

IC 6-3.1-2

Chapter 2. Teacher Summer Employment Credits

IC 6-3.1-2-1

Definitions

Sec. 1. As used in this chapter, the following terms have the following meanings:

- (1) "Eligible teacher" means a teacher:
 - (A) certified in a shortage area by the department of education established by IC 20-19-3-1; and
 - (B) employed under contract during the regular school term by a school corporation in a shortage area.
- (2) "Qualified position" means a position that:
 - (A) is relevant to the teacher's education in a shortage area; and
 - (B) has been approved by the Indiana state board of education under section 6 of this chapter.
- (3) "Regular school term" means the period, other than the school summer recess, during which a teacher is required to perform duties assigned to the teacher under a teaching contract.
- (4) "School corporation" means any corporation authorized by law to establish public schools and levy taxes for their maintenance.
- (5) "Shortage area" means the subject areas of mathematics and science and any other subject area designated as a shortage area by the Indiana state board of education.
- (6) "State income tax liability" means a taxpayer's total income tax liability incurred under IC 6-3 and IC 6-5.5, as computed after application of credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

As added by P.L.51-1984, SEC.1. Amended by P.L.20-1984, SEC.5; P.L.46-1992, SEC.1; P.L.192-2002(ss), SEC.84; P.L.1-2005, SEC.94; P.L.246-2005, SEC.72.

IC 6-3.1-2-2

Credit for employment of eligible teacher

Sec. 2. Subject to the limitation established in sections 4 and 5 of this chapter, a taxpayer that employs an eligible teacher in a qualified position during a school summer recess is entitled to a tax credit against his state income tax liability as provided for under section 3 of this chapter.

As added by P.L.51-1984, SEC.1.

IC 6-3.1-2-3

Amount of credit

Sec. 3. A taxpayer is entitled to a credit for a taxable year for each eligible teacher employed under section 2 of this chapter in an

amount equal to the lesser of:

- (1) two thousand five hundred dollars (\$2,500); or
- (2) fifty percent (50%) of the amount of compensation paid to the eligible teacher by the taxpayer during the taxable year.

However, the aggregate credits that a taxpayer may receive for a particular taxable year under this chapter may not exceed the taxpayer's state income tax liability for that taxable year.

As added by P.L.51-1984, SEC.1.

IC 6-3.1-2-4

Disallowance of credit; employer's duty

Sec. 4. (a) The department shall disallow a credit provided under this chapter with respect to employment of an eligible teacher during a school summer recess if the teacher discontinues his teaching duties for the purpose of becoming employed by the taxpayer during the regular school term that immediately follows the recess. The taxpayer shall, within thirty (30) days after the eligible teacher had discontinued his teaching duties, notify the department of that fact and pay to the department the amount of the credit previously allowed.

(b) A taxpayer that fails to notify and pay the department as prescribed in subsection (a) is liable for interest and a penalty on the amount of the credit in the amounts established in IC 6-8.1-10-1 and IC 6-8.1-10-2.1.

As added by P.L.51-1984, SEC.1. Amended by P.L.1-1991, SEC.53.

IC 6-3.1-2-5

Application of credit against taxes owed; order

Sec. 5. (a) A credit to which a taxpayer is entitled under this chapter shall be applied against the taxpayer's adjusted gross income tax liability for the taxable year.

(b) A taxpayer that is subject to the financial institutions tax may apply the credit provided by this chapter against the taxpayer's financial institutions tax liability for the taxable year.

As added by P.L.51-1984, SEC.1. Amended by P.L.347-1989(ss), SEC.10; P.L.192-2002(ss), SEC.85.

IC 6-3.1-2-6

Qualified position certificate; applications; determination of qualified position; issuance; maximum amount of credit; aggregate amount of credits

Sec. 6. (a) A taxpayer who seeks to obtain the credit provided by this chapter must file an application for a qualified position certificate for that year with the state board of education. The board shall prescribe the form and contents of the application.

(b) Upon receipt of an application filed under subsection (a), the state board of education shall determine whether the position in question is a qualified position. The board shall also determine the

amount of compensation that the taxpayer intends to pay to the eligible teacher in the qualified position during the school summer recess, or the parts of the school summer recesses that fall within the taxable year with respect to which the taxpayer is applying for a certificate. If the board approves the application, it shall issue a qualified position certificate to the taxpayer for the taxable year. The certificate shall indicate the maximum amount of credit to which the taxpayer is entitled for the taxable year under this chapter with respect to the eligible teacher. That amount is the lesser of:

- (1) two thousand five hundred dollars (\$2,500); or
- (2) fifty percent (50%) of the amount of compensation that the taxpayer intends to pay to the eligible teacher in the qualified position during the school summer recess, or the parts of the school summer recesses that fall within the taxable year.

The taxpayer shall attach the certificate to the income tax return that is filed for the taxable year for which the credit is claimed.

(c) The state board of education shall record the time of filing of each application for a qualified position certificate, and shall approve the applications, if they otherwise qualify, in the chronological order in which they are filed. However, the board may not approve any application in a state fiscal year if the aggregate amount of allowable credits indicated on qualified position certificates issued in the fiscal year exceeds five hundred thousand dollars (\$500,000).

As added by P.L.51-1984, SEC.1. Amended by P.L.20-1984, SEC.6.

IC 6-3.1-2-7

Rules; qualified positions

Sec. 7. Notwithstanding IC 6-8.1-3-3, the state board of education shall adopt rules under IC 4-22-2 for determining which positions are qualified positions.

As added by P.L.51-1984, SEC.1. Amended by P.L.20-1984, SEC.7.

IC 6-3.1-2-8

No tax credits awarded after 2011; expiration of chapter

Sec. 8. (a) A tax credit may not be awarded under this chapter after December 31, 2011.

(b) This chapter expires January 1, 2020.

As added by P.L.172-2011, SEC.61.