer's federal taxable income only in the first taxable year in which the deduction otherwise would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.
(9) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment

trust (as defined in section 34.5 of this chapter).
(10) Subtract income that is:
(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and
(B) included in the corporation's taxable income under the Internal Revenue Code.
(11) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.
(12) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.
(13) For taxable years beginning after December 25, 2016:
(A) for a corporation other than a real estate investment trust, add:
(i) an amount equal to the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1; or
(ii) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code; and
(B) for a real estate investment trust, add an amount equal to the deduction for deferred foreign income that was claimed by the taxpayer for the taxable year under Section 965(c) of the Internal Revenue Code, but only to the extent that the taxpayer included income pursuant to Section 965 of the Internal Revenue Code in its taxable income for federal income tax purposes or is required to add back dividends paid under subdivision (9).
(14) Add an amount equal to the deduction that was claimed by the taxpayer for the taxable year under Section 250(a)(1)(B) of the Internal Revenue Code (attributable to global intangible low-taxed income). The taxpayer shall separately specify the amount of the reduction under Section 250(a)(1)(B)(i) of the Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the Internal Revenue Code.
(15) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.
(16) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.
(17) Add an amount equal to the remainder of:
(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus
(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.
(18) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:
(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and
(B) Section 3134(e) of the Internal Revenue Code.
(19) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.
~~(19)~~ **(20)** Add or subtract any other amounts the taxpayer is:
(A) required to add or subtract; or
(B) entitled to deduct;
under IC 6-3-2.
(c) The following apply to taxable years beginning after December 31, 2018, for purposes of the add back of any deduction allowed on the taxpayer's federal income tax return for wagering taxes, as provided in subsection (a)(2) if the taxpayer is an individual or subsection (b)(3) if the taxpayer is a corporation:
(1) For taxable years beginning after December 31, 2018, and before January 1, 2020, a taxpayer is required to add back under this section eighty-seven and five-tenths percent (87.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.
(2) For taxable years beginning after December 31, 2019, and before January 1, 2021, a taxpayer is required to add back under this section seventy-five percent (75%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.
(3) For taxable years beginning after December 31, 2020, and before January 1, 2022, a taxpayer is required to add back under this section sixty-two and five-tenths percent (62.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.
(4) For taxable years beginning after December 31, 2021, and before January 1, 2023, a taxpayer is required to add back under this section fifty percent (50%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.
(5) For taxable years beginning after December 31, 2022, and before January 1, 2024, a taxpayer is required to add back under this section thirty-seven and five-tenths percent (37.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.
(6) For taxable years beginning after December 31, 2023, and before January 1, 2025, a taxpayer is required to add back under this section twenty-five percent (25%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.
(7) For taxable years beginning after December 31, 2024, and before January 1, 2026, a taxpayer is required to add back under this section twelve and five-tenths percent (12.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.
(8) For taxable years beginning after December 31, 2025, a taxpayer is not required to add back under this section any amount of a deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(d) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

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

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

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 832(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

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

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

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars ($25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

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

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

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

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

(8) Subtract income that is:

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

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

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

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

(11) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

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

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

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

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

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

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

(16) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(17) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the

Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(18) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

~~(18)~~ **(19)** Add or subtract any other amounts the taxpayer is:

(A) required to add or subtract; or

(B) entitled to deduct;

under IC 6-3-2.

(e) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

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

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

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 832(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

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

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

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars ($25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

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

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

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

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

(8) Subtract income that is:

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

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

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

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

(11) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

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

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

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

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

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

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

(16) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section

274(n) of the Internal Revenue Code; minus
(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.
(17) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:
(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and
(B) Section 3134(e) of the Internal Revenue Code.
(18) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.
~~(18)~~ **(19)** Add or subtract any other amounts the taxpayer is:
(A) required to add or subtract; or
(B) entitled to deduct;
under IC 6-3-2.

(f) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:
(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.
(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).
(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:
(A) twenty-five thousand dollars ($25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and
(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:
(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;
(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and
(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.
The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.
(6) Subtract income that is:
(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and
(B) included in the taxpayer's taxable income under the Internal Revenue Code.
(7) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.
(8) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.
(9) For taxable years beginning after December 25, 2016, add an amount equal to:
(A) the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1;
(B) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code; and
(C) with regard to any amounts of income under Section 965 of the Internal Revenue Code distributed by the taxpayer, the deduction under Section 965(c) of the Internal Revenue Code attributable to such distributed amounts and not reported to the beneficiary.
For purposes of this article, the amount required to be added back under clause (B) is not considered to be distributed or distributable to a beneficiary of the estate or trust for purposes of Sections 651 and 661 of the Internal Revenue Code.
(10) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.
(11) Add an amount equal to the deduction for qualified business income that was claimed by the taxpayer for the taxable year under Section 199A of the Internal Revenue Code.
(12) Subtract the amount that would have been excluded

from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(13) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(14) For taxable years beginning after December 31, 2017, and before January 1, 2021, add an amount equal to the excess business loss of the taxpayer as defined in Section 461(l)(3) of the Internal Revenue Code. In addition:

(A) If a taxpayer has an excess business loss under this subdivision and also has modifications under subdivisions (3) and (5) for property placed in service during the taxable year, the taxpayer shall treat a portion of the taxable year modifications for that property as occurring in the taxable year the property is placed in service and a portion of the modifications as occurring in the immediately following taxable year.

(B) The portion of the modifications under subdivisions (3) and (5) for property placed in service during the taxable year treated as occurring in the taxable year in which the property is placed in service equals:

(i) the modification for the property otherwise determined under this section; minus

(ii) the excess business loss disallowed under this subdivision;

but not less than zero (0).

(C) The portion of the modifications under subdivisions (3) and (5) for property placed in service during the taxable year treated as occurring in the taxable year immediately following the taxable year in which the property is placed in service equals the modification for the property otherwise determined under this section minus the amount in clause (B).

(D) Any reallocation of modifications between taxable years under clauses (B) and (C) shall be first allocated to the modification under subdivision (3), then to the modification under subdivision (5).

(15) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(16) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

~~(16)~~ **(17)** Add or subtract any other amounts the taxpayer is:

(A) required to add or subtract; or

(B) entitled to deduct;

under IC 6-3-2.

(g) Subsections ~~(a)(34), (b)(19), (d)(18), (e)(18), or (f)(16)~~ **(a)(35), (b)(20), (d)(19), (e)(19), or (f)(17)** may not be construed to require an add back or allow a deduction or exemption more than once for a particular add back, deduction, or exemption.

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

(1) a taxpayer is a shareholder, either directly or indirectly, in a corporation that is an E&P deficit foreign corporation as defined in Section 965(b)(3)(B) of the Internal Revenue Code, and the earnings and profit deficit, or a portion of the earnings and profit deficit, of the E&P deficit foreign corporation is permitted to reduce the federal adjusted gross income or federal taxable income of the taxpayer, the deficit, or the portion of the deficit, shall also reduce the amount taxable under this section to the extent permitted under the Internal Revenue Code, however, in no case shall this permit a reduction in the amount taxable under Section 965 of the Internal Revenue Code for purposes of this section to be less than zero (0); and

(2) the Internal Revenue Service issues guidance that such an income or deduction is not reported directly on a federal tax return or is to be reported in a manner different than specified in this section, this section shall be construed as if federal adjusted gross income or federal taxable income included the income or deduction.

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

(1) items for which a valid election is made under IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9 shall not be required to be included in the partner's adjusted gross income or taxable income; and

(2) items for which the partnership did not make an election under IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9, but for which the partnership is required to remit tax pursuant to IC 6-3-4.5-18, shall be included in the partner's adjusted gross income or taxable income.".

Page 41, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 33. IC 6-3-2-2.5, AS AMENDED BY P.L.165-2021, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2023]: Sec. 2.5. (a) This section applies to a resident person.

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

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

(1) the taxpayer's federal net operating loss for a taxable year as calculated under Section 172 of the Internal Revenue Code, adjusted for certain modifications required by IC 6-3-1-3.5 as set forth in subsection (d)(1) and, in the case of an individual, reduced by any deductions allowable in determining the federal net operating loss for the taxable year, but not allowable in determining federal adjusted gross income;

(2) the excess business loss deduction disallowed under IC 6-3-1-3.5(a)(29) and IC 6-3-1-3.5(f)(14); and

(3) for taxable years beginning after December 31, 2020, a loss for a taxable year disallowed because of Section 461(l) of the Internal Revenue Code, without any modifications under subsection (d).

(d) The following provisions apply for purposes of subsection (c):

(1) The modifications that are to be applied are those modifications required under IC 6-3-1-3.5 for the same taxable year in which each net operating loss was incurred, except that the modifications do not include the modifications required under:

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

(B) IC 6-3-1-3.5(a)(4);

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

(D) ~~IC 6-3-1-3.5(a)(34);~~ **IC 6-3-1-3.5(a)(35);**

(E) IC 6-3-1-3.5(f)(11); and

(F) ~~IC 6-3-1-3.5(f)(16).~~ **IC 6-3-1-3.5(f)(17).**

(2) An Indiana net operating loss includes a net operating loss that arises when the applicable modifications required by IC 6-3-1-3.5 as set forth in subdivision (1) exceed the sum of the taxpayer's federal adjusted gross income (as defined in Section 62 of the Internal Revenue Code) if the taxpayer is an individual, or federal taxable income (as defined in Section 63 of the Internal Revenue Code) if the taxpayer is a trust or an estate for the taxable year in which the Indiana net operating loss is determined and the modifications otherwise required for federal net operating losses for the taxable year by Section 172(d) of the Internal Revenue Code. A modification that reduces a federal net operating loss shall be treated as a positive number for purposes of this subdivision, and a modification that increases a federal net operating loss shall be treated as a negative number for purposes of this subdivision.

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

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

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

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

(g) The entire amount of the Indiana net operating loss for any taxable year shall be carried to the earliest of the taxable years to which (as determined under subsection (f)) the loss may be carried. The amount of the Indiana net operating loss remaining after the deduction is taken under this section in a taxable year may be carried over as provided in subsection (f). The amount of the Indiana net operating loss carried over from year to year shall be reduced to the extent that the Indiana net operating loss carryover is used by the taxpayer to obtain a deduction in a taxable year until the occurrence of the earlier of the following:

(1) The entire amount of the Indiana net operating loss has been used as a deduction.

(2) The Indiana net operating loss has been carried over to each of the carryover years provided by subsection (f).

SECTION 34. IC 6-3-2-2.6, AS AMENDED BY P.L.165-2021, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2023]: Sec. 2.6. (a) This section applies to a corporation or a nonresident person.

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

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

(1) the taxpayer's federal net operating loss for a taxable year as calculated under Section 172 of the Internal Revenue Code, derived from sources within Indiana and adjusted for certain modifications required by IC 6-3-1-3.5 as set forth in subsection (d)(1) and, for a nonresident individual, reduced by any deductions from Indiana sources allowable in determining the federal net operating loss for the taxable year, but not allowable in determining federal adjusted gross income;

(2) the excess business loss deduction disallowed under IC 6-3-1-3.5(a)(29) and IC 6-3-1-3.5(f)(14) and incurred from Indiana sources; and

(3) for taxable years beginning after December 31, 2020, the portion of the loss for a taxable year disallowed because of Section 461(l) of the Internal Revenue Code and incurred from Indiana sources, without any modifications under subsection (d). Any net operating loss under this subdivision shall be computed in a manner consistent with the computation of adjusted gross income under IC 6-3.

(d) The following provisions apply for purposes of subsection (c):

(1) The modifications that are to be applied are those modifications required under IC 6-3-1-3.5 for the same taxable year in which each net operating loss was incurred, except that the modifications do not include the modifications required under:

(A) IC 6-3-1-3.5(a)(3);
(B) IC 6-3-1-3.5(a)(4);
(C) IC 6-3-1-3.5(a)(5);
(D) ~~IC 6-3-1-3.5(a)(34);~~ **IC 6-3-1-3.5(a)(35);**
(E) IC 6-3-1-3.5(b)(14);
(F) ~~IC 6-3-1-3.5(b)(19);~~ **IC 6-3-1-3.5(b)(20);**
(G) IC 6-3-1-3.5(d)(13);
(H) ~~IC 6-3-1-3.5(d)(18);~~ **IC 6-3-1-3.5(d)(19);**
(I) IC 6-3-1-3.5(e)(13);
(J) ~~IC 6-3-1-3.5(e)(18);~~ **IC 6-3-1-3.5(e)(19);**
(K) IC 6-3-1-3.5(f)(11); and
(L) ~~IC 6-3-1-3.5(f)(16).~~ **IC 6-3-1-3.5(f)(17).**

(2) The amount of the taxpayer's net operating loss that is derived from sources within Indiana shall be determined in the same manner that the amount of the taxpayer's adjusted gross income derived from sources within Indiana is determined under section 2 of this chapter for the same taxable year during which each loss was incurred.

(3) An Indiana net operating loss includes a net operating loss that arises when the applicable modifications required by IC 6-3-1-3.5 as set forth in subdivision (1) exceed the sum of:

(A) either:

(i) the taxpayer's federal taxable income (as defined in Section 63 of the Internal Revenue Code), if the taxpayer is a corporation, nonresident estate, or nonresident trust; or

(ii) the taxpayer's federal adjusted gross income (as defined by Section 62 of the Internal Revenue Code), if the taxpayer is a nonresident individual;

for the taxable year in which the Indiana net operating loss is determined; and

(B) the modifications otherwise required for federal net operating losses for the taxable year of the Indiana net operating loss under Section 172(d) of the Internal Revenue Code or Section 512(b) of the Internal Revenue Code. A modification that reduces a federal net operating loss shall be treated as a positive number for purposes of this subdivision, and a modification that increases a federal net operating loss shall be treated as a negative number for purposes of this subdivision.

(e) Subject to the limitations contained in subsection (g), an Indiana net operating loss carryover shall be available as a deduction from the taxpayer's adjusted gross income derived from sources within Indiana (as defined in section 2 of this chapter) in the carryover year provided in subsection (f), but not in excess of the taxpayer's adjusted gross income (as defined in IC 6-3-1-3.5) in the carryover year determined without regard to the deduction allowable under this section.

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

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

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

(g) The entire amount of the Indiana net operating loss for any taxable year shall be carried to the earliest of the taxable years to which (as determined under subsection (f)) the loss may be carried. The amount of the Indiana net operating loss remaining after the deduction is taken under this section in a taxable year may be carried over as provided in subsection (f). The amount of the Indiana net operating loss carried over from year to year shall be reduced to the extent that the Indiana net operating loss carryover is used by the taxpayer to obtain a deduction in a taxable year until the occurrence of the earlier of the following:

(1) The entire amount of the Indiana net operating loss has been used as a deduction.

(2) The Indiana net operating loss has been carried over to each of the carryover years provided by subsection (f).

(h) An Indiana net operating loss deduction determined under this section shall be allowed notwithstanding the fact that in the year the taxpayer incurred the net operating loss the taxpayer was not subject to the tax imposed under section 1 of this chapter because the taxpayer was:

(1) a life insurance company (as defined in Section 816(a) of the Internal Revenue Code); or

(2) an insurance company subject to tax under Section 831 of the Internal Revenue Code.

(i) In the case of a life insurance company, this section shall be applied by substituting life insurance company taxable income (as defined in Section 801 the Internal Revenue Code) in place of references to taxable income (as defined in Section 63 of the Internal Revenue Code).".

Page 50, line 10, delete "audit" and insert "audit, **an administrative adjustment request, or an amended federal return**".

Page 50, line 11, delete "adjustments." and insert "adjustments, **regardless of whether any federal tax determined to be due is the responsibility of the partnership or partners.**".

Page 51, line 6, strike "an" and insert "**a final federal**".

Page 51, line 6, after "required" insert ",".

Page 51, strike line 7.

Page 51, line 8, strike "adjustment year,".

Page 51, line 9, strike "if any tax, interest, or" and insert "**if and to the extent the adjustment:**

(i) results in an imputed underpayment for federal purposes to the partnership;

(ii) would result in an imputed underpayment for federal purposes to the partnership for the review year except that the adjustment is reported by the partners of the partnership in the manner provided under Section 6225(c)(2) of the Internal Revenue Code; or

(iii) results in an adjustment that is passed through to the review year partners for federal tax purposes, in the case of a partnership that makes a valid election pursuant to Section 6226 of the Internal Revenue Code; or".

Page 51, strike line 10.

Page 51, line 11, after "in" delete ":" and insert "**the adjustment year, to the extent a tax attribute is taken into account by the partnership as provided under Section 6225(a)(2) of the Internal Revenue Code and regardless of whether the item is a separately stated item for partners for federal income tax purposes.**".

Page 51, strike lines 12 through 18.

Page 51, between lines 18 and 19, begin a new line double block indented and insert:

"**(C) For purposes of clauses (A) and (B):**

(i) a federal adjustment netted against another federal adjustment for purposes of determining an imputed underpayment for federal purposes to the partnership, or for purposes of determining a partner's federal tax due with respect to a review year, is considered to occur in the review year;

(ii) a federal adjustment permitted to reduce the imputed underpayment for federal purposes for a partnership, or permitted for purposes of determining a partner's federal tax due or federal tax attributes with respect to a review year, and not otherwise described in item (i), is considered to occur in the review year; and

(iii) if an adjustment related to a review year affects a tax attribute of a partner such that the partner is required to change one (1) or more tax attributes for federal purposes for a year other than the review year, the partner shall treat the change in the tax attribute as occurring for Indiana purposes in the same year as the change is required for federal purposes.".

Page 52, line 6, strike "determination," and insert "**adjustment,**".

Page 52, line 10, strike "determination," and insert "**adjustment,**".

Page 52, between lines 26 and 27, begin a new line block indented and insert:

"**(9) Any reference to an election under section 9(c) of this chapter includes an election under sections 6(d) and 8(c) of this chapter.**".

Page 52, line 27, strike "(9)" and insert "**(10)**".

Page 54, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 43. IC 6-3-4.5-8, AS ADDED BY P.L.159-2021, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021 (RETROACTIVE)]: Sec. 8. (a) If a partnership:

(1) determines that it did not correctly report any tax attribute for a taxable year;

(2) determines that it did not correctly allocate any tax attribute for a taxable year; or

(3) receives final federal adjustments as a result of a federal partnership audit or administrative adjustment request for a taxable year;

the partnership shall file an amended partnership return with the department and provide its direct partners with amended statements or a report in the form and manner prescribed by the department reflecting the correctly reported and allocated tax attributes for any applicable year.

(b) If the partnership files an amended partnership return under this section for a taxable year:

(1) the partnership shall remit any composite tax or withholding tax due under IC 6-3-4-12 or IC 6-5.5-2-8 on its direct partners resulting from the amended return at the time of filing;

(2) any tiered partners shall, not later than the applicable deadline for the tiered partner:

(A) file an amended return and, if applicable, remit any tax due under IC 6-3, IC 6-3.6, or IC 6-5.5, including any amounts due under IC 6-3-4-12, IC 6-3-4-13, IC 6-3-4-15, or IC 6-5.5-2-8; and

(B) report any adjustments to the tiered partner's owners or beneficiaries by providing amended statements to the tiered partner's owners or beneficiaries, or a report in the form and manner prescribed by the department; and

(3) any direct or indirect partners who are not tiered partners and who are required to file a return under IC 6-3 or IC 6-5.5 or who have filed a return under IC 6-3 or IC 6-5.5 shall file amended returns with the department for

any taxable year affected by the amended partnership return and remit any tax due not later than the applicable deadline for the partner.

(c) Notwithstanding any other provision of this chapter or IC 6-3-4-11:

(1) A partnership that has filed an amended partnership return under this section, or a tiered partner that is a partnership and that is a partner of a partnership that has filed an amended partnership return under this section, may elect to pay any tax due arising from an amended partnership return.

(2) Such election must be filed with the department not later than the date on which the amended partnership return is filed with the department or, in the case of an election by a tiered partner that is a partnership, not later than the date by which the tiered partner is required to file an amended return under this section.

(3) The computation and payment of tax and other provisions governing this election shall be ~~made~~ in a manner consistent with an election under section 9(c) of this chapter.

(4) If a partnership has made an election under this chapter to report and remit all tax otherwise due at the partnership level for a taxable year, the partnership shall be considered to have made a timely election under this subsection with regard to any changes arising from an amended return under this section for that taxable year.

(d) If the department determines that a partnership:

(1) did not correctly report any tax attributes for a taxable year; or

(2) did not correctly allocate any tax attributes for a taxable year;

the department may proceed against the partnership in the manner provided under sections 3 through 6 of this chapter.".

Page 57, strike lines 12 through 16.

Page 64, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 52. IC 6-5.5-1-2, AS AMENDED BY P.L.199-2021, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2023]: Sec. 2. (a) Except as provided in subsections (b) through (d), "adjusted gross income" means taxable income as defined in Section 63 of the Internal Revenue Code, adjusted as follows:

(1) Add the following amounts:

(A) An amount equal to a deduction allowed or allowable under Section 166, Section 585, or Section 593 of the Internal Revenue Code.

(B) An amount equal to a deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(C) An amount equal to a deduction or deductions allowed or allowable under Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by a state of the United States or levied at the local level by any subdivision of a state of the United States.

(D) The amount of interest excluded under Section 103 of the Internal Revenue Code or under any other federal law, minus the associated expenses disallowed in the computation of taxable income under Section 265 of the Internal Revenue Code.

(E) An amount equal to the deduction allowed under Section 172 or 1212 of the Internal Revenue Code for net operating losses or net capital losses.

(F) For a taxpayer that is not a large bank (as defined in Section 585(c)(2) of the Internal Revenue Code), an amount equal to the recovery of a debt, or part of a debt, that becomes worthless to the extent a deduction was allowed from gross income in a prior taxable year under Section 166(a) of the Internal Revenue Code.

(G) Add the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(H) Add the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(i) twenty-five thousand dollars ($25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in item (ii); and

(ii) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017, the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code, and the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service. The amount of deductions allowable for an item of property under this item may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

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

(J) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code for active financing income under Subpart F, Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(K) Add an amount equal to the remainder of:

(i) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(ii) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred

after December 31, 2020.
(2) Subtract the following amounts:
(A) Income that the United States Constitution or any statute of the United States prohibits from being used to measure the tax imposed by this chapter.
(B) Income that is derived from sources outside the United States, as defined by the Internal Revenue Code.
(C) An amount equal to a debt or part of a debt that becomes worthless, as permitted under Section 166(a) of the Internal Revenue Code.
(D) An amount equal to any bad debt reserves that are included in federal income because of accounting method changes required by Section 585(c)(3)(A) or Section 593 of the Internal Revenue Code.
(E) The amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation.
(F) The amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:
(i) twenty-five thousand dollars ($25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in item (ii); and
(ii) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017, the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code, and the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service. The amount of deductions allowable for an item of property under this item may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.
(G) Income that is:
(i) exempt from taxation under IC 6-3-2-21.7; and
(ii) included in the taxpayer's taxable income under the Internal Revenue Code.
(H) The amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.
(I) For taxable years ending after March 12, 2020, an amount equal to the deduction disallowed pursuant to:
(i) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and
(ii) Section 3134(e) of the Internal Revenue Code.
(J) Subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.
(3) Make the following adjustments:
(A) Subtract the amount of any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code.
(B) Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year.
For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.
(b) In the case of a credit union, "adjusted gross income" for a taxable year means the total transfers to undivided earnings minus dividends for that taxable year after statutory reserves are set aside under IC 28-7-1-24.
(c) In the case of an investment company, "adjusted gross income" means the company's federal taxable income adjusted as follows:
(1) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.
(2) Make the following adjustments:
(A) Subtract the amount of any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code.
(B) Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year.
For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.
(3) Multiply the amount determined after the adjustments in subdivisions (1) and (2) by the quotient of:
(A) the aggregate of the gross payments collected by the company during the taxable year from old and new business upon investment contracts issued by the company and held by residents of Indiana; divided by
(B) the total amount of gross payments collected during the taxable year by the company from the business upon investment contracts issued by the company and held by persons residing within Indiana and elsewhere.
(d) As used in subsection (c), "investment company" means a person, copartnership, association, limited liability company, or corporation, whether domestic or foreign, that:
(1) is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and
(2) solicits or receives a payment to be made to itself and issues in exchange for the payment:
(A) a so-called bond;
(B) a share;
(C) a coupon;
(D) a certificate of membership;
(E) an agreement;
(F) a pretended agreement; or
(G) other evidences of obligation;
entitling the holder to anything of value at some future date, if the gross payments received by the company

during the taxable year on outstanding investment contracts, plus interest and dividends earned on those contracts (by prorating the interest and dividends earned on investment contracts by the same proportion that certificate reserves (as defined by the Investment Company Act of 1940) is to the company's total assets) is at least fifty percent (50%) of the company's gross payments upon investment contracts plus gross income from all other sources except dividends from subsidiaries for the taxable year. The term "investment contract" means an instrument listed in clauses (A) through (G).

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

(1) items for which a valid election is made under IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9 shall not be required to be included in the partner's adjusted gross income or taxable income; and

(2) items for which the partnership did not make an election under IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9, but for which the partnership is required to remit tax pursuant to IC 6-3-4.5-18, shall be included in the partner's adjusted gross income or taxable income.".

Page 67, line 7, after "2." insert "As".

Page 67, line 27, delete "tobacco" and insert "**taxable**".

Page 68, line 27, delete "or".

Page 68, between lines 27 and 28, begin a new line block indented and insert:

"**(6) alternative nicotine products; or**".

Page 68, line 28, delete "(6)" and insert "**(7)**".

Page 68, line 34, reset in roman "rate of:".

Page 68, line 34, delete "following".

Page 68, delete line 35.

Page 68, line 36, delete "Twenty-four" and insert "twenty-four".

Page 68, line 37, delete ":".

Page 68, line 38, delete "(A)".

Page 68, line 38, delete "and".

Page 68, line 39, delete "(B) beginning after December 31, 2022, cigars.".

Page 68, line 39, reset in roman "or".

Page 68, run in lines 37 through 39.

Page 68, line 40, delete "For" and insert "for".

Page 69, delete lines 5 through 10.

Page 70, line 19, delete "tobacco".

Page 75, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 77. IC 6-7-2-15, AS AMENDED BY P.L.165-2021, SECTION 114, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 15. Every manufacturer, importer, broker, or shipper of taxable products must register with the department before it sells or otherwise distributes taxable products **or alternative nicotine products** to distributors.

SECTION 78. IC 6-7-2-16, AS AMENDED BY P.L.165-2021, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 16. Every manufacturer, importer, broker, or shipper of taxable products **or alternative nicotine products** that sells or otherwise distributes taxable products **or alternative nicotine products** to distributors shall, before the fifteenth day of each month, submit proof to the department of all of its sales or other distributions to distributors in the preceding month.

SECTION 79. IC 6-7-2-18, AS AMENDED BY P.L.165-2021, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 18. A person who distributes taxable products **or alternative nicotine products** without a license issued under this chapter commits a Class B misdemeanor.

SECTION 80. IC 6-7-2-19, AS AMENDED BY P.L.165-2021, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 19. A manufacturer of taxable products **or alternative nicotine products** who does not comply with the requirements of section 15 or 16 of this chapter commits a Class B misdemeanor.".

Page 87, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 91. IC 6-9-24-8, AS AMENDED BY P.L.65-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 8. (a) If a tax is imposed under section 3 of this chapter, the fiscal body of the municipality shall establish a food and beverage tax receipts fund.

(b) The fiscal officer of the municipality shall deposit in this fund all amounts received under this chapter.

(c) Any money earned from the investment of money in the fund becomes a part of the fund.

(d) Money in this fund shall be used by the municipality to:

(1) finance, construct, improve, equip, operate, and maintain public parking and public restroom facilities;

(2) renovate, equip, operate, and maintain any structure that may be used as a public parking or public restroom facility; ~~or~~

(3) finance, construct, improve, equip, operate, and maintain sidewalks and other streetscape improvements; **or**

(4) provide grants to businesses located within the municipality that meet the criteria developed under subsection (e) to be used for:

(A) exterior improvements to the building in which the business is located, including signage, lighting, and decor improvements; and

(B) architectural or engineering services or consultation.

The municipality may enter into lease or contractual arrangements, or both, with governmental, not-for-profit, or other private entities to operate and maintain these facilities and improvements.

(e) The fiscal body of the municipality shall develop criteria for awarding a grant under subsection (d)(4), including eligibility requirements, grant guidelines, and an application process.

SECTION 92. IC 6-9-24-9 IS REPEALED [EFFECTIVE JULY 1, 2022]. ~~Sec. 9. (a) If the tax is imposed by a municipality under this chapter, the tax terminates January 1, 2023.~~

~~(b) This chapter expires July 1, 2023.~~".

Page 88, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 95. IC 6-9-44-1, AS ADDED BY P.L.157-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 1. This chapter applies to the ~~town~~ **city** of Fishers.

SECTION 96. IC 6-9-44-3, AS ADDED BY P.L.157-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 3. (a) The fiscal body of the ~~town~~ **city** may adopt an ordinance on or before December 31, ~~2013,~~ **2023,** to impose an excise tax, known as the ~~town~~ **city** food and beverage tax, on transactions described in section 4 of this chapter. The fiscal body of the ~~town~~ **city** may adopt an ordinance under this subsection only after the fiscal body has previously held at least one (1) separate public hearing in which a discussion of the proposed ordinance to impose the ~~town~~ **city** food and beverage tax is the only substantive issue on the agenda for that public hearing.

(b) If the ~~town~~ **city** fiscal body adopts an ordinance under

subsection (a), the ~~town~~ **city** fiscal body shall immediately send a certified copy of the ordinance to the department of state revenue.

(c) If the ~~town~~ **city** fiscal body adopts an ordinance under subsection (a), the ~~town~~ **city** food and beverage tax applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance is adopted.

SECTION 97. IC 6-9-44-4, AS ADDED BY P.L.157-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 4. (a) Except as provided in subsection (c), a tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location or on equipment provided by a retail merchant;
(2) in the ~~town;~~ **city;** and
(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

(1) served by a retail merchant off the merchant's premises;
(2) food sold in a heated state or heated by a retail merchant;
(3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or
(4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport the food).

(c) The ~~town~~ **city** food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5.

SECTION 98. IC 6-9-44-5, AS ADDED BY P.L.157-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 5. The ~~town~~ **city** food and beverage tax rate may not exceed one percent (1%) of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

SECTION 99. IC 6-9-44-7, AS ADDED BY P.L.157-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 7. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the ~~town~~ **city** fiscal officer upon warrants issued by the auditor of state.

SECTION 100. IC 6-9-44-8, AS ADDED BY P.L.157-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 8. (a) If a tax is imposed under section 3 of this chapter by a ~~town,~~ **city,** the ~~town~~ **city** fiscal officer shall establish a food and beverage tax receipts fund.

(b) The ~~town~~ **city** fiscal officer shall deposit in this fund all amounts received under this chapter.

(c) Money earned from the investment of money in the fund becomes a part of the fund.

SECTION 101. IC 6-9-44-9, AS ADDED BY P.L.157-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 9. Money in the food and beverage tax receipts fund shall be used by the ~~town:~~ **city:**

(1) to reduce the ~~town's~~ **city's** property tax levy for a particular year at the discretion of the ~~town,~~ **city,** but this use does not reduce the maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for the ~~town;~~ **city;** or
(2) for economic development purposes, including the pledge of money under IC 5-1-14-4 for bonds, leases, or other obligations for economic development purposes.

Revenue derived from the imposition of a tax under this chapter may be treated by the ~~town~~ **city** as additional revenue for the purpose of fixing its budget for the budget year during which the revenues are to be distributed to the ~~town.~~ **city.**".

Page 89, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 104. IC 10-13-3-38.5, AS AMENDED BY P.L.212-2018(ss), SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 38.5. (a) Under federal P.L.92-544 (86 Stat. 1115), the department may use an individual's fingerprints submitted by the individual for the following purposes:

(1) Determining the individual's suitability for employment with the state, or as an employee of a contractor of the state, in a position:
(A) that has a job description that includes contact with, care of, or supervision over a person less than eighteen (18) years of age;
(B) that has a job description that includes contact with, care of, or supervision over an endangered adult (as defined in IC 12-10-3-2), except the individual is not required to meet the standard for harmed or threatened with harm set forth in IC 12-10-3-2(a)(3);
(C) at a state institution managed by the office of the secretary of family and social services or state department of health;
(D) at the Indiana School for the Deaf established by IC 20-22-2-1;
(E) at the Indiana School for the Blind and Visually Impaired established by IC 20-21-2-1;
(F) at a juvenile detention facility;
(G) with the Indiana gaming commission under IC 4-33-3-16;
(H) with the department of financial institutions under IC 28-11-2-3; or
(I) that has a job description that includes access to or supervision over state financial or personnel data, including state warrants, banking codes, or payroll information pertaining to state employees.
(2) Determining the individual's suitability for employment with state or local government, or as an employee of a contractor of state or local government, in a position in which the individual's duties include access to confidential tax information obtained from the United States Internal Revenue Service under Section 6103(d) of the Internal Revenue Code or from an authorized secondary source.
(3) Identification in a request related to an application for a teacher's license submitted to the department of education established by IC 20-19-3-1.
(4) Use by the gaming commission established under IC 4-33-3-1 for licensure of a promoter (as defined in IC 4-33-22-6) under IC 4-33-22.
(5) Use by the Indiana board of pharmacy in determining the individual's suitability for a position or employment with a wholesale drug distributor, as specified in IC 25-26-14-16(b), IC 25-26-14-16.5(b), IC 25-26-14-17.8(c), and IC 25-26-14-20.
(6) Identification in a request related to an individual applying for or renewing a license or certificate described in IC 25-1-1.1-4 and a conviction described in IC 25-1-1.1-2 or IC 25-1-1.1-3.

An applicant shall submit the fingerprints in an appropriate

format or on forms provided for the employment, license, or certificate application. The department shall charge each applicant the fee established under section 28 of this chapter and by federal authorities to defray the costs associated with a search for and classification of the applicant's fingerprints. The department may forward fingerprints submitted by an applicant to the Federal Bureau of Investigation or any other agency for processing. The state personnel department, the Indiana professional licensing agency, or the agency to which the applicant is applying for employment or a license may receive the results of all fingerprint investigations.

(b) An applicant who is an employee of the state may not be charged under subsection (a).

(c) Subsection (a)(1) does not apply to an employee of a contractor of the state if the contract involves the construction or repair of a capital project or other public works project of the state.

(d) Each current or new state or local government employee whose duties include access to confidential tax information described in subsection (a)(2) must submit to a fingerprint based criminal history background check of both national and state records data bases before being granted access to the confidential tax information. In addition to the initial criminal history background checks, each state or local government employee whose duties include access to confidential tax information described in subsection (a)(2) must submit to such criminal history background checks at least once every ~~ten (10)~~ **five (5)** years thereafter. The appointing authority of such a state or local government employee may pay any fee charged for the cost of fingerprinting or conducting the criminal history background checks for the state or local government employee. Only the state or local government agency in its capacity as the individual's employer or to which the applicant is applying for employment is entitled to receive the results of all fingerprint investigations.

(e) Each current or new contractor or subcontractor whose contract or subcontract grants access to confidential tax information described in subsection (a)(2) must submit to a fingerprint based criminal history background check of both national and state records data bases at least once every ~~ten (10)~~ **five (5)** years before being granted access to the confidential tax information. Only the state or local government agency is entitled to receive the results of all fingerprint investigations conducted under this subsection.

(f) Each contract entered into by the state in which access to confidential tax information described in subsection (a)(2) is granted to a contractor or a subcontractor shall include:

(1) terms regarding which party is responsible for payment of any fee charged for the cost of the fingerprinting or the criminal history background checks; and

(2) terms regarding the consequences if one (1) or more disqualifying records are discovered through the criminal history background checks.

(g) The department:

(1) may permanently retain an applicant's fingerprints submitted under this section; and

(2) shall retain the applicant's fingerprints separately from fingerprints collected under section 24 of this chapter.

SECTION 105. [EFFECTIVE UPON PASSAGE] **(a) The administrative rule concerning a property tax exemption for public airports that is set forth in 50 IAC 1-3-2 is void. The publisher of the Indiana Administrative Code shall remove 50 IAC 1-3-2 from the Indiana Administrative Code.**

(b) This SECTION expires July 1, 2023.".

Renumber all SECTIONS consecutively.

(Reference is to SB 382 as printed January 26, 2022.)

and when so amended that said bill do pass.

Committee Vote: yeas 22, nays 2.

BROWN, T, Chair

Report adopted.

Representative Lyness, who had been excused, is now present.

Representatives Bartlett and Eberhart, who had been present, are now excused.

ENGROSSED SENATE BILLS ON SECOND READING

Pursuant to House Rule 143.1 , the following bills which had no amendments filed, were read a second time by title and ordered engrossed: Engrossed Senate Bills 7, 11, 12, 19, 37, 70, 74, 76, 78, 89, 91, 123, 134, 145, 148, 166, 187, 209, 245, 264, 293, 297, 299, 304, 336, 351, 353, 398 and 410.

ENGROSSED SENATE BILLS ON THIRD READING

Engrossed Senate Bill 147

Representative Soliday called down Engrossed Senate Bill 147 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 205: yeas 92, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Representative Hostettler, who had been excused, is now present.

Engrossed Senate Bill 149

Representative Steuerwald called down Engrossed Senate Bill 149 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning courts and court officers.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 206: yeas 93, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Representative Eberhart, who had been excused, is now present.

Engrossed Senate Bill 247

Representative Barrett called down Engrossed Senate Bill 247 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 207: yeas 94, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Representative Slager, who had been excused, is now present.

Engrossed Senate Bill 272

Representative Soliday called down Engrossed Senate Bill 272 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 208: yeas 95, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Representative Frye, who had been present, is now excused.

Engrossed Senate Bill 301

Representative Engleman called down Engrossed Senate Bill 301 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 209: yeas 87, nays 6. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Representative Frye, who had been excused, is now present.

Engrossed Senate Bill 328

Representative Wesco called down Engrossed Senate Bill 328 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 210: yeas 69, nays 26. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Engrossed Senate Bill 342

Representative Barrett called down Engrossed Senate Bill 342 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 211: yeas 95, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Engrossed Senate Bill 347

Representative Teshka called down Engrossed Senate Bill 347 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 212: yeas 95, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Engrossed Senate Bill 374

Representative Lindauer called down Engrossed Senate Bill 374 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 213: yeas 93, nays 1. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Engrossed Senate Bill 383

Representative Carbaugh called down Engrossed Senate Bill 383 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 214: yeas 95, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Engrossed Senate Bill 408

Representative Carbaugh called down Engrossed Senate Bill 408 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 215: yeas 93, nays 1. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

CONFEREES AND ADVISORS APPOINTED

The Speaker announced the appointment of Representatives to conference committees on the following Engrossed House Bills (the Representative listed first is the Chair):

EHB 1283	Conferees:	Steuerwald and Porter
	Advisors:	Thompson, Smaltz, Hatcher and Shackleford

The House recessed until the fall of the gavel.

RECESS

The House reconvened at 3:34 p.m. with the Speaker in the Chair.

Upon request of Representative Torr, the Speaker ordered the roll of the House to be called to determine the presence or absence of a quorum. Roll Call 216: 80 present. The Speaker declared a quorum present.

ENGROSSED SENATE BILLS ON SECOND READING

Engrossed Senate Bill 62

Representative Moed called down Engrossed Senate Bill 62 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 62–1)

Mr. Speaker: I move that Engrossed Senate Bill 62 be amended to read as follows:

Page 1, delete lines 5 through 10, begin a new line block indented and insert:

"**(1) used as a principal place of residence and receiving a homestead standard deduction under IC 6-1.1-12-37 for the most recent assessment date; or**

(2) for which a set off has been obtained under IC 6-8.1-9.5 against the delinquent debt owed on the real property.

This subsection includes any real property adjacent to and under the same ownership as the homestead real property described in subdivision (1).".

(Reference is to ESB 62 as printed February 17, 2022.)

MOED

Motion prevailed. The bill was ordered engrossed.

Engrossed Senate Bill 163

Representative Steuerwald called down Engrossed Senate Bill 163 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 163–1)

Mr. Speaker: I move that Engrossed Senate Bill 163 be amended to read as follows:

Page 10, line 2, delete "." and insert "**and laws concerning public funds.**".

Page 10, line 5, delete "once each week," and insert "**in accordance with the laws concerning public funds,**".

Page 10, line 6, delete "during the" and insert "**,**".

Page 10, line 7, delete "preceding week,".

(Reference is to ESB 163 as printed February 17, 2022.)

STEUERWALD

Motion prevailed. The bill was ordered engrossed.

Engrossed Senate Bill 156

Representative Pressel called down Engrossed Senate Bill 156 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Representatives Jeter and Thompson, who had been excused, are now present.

Engrossed Senate Bill 260

Representative Miller called down Engrossed Senate Bill 260 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 260–1)

Mr. Speaker: I move that Engrossed Senate Bill 260 be amended to read as follows:

Page 1, line 15, delete "However, the" and insert "**The**".

Page 1, line 16, delete "not".

Page 2, line 18, delete "However, the" and insert "**The**".

Page 2, line 19, delete "not".

(Reference is to ESB 260 as printed February 17, 2022.)

JACOB

Upon request of Representatives Jacob and Nisly, the Speaker ordered the roll of the House to be called. Roll Call 217: yeas 32, nays 61. Motion failed. The bill was ordered engrossed.

Engrossed Senate Bill 269

Representative Manning called down Engrossed Senate Bill 269 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 269–1)

Mr. Speaker: I move that Engrossed Senate Bill 269 be amended to read as follows:

Page 2, line 36, reset in roman "vary".

Page 2, line 36, delete "grant variances from".

Page 4, line 6, reset in roman "does not have".

Page 4, line 6, delete "has".

Renumber all SECTIONS consecutively.

(Reference is to ESB 269 as printed February 14, 2022.)

MANNING

Motion prevailed. The bill was ordered engrossed.

Engrossed Senate Bill 271

Representative Soliday called down Engrossed Senate Bill 271 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

ENGROSSED SENATE BILLS ON THIRD READING

Engrossed Senate Bill 136

Representative Zent called down Engrossed Senate Bill 136 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 218: yeas 93, nays 4. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

Engrossed Senate Bill 265

Representative Morrison called down Engrossed Senate Bill 265 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 219: yeas 43, nays 53. The bill was defeated.

Engrossed Senate Bill 294

Representative Steuerwald called down Engrossed Senate Bill 294 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

HOUSE MOTION

Mr. Speaker: Pursuant to House Rule 46, I request to be excused from voting on the question of Engrossed Senate Bill 294. Pursuant to House Rule 168, the reason for the request is the following:

I have a duty to conduct my official duties in a manner that avoids the appearance of impropriety. I am a law enforcement officer, and this matter will directly affect the terms of my employment through the creation of statewide training policies and minimum standards.

GORE

Motion prevailed.

Roll Call 220: yeas 97, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 82, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 20-26-5-39, AS ADDED BY P.L.287-2019, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 39. (a) **This section does not apply to a student enrolled in a nonpublic school unless the nonpublic school is an eligible school, as defined in IC 20-51-1-4.7.**

(b) As used in this section, "student" refers to a student who is in grade 12.

(c) Beginning in the ~~2020-2021~~ **2022-2023** school year, each school corporation shall provide:

(1) each student; and

(2) a parent of each student;

of a school corporation ~~who is in grade 12~~ with a notice regarding the information described in IC 21-18-6-6(b).

~~(b)~~ **(d)** Each school corporation may develop its own notice or use the model notice prepared by the commission for higher education under IC 21-18-6-6.".

Page 2, delete lines 1 through 32, begin a new paragraph and insert:

"SECTION 2. IC 21-12-6-6.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: **Sec. 6.7.**

(a) As used in this section, "FAFSA" refers to the Free Application for Federal Student Aid.

(b) The commission shall do the following:

(1) Develop an online form for an emancipated student or a parent of an unemancipated student to affirm:

(A) that the student or parent received the model FAFSA notice and understands the purpose of, and process for, completing the FAFSA;

(B) whether the student or parent intends to complete the FAFSA before the state deadline; and

(C) whether the student or parent would like to receive free assistance to complete the FAFSA.

(2) Provide information to each eligible school for the school to determine which students have completed:

(A) the FAFSA; and

(B) the FAFSA affirmation form developed by the commission under this section.

SECTION 3. IC 21-18-6-6, AS ADDED BY P.L.287-2019, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 6. (a) As used in this section, "FAFSA" refers to the Free Application for Federal Student Aid.

(b) The commission shall prepare a model notice for schools that includes the following information for parents and students:

(1) A statement regarding the existence, ~~and~~ availability of, **and state deadline to complete** the FAFSA.

(2) A description that provides parents and students with an understanding of the process for and benefits of completing a FAFSA.

(3) ~~The approximate annual tuition costs of each state educational institution in Indiana.~~ **A statement regarding the most recent labor market trends, including the number and percentage of state minimum wage jobs that:**

(A) do not require education beyond high school; and

(B) require additional education or training after obtaining a high school diploma.

(4) ~~The state scholarships, grants, or other assistance available to students in Indiana.~~ **A statement that Indiana offers guaranteed financial aid options for all high school graduates, regardless of family income, including information on Indiana's high value workforce ready credit-bearing grants described under IC 21-12-8.**

(5) A statement that eligibility for many merit based and need based scholarships, grants, and other financial aid opportunities require the FAFSA to be completed by a certain date.

(6) A web site link to the online FAFSA affirmation form described in IC 21-12-6-6.7.

(c) The commission shall annually update the model notice to

~~(1) reflect any changes to the approximate annual tuition costs of each state educational institution; and~~

~~(2)~~ amend any of the information in the model notice, as determined necessary by the commission.

(d) The commission shall post the model notice prepared under subsection (b) on the commission's Internet web site.".

(Reference is to SB 82 as printed January 28, 2022.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 1.

BEHNING, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 115, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 17, after line 7, begin a new paragraph and insert:

"SECTION 9. IC 35-38-9-6, AS AMENDED BY P.L.219-2019, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 6. (a) If the court orders conviction records, including any records relating to the conviction and any records concerning a collateral action, expunged under sections 2 through 3 of this chapter, the court shall do the following with respect to the specific records expunged by the court:

(1) Order:

(A) the department of correction;

(B) the bureau of motor vehicles; and

(C) each:

(i) law enforcement agency; and

(ii) other person;

who incarcerated, prosecuted, provided treatment for, or provided

other services for the person under an order of the court;

to prohibit the release of the person's records or information in the person's records to anyone without a court order, other than a law enforcement officer acting in the course of the officer's official duty.

(2) Order the central repository for criminal history information maintained by the state police department to seal the person's expunged conviction records, including information related to:

(A) an arrest or offense:

(i) in which no conviction was entered; and

(ii) that was committed as part of the same episode of criminal conduct as the case ordered expunged; and

(B) any other references to any matters related to the case ordered expunged, including in a collateral action.

This subdivision does not require the state police department to seal any record the state police department does not have legal authority to seal.

(3) Records sealed under subdivision (2) may be disclosed only to:

(A) a prosecuting attorney, if:

(i) authorized by a court order; and

(ii) needed to carry out the official duties of the prosecuting attorney;

(B) a defense attorney, if:

(i) authorized by a court order; and

(ii) needed to carry out the professional duties of the defense attorney;

(C) a probation department, if:

(i) authorized by a court order; and

(ii) necessary to prepare a presentence report;

(D) the Federal Bureau of Investigation and the Department of Homeland Security, if disclosure is required to comply with an agreement relating to the sharing of criminal history information;

(E) the:

(i) supreme court;

(ii) members of the state board of law examiners;

(iii) executive director of the state board of law examiners; and

(iv) employees of the state board of law examiners, in accordance with rules adopted by the state board of law examiners;

for the purpose of determining whether an applicant possesses the necessary good moral character for admission to the bar;

(F) a person required to access expunged records to comply with the Secure and Fair Enforcement for Mortgage Licensing Act (12 U.S.C. 5101 et seq.) or regulations adopted under the Secure and Fair Enforcement for Mortgage Licensing Act; ~~and~~

(G) the bureau of motor vehicles, the Federal Motor Carrier Administration, and the Commercial Drivers License Information System (CDLIS), if disclosure is required to comply with federal law relating to reporting a conviction for a violation of a traffic control law; **and**

(H) a school (as defined in IC 22-4-2-37), for the purpose of determining whether to:

(i) employ a person seeking employment, including volunteer employment, with the school or to continue a person's employment, including volunteer employment, at the school; or

(ii) grant access or admission to the school to an applicant contractor or a contractor if the applicant or contractor is likely to have contact with a student enrolled in the school, regardless of the student's age.

(4) Notify the clerk of the supreme court to seal any records in the clerk's possession that relate to the conviction, including any records concerning a collateral action.

A probation department may provide an unredacted version of a presentence report disclosed under subdivision (3)(C) to any person authorized by law to receive a presentence report.

(b) Except as provided in subsection (c), if a petition to expunge conviction records, including any records relating to the conviction and any records concerning a collateral action, is granted under sections 2 through 3 of this chapter, the records of:

(1) the sentencing court;

(2) a court that conducted a collateral action;

(3) a juvenile court;

(4) a court of appeals; and

(5) the supreme court;

concerning the person shall be permanently sealed. However, a petition for expungement granted under sections 2 through 3 of this chapter does not affect an existing or pending driver's license suspension.

(c) If a petition to expunge conviction records, including any records relating to the conviction and any records concerning a collateral action, is granted under sections 2 through 3 of this chapter with respect to the records of a person who is named as an appellant or an appellee in an opinion or memorandum decision by the supreme court or the court of appeals, or who is identified in a collateral action, the court shall:

(1) redact the opinion or memorandum decision as it appears on the computer gateway administered by the office of technology so that it does not include the petitioner's name (in the same manner that opinions involving juveniles are redacted); and

(2) provide a redacted copy of the opinion to any publisher or organization to whom the opinion or memorandum decision is provided after the date of the order of expungement.

The supreme court and court of appeals are not required to destroy or otherwise dispose of any existing copy of an opinion or memorandum decision that includes the petitioner's name.

(d) Notwithstanding subsection (b), a prosecuting attorney may submit a written application to a court that granted an expungement petition under this chapter to gain access to any

records that were permanently sealed under subsection (b), if the records are relevant in a new prosecution of the person. If a prosecuting attorney who submits a written application under this subsection shows that the records are relevant for a new prosecution of the person, the court that granted the expungement petition shall:

(1) order the records to be unsealed; and
(2) allow the prosecuting attorney who submitted the written application to have access to the records.

If a court orders records to be unsealed under this subsection, the court shall order the records to be permanently resealed at the earliest possible time after the reasons for unsealing the records cease to exist. However, if the records are admitted as evidence against the person in a new prosecution that results in the person's conviction, or are used to enhance a sentence imposed on the person in a new prosecution, the court is not required to reseal the records.

(e) If a person whose conviction records, including any records relating to the conviction and any records concerning a collateral action, are expunged under sections 2 through 5 of this chapter is required to register as a sex offender based on the commission of a felony which has been expunged:

(1) the expungement does not affect the operation of the sex offender registry web site, any person's ability to access the person's records, records required to be maintained concerning sex or violent offenders, or any registration requirement imposed on the person; and
(2) the expunged conviction records must be clearly marked as expunged on the sex offender registry web site.

(f) Expungement of a crime of domestic violence under section 2 of this chapter does not restore a person's right to possess a firearm. The right of a person convicted of a crime of domestic violence to possess a firearm may be restored only in accordance with IC 35-47-4-7.

(g) If a court issues an order granting a petition for expungement under sections 2 through 3 of this chapter, the court shall also order any related records described in section 1(f) of this chapter sealed or redacted in the manner described in section 1 of this chapter, unless the records described in section 1(f) of this chapter have been ordered sealed and redacted under this section.

(h) If the court issues an order granting a petition for expungement under sections 2 through 3 of this chapter, the court shall include in its order the information described in section 8(b) of this chapter.".

(Reference is to SB 115 as reprinted February 1, 2022.)
and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 0.

BEHNING, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 266, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 12-15-15-1.2, AS ADDED BY P.L.132-2021, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.2. (a) This section applies only to state fiscal years beginning after June 30, 2021, and ending before July 1, 2023.

(b) As used in this section, "children's hospital" means:

(1) a freestanding general acute care hospital that:
(A) is designated by the Medicare program as a children's hospital; or
(B) furnishes inpatient and outpatient health care services to patients who are predominantly individuals less than nineteen (19) years of age; or
(2) a facility located within a freestanding general acute care hospital that:
(A) is designated by the Medicare program as a children's hospital; or
(B) furnishes inpatient and outpatient health care services to patients who are predominately individuals less than nineteen (19) years of age.

(c) This section applies to reimbursement for inpatient Medicaid services and outpatient Medicaid services provided to a Medicaid recipient who is less than nineteen (19) years of age at a children's hospital that is located in a state bordering Indiana. This section does not apply to reimbursement for non-emergency medical transportation.

(d) Subject to subsection (a), the office shall reimburse a children's hospital for covered services provided to a Medicaid recipient that is described in subsection (c) at a rate set by the secretary that is based on a reimbursement formula that is:

(1) comparable to the current federal Medicare reimbursement rate for the service provided by the children's hospital; or
(2) one hundred thirty percent (130%) of the Medicaid reimbursement rate for a service that does not have a Medicare reimbursement rate.

(e) Before September 1, 2021, the office shall apply to the United States Department of Health and Human Services for any state plan amendment or Medicaid waiver necessary to implement and administer this section.

(f) The office may adopt rules under IC 4-22-2 necessary for the implementation of this section.

(g) Not later than September 30, 2022, the office shall complete a review of methods of calculating outlier payments in a way that does not negatively impact final reimbursement determined according to the rate set under subsection (d) as compared to final reimbursement when calculated as if the rate adjustment was not required under subsection (d).

~~(g)~~ **(h)** This section expires July 1, 2023.".

Page 1, delete lines 8 through 12, begin a new paragraph and insert:

"**(b) Except as provided in subsection (c), a nongovernmental entity that contracts with the department, and the nongovernmental entity's employee who is acting within the scope of the contract, is immune from civil liability for injury to an individual or an individual's property that occurs:**

(1) under the nongovernmental entity's supervision; and
(2) while the individual is receiving services described in section 7(a)(6) of this chapter.

(c) Subsection (b) does not apply to the following:

(1) A qualified health care provider against whom a medical malpractice claim is filed under IC 34-18.
(2) A person that commits:
(A) gross negligence;
(B) willful or wanton misconduct; or
(C) intentional misconduct.".

Page 10, line 11, delete "means a report" and insert "**has the**

same meaning as set forth in 465 IAC 2-16-5 (as in effect on December 31, 2021).".

Page 10, delete lines 12 through 14.

Page 10, delete lines 20 through 21.

Page 11, line 23, delete "mail" and insert "**provide**".

Page 11, line 24, delete "to:" and insert "**to the residential treatment services provider; and**".

Page 11, delete lines 25 through 32.

Page 12, line 7, delete "shall give special consideration to" and insert "**may consider**".

Page 12, delete lines 14 through 17, begin a new paragraph and insert:

"SECTION 8. [EFFECTIVE JULY 1, 2022] **(a) As used in this SECTION, "child caring institution" has the meaning set forth in IC 31-9-2-16.7.**

(b) As used in this SECTION, "department" has the meaning set forth in IC 31-9-2-38.5.

(c) As used in this SECTION, "group home" has the meaning set forth in IC 31-9-2-48.5.

(d) As used in this SECTION, "secure private facility" has the meaning set forth in IC 31-9-2-115.

(e) For the state fiscal year beginning July 1, 2022, and ending June 30, 2023, the budget agency shall augment from the state general fund the amount of money appropriated for the department's family and children fund in P.L.165-2021 by fifteen million dollars ($15,000,000) to be used by the department to provide grants to child caring institutions, group homes, and secure private facilities for costs associated with increased wages for direct service staff.

(f) A child caring institution, group home, or secure private facility may apply for a grant under this SECTION in a manner prescribed by the department.

(g) Costs paid using a grant received under this SECTION may not be disallowed when setting rates for subsequent state fiscal years.

(h) This SECTION expires July 1, 2025.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 266 as printed February 17, 2022.)
and when so amended that said bill do pass.

Committee Vote: yeas 19, nays 0.

BROWN, T, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 290, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 6, delete lines 12 through 42.

Page 7, delete lines 1 through 8.

Page 9, line 29, delete "corporations after" and insert "**corporations.**".

Page 9, delete line 30.

Page 10, line 30, delete "corporations after review" and insert "**corporations.**".

Page 10, delete line 31.

Page 11, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 13. IC 22-11-17-2, AS AMENDED BY P.L.187-2021, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 2. (a) Except as provided in subsections (b) and (d) and section 2.5 of this chapter, an owner of a public building shall not permit an exit to be locked or obstructed in any manner that denies the public a continuous and unobstructed means of egress while lawfully occupied by anyone who is not an officer or an employee.

(b) The commission may adopt rules under IC 4-22-2 that:

(1) allow the owner of a public building to equip an exit with a special egress control device;

(2) limit the circumstances under which a special egress control device may be used; and

(3) allow an exit that was in compliance with the rules of the commission when the exit was constructed to be equipped with a special egress control device.

(c) An owner of a public building shall not permit a fire alarm to be disconnected or otherwise rendered inoperative, except in cases of routine maintenance or for repair.

(d) A school that has one (1) or more employees shall develop a plan to address unplanned fire alarm activation as part of its emergency operations plan.

(e) A school's emergency operations plan for unplanned fire alarm activation shall include procedures for the following:

(1) Evacuation of the building when the fire alarm is heard. A school with a fire alarm panel that allows for a positive fire alarm sequence may:

(A) develop a plan to investigate an unplanned fire alarm activation before activating the audible and visual alarms requiring evacuation;

(B) designate school officials to acknowledge that an alarm has been activated and initiate an investigation within fifteen (15) seconds;

(C) secure-in-place for up to three (3) minutes in order for a designated school official to determine, by investigation, if an active shooter is on the property; and

(D) following the three (3) minute period under clause (C), the school must evacuate, unless an active shooter has been verified to be on the school's property.

(2) Compliance with all provisions of 675 IAC 28-1-28.

(f) This subsection applies to doors installed or retrofitted after June 30, 2022. This subsection does not apply to doors in a building installed or retrofitted after June 30, 2022, for which approval of the door modifications was approved by the commission before July 1, 2022. Pursuant to a school's emergency operations plan as described in subsection (e), doors may be locked or secured against unwanted entry if the doors unlatch with one (1) operation and with no key, tool, special knowledge, or effort, and do not require tight grasping, pinching, or twisting of the wrist. If doors are lockable doors, the doors:

(1) shall be lockable from inside the classroom without requiring the door to be opened; and

(2) shall be capable of being unlocked from the outside to allow for access by staff and emergency responders.".

Renumber all SECTIONS consecutively.
and when so amended that said bill do pass

(Reference is to ESB 290 as printed February 17, 2022.)

Committee Vote: yeas 21, nays 0

BROWN, T, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 331, has had the same under consideration and begs leave to report the same back to the

House with the recommendation that said bill do pass.

(Reference is to ESB 331 as printed February 17, 2022.)

Committee Vote: Yeas 20, Nays 0.

BROWN T, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 356, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 15.

Delete pages 2 through 3.

Page 4, delete lines 1 through 30.

Page 6, line 29, strike "or be a teacher of".

Page 6, line 30, strike "record".

Page 6, line 35, after "disability." insert "**However, an individual who receives an initial practitioner license under this section may not be a teacher of record for a special education student for the period the individual maintains a license under this section.**".

Page 7, delete lines 28 through 42.

Delete pages 8 through 9.

Page 10, delete lines 1 through 39.

Page 13, delete lines 29 through 42, begin a new paragraph and insert:

"SECTION 10. IC 20-31-9.5-9.5, AS AMENDED BY P.L.211-2021, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 9.5. (a) The governing body of a school that has been placed in the lowest two (2) categories or designations may submit a plan to the state board to create a transformation zone within the school corporation. A plan may be developed with the assistance of the department. After June 30, 2021, the state board may not use the establishment of a transformation zone under this section as an intervention in a particular school corporation to improve school performance.

(b) The state board shall grant the designation as a transformation zone unless the state board concludes that the submitted plan does not substantially meet the criteria set forth in this section. All plans must be submitted to the state board not later than April 15, 2016, or April 15 each year thereafter. All plans must be approved or denied by the state board not later than July 1 of the first year of implementation.

(c) Each plan must include the following information:

(1) An organizational chart that demonstrates that the leader of the transformation zone reports directly to the school corporation's superintendent.

(2) A description of the innovations the school corporation will implement, which may include:

(A) innovations in school staffing;

(B) curriculum and nonmandated assessments;

(C) class scheduling;

(D) the length of the school day or year;

(E) the use of financial and other resources;

(F) teacher recruitment, employment, and compensation; and

(G) other innovations.

(3) The objective annual student performance and growth or improvement performance gains that the school corporation expects to achieve over the next five (5) years.

(4) A budget demonstrating financial sustainability of the transformation zone.

(5) A description of any regulatory or district policy requirements, subject to the state board's approval, that would need to be waived for the school corporation to implement the transformation zone.

(d) Subject to subsection (e), a school within the transformation zone is not subject to IC 20-29 unless the school corporation voluntarily recognizes an exclusive representative under IC 20-29-5-2. If the school corporation voluntarily recognizes an exclusive representative under IC 20-29-5-2, the school corporation may authorize a school within the transformation zone to opt out of bargaining allowable subjects or discussing discussion items by specifying the excluded items on the notice required under IC 20-29-5-2(b). Such notice must be provided to the education employment relations board at the time of the notice's posting.

(e) Subsection (d) applies only to a school that has been designated as a transformation zone following the third consecutive year in the lowest performance category or designation.

(f) For any collective bargaining agreement under IC 20-29 entered into after June 30, 2022, a governing body is not bound by its collective bargaining agreement for employees of a transformation zone established under this section. Employees of a transformation zone may organize and create a separate bargaining unit to collectively bargain with the entity operating the transformation zone under IC 20-29. The entity operating the transformation zone is considered the school employer for purposes of IC 20-29.

~~(f)~~ **(g)** All plans approved under this chapter shall be sent by the state board to the education employment relations board not later than fifteen (15) days after the plan's approval.

SECTION 11. IC 20-31-9.5-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: **Sec. 12. (a) This section applies to a transformation zone granted designation by the state board under section 9.5 of this chapter after June 30, 2022.**

(b) If the state board grants the designation of a transformation zone within a school corporation under section 9.5 of this chapter, the governing body of the school corporation may enter into an agreement with a nonprofit organization to manage and operate all of the schools included in the transformation zone.

(c) An agreement entered into under subsection (b) must:

(1) provide that the nonprofit organization has managerial and operational autonomy over the schools included in the transformation zone; and

(2) include details regarding the funding structure of the transformation zone.

SECTION 12. IC 20-31-9.5-13 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: **Sec. 13. (a) If a governing body of a school corporation has entered into an agreement with an entity to manage and operate schools included in a transformation zone of the school corporation, the governing body or entity that is a party to the agreement may submit a complaint to the department on a form established by the department for an alleged violation of the agreement.**

(b) Not later than thirty (30) days after the date a governing body or entity submits a complaint under subsection (a), the department shall issue a decision concerning the complaint.".

Page 14, delete lines 1 through 2.

Renumber all SECTIONS consecutively.

(Reference is to SB 356 as reprinted February 1, 2022.)

and when so amended that said bill do pass.

Committee Vote: yeas 6, nays 4.

BEHNING, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Engrossed Senate Bill 388, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 21-49 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]:

ARTICLE 49. POSTSECONDARY EDUCATIONAL INSTITUTION TRANSPARENCY

Chapter 1. Disclosures by Postsecondary Educational Institutions of Foreign Gifts and Contracts

Sec. 1. (a) Each institution (as defined in 20 U.S.C. 1011f(h)(4)) shall submit a disclosure report that includes information required to be reported in a disclosure report described in 20 U.S.C. 1011f to the commission, in a manner prescribed by the commission, if the institution (as defined in 20 U.S.C. 1011f(h)(4)) receives a gift from a foreign source described in 20 U.S.C. 1011f(b), regardless of the amount of the gift.

(b) The commission shall post information described in 20 U.S.C. 1011(f)(b) and 20 U.S.C. 1011(c)(2) on the commission's Internet web site. However, nothing in this subsection may be construed to authorize the commission to post information that identifies an individual donor.

Sec. 2. (a) The commission shall send copies of all reports described in section 1 of this chapter to the attorney general, in a manner prescribed by the attorney general.

(b) If it appears that an institution (as defined in 20 U.S.C. 1011f(h)(4)) has failed to comply with the requirements of this chapter, a civil action may be brought by the attorney general or at the request of:

(1) a member of the general assembly;
(2) the governor;
(3) a member of the commission;
(4) a member of the Indiana state board of education; or
(5) an Indiana taxpayer;

in a circuit or superior court to request the court to compel compliance with the requirements of this chapter.

(c) An institution (as defined in 20 U.S.C. 1011f(h)(4)) shall pay to the attorney general the full costs to the state of obtaining compliance, including all associated costs of investigation and enforcement if the institution (as defined in 20 U.S.C. 1011f(h)(4)) is found to have knowingly or willingly failed to comply with the requirements of this chapter.".

Delete pages 2 through 3.

Page 4, delete lines 1 through 39.

Page 5, line 12, after "subdivision" insert "**,**".

Renumber all SECTIONS consecutively.

(Reference is to ESB 388 as printed February 15, 2022.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 2.

BEHNING, Chair

Report adopted.

OTHER BUSINESS ON THE SPEAKER'S TABLE

HOUSE MOTION

Mr. Speaker: I move that Representatives DeVon, Olthoff and Jackson be removed as coauthors of House Bill 1222.

ZIEMKE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Karickhoff and Gore be added as cosponsors of Engrossed Senate Bill 62.

MOED

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Manning and M. Bauer be added as cosponsors of Engrossed Senate Bill 272.

SOLIDAY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that House Rule 105.2 be suspended for the purpose of adding more than three cosponsors and that Representatives Bartels, Lauer, Andrade, Moseley and Harris be added as cosponsors of Engrossed Senate Bill 294.

STEUERWALD

The motion, having been seconded by a constitutional majority and carried by a two-thirds vote of the members, prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Moed be added as cosponsor of Engrossed Senate Bill 299.

MILLER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives M. Bauer and DeLaney be added as cosponsors of Engrossed Senate Bill 347.

TESHKA

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Lehman and Andrade be added as cosponsors of Engrossed Senate Bill 365.

ZIEMKE

Motion prevailed.

Pursuant to House Rule 60, committee meetings were announced.

On the motion of Representative Gore, the House adjourned at 4:01 p.m., this twenty-first day of February 2022, until Tuesday, February 22, 2022, at 1:30 p.m.

TODD M. HUSTON
Speaker of the House of Representatives

M. CAROLINE SPOTTS
Principal Clerk of the House of Representatives