

PROPOSED AMENDMENT

HB 1001 # 26

DIGEST

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

- 1 Page 95, between lines 45 and 46, begin a new paragraph and insert:
2 "SECTION 43. IC 6-3-2-3.7, AS AMENDED BY P.L.250-2015,
3 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2026]: Sec. 3.7. (a) Each taxable year, an individual or
5 the individual's surviving spouse is entitled to an adjusted gross income
6 tax deduction equal to the remainder of:
7 (1) the:
8 (A) first eight thousand dollars (\$8,000), for taxable years
9 beginning after December 31, 2014, and before January 1,
10 2016; ~~and~~
11 (B) first sixteen thousand dollars (\$16,000), for taxable years
12 beginning after December 31, 2015, **and before January 1,**
13 **2026; and**
14 (C) **first twenty-two thousand dollars (\$22,000), for taxable**
15 **years beginning after December 31, 2025;**
16 which is received by the individual or the individual's surviving
17 spouse during the taxable year from a federal civil service
18 annuity, and which is included in adjusted gross income under
19 Section 62 of the Internal Revenue Code; minus
20 (2) the total amount of Social Security benefits and railroad
21 retirement benefits received by the individual or the individual's
22 surviving spouse during the taxable year.
23 (b) The individual is only entitled to the deduction provided by this
24 section if the individual is at least sixty-two (62) years of age before the
25 end of the taxable year. This subsection does not apply to the
26 individual's surviving spouse."
27 Page 120, between lines 30 and 31, begin a new paragraph and

1 insert:

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

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

6 Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as introduced.)