

# The Military - Veterans Coalition Of Indiana 2018 Legislative GOALS V5

## **1. Fix the Indiana Veteran Recovery Pilot Program (IVRP) IC 10-17-14; IC 27-1-43; IC 34-13-3-2.**

Synopsis:

- **Extend for at least ONE year** the Indiana Veteran Recovery Pilot Program (evidence based clinical trial).
- **Extend existing funding** to provide treatment and funding for veterans with traumatic brain injury or posttraumatic stress disorder, and to obtain reimbursement from third parties (federal government).
- **Select up to 5 hospitals/service providers** that cover the four quadrants and center of the state.
- **Remove requirement of co-pay.**
- **Eliminate any restriction** of when the injury occurred.
- **Require Rules be done by June 15, 2018.**
- **Add protections for provider and medical staff.**
- **Specify block grant versus grants for each person** put into the trial.
- **Require all services to be done at costs by providers.**
- **Restrict IDVA and ISDH (all state government)** from receiving any of the \$1 MILLION budgeted amount.
- **Require reporting periodically** to ISDH, IDVA, General Assembly, and Governor.

**Rationale:** *One of the most important missions facing all of us at this time in history is caring for our combat wounded returning home from their deployments, and fighting another battle, the battle to regain their quality of life sacrificed in service to our country. This battle is the support and resources to treat the Iraq and Afghan Signature Wound—Traumatic Brain Injury / Post Traumatic Stress Disorder, also known as the silent wound of the War on Terror. The Oklahoma model for providing Hyperbaric Oxygen Treatment (focusing on TBI), and reimbursing for the costs for treatment is calculated to save ONE BILLION DOLLARS a year! Cost of treatment at MEDICARE rates is about \$17,000 one time. Per studies by Rand Corporation and validated by a study done by Ball State University the cost to state and federal government of not treating (or ineffective treatment) is estimated at between \$36K and \$60K per year. 35% of Vietnam Veterans and 30% of Gulf War Veterans suffer from TBI, PTSD, or both per the Rand Corporation Study of 2008. The Veterans Administration indicates that there are 166K Vietnam vets and 126K Gulf War vets for a total of 292K vets. Using 30% of 292,000 veterans reveals to total veteran population suffering from TBI-PTSD of 87K. Using a cost factor of \$36K; the annual cost is \$3.15BILLION ANNUALLY. The Military Coalition thinks that state resources exist, and know that the patriotic commitment exist to see it through to completion. The most important outcome will be our Guardians of Freedom will get their lives back, and their families will get them back. See original See HB1650 from 2015 General Assembly <http://iga.in.gov/legislative/2015/bills/house/1615/#> SB180 from 2014 General Assembly. <http://iga.in.gov/legislative/2014/bills/senate/180/#>*

## **2. Increase State Income tax exempt status for all military income, current or retired. IC 6-3-2-4.**

Synopsis: Increase Military Service deduction; retirement income or survivors benefit deduction from adjusted gross income (AGI) of military income.

**Rationale:** *Military service members are a major economic force bringing to the State over one billion dollars per year in disposable income. Today, per the Federal Department of Veterans Affairs, Indiana veterans received \$2, 812,510,000.00 in 2016. Details of this can be found at <http://www.va.gov/VETDATA/docs/GDX>.*

*Every effort should be made, and incentives developed to attract military personnel to Indiana upon completion of their active duty commitments or upon their retirement from military service, and to retain those already*

here. Indiana continues to lose qualified veterans because of the greatly enhanced benefits (such as hunting and fishing license, state bonuses for serving in combat in the Gulf Wars, having military income not taxed as part of income taxes) available in adjacent and other states. Indiana ranks in the bottom 10% in support of military service members. This rating is determined by studies done by WalletHub in 2015 which rates Indiana last in the nation as a place where retirees should live. It is also determined by a WalletHub study of the largest 100 cities in the nation identifying the best and worst places for veterans to live. Indianapolis and Fort Wayne rank 92 and 95 respectfully. The Military Officers Association of America(MOAA) in 2015 also list Indiana in the bottom 10% as a veteran friendly state. The Department of Veterans Affairs of the federal government annually publishes statistics revealing how much money is distributed to veterans by county-by state. This file is called the **Geographic Distribution of the Department of Veterans Affairs Expenditures(GDX)** and is prepared each fiscal year by the Department of Veterans Affairs (VA) Office of Policy, Planning and Preparedness. The GDX Report presents the estimated dollar expenditures for major VA Programs by county and Congressional Districts within each state. Expenditure data is grouped by the following categories: Compensation and Pension (C&P); Education and Vocational Rehabilitation; Insurance and Indemnities; Construction (CNSTR); General Operating Expenses (GOE); and Medical Care. The GDX Report also includes veteran population estimates by county and Congressional District within each state and the number of unique patients who used VA health care services ([http://www.va.gov/VETDATA/docs/GDX/GDX\\_Readme.pdf](http://www.va.gov/VETDATA/docs/GDX/GDX_Readme.pdf)). Analysis of this file places Indiana 42<sup>nd</sup> out of 50 states in benefits paid as a percentage of the total veteran population in Indiana.

The WalletHub studies also indicate the average age of officers retiring is 47.1 years old; enlisted retirement age is even lower at 43.2 years old. The National Active Retirement Association reports “a retiree couple is the equivalent to 3.7 manufacturing jobs... They generally have higher disposable incomes, better educations and put much less a burden on the streets, infrastructure or schools. They are active volunteers in schools and in civic, cultural and religious organizations. Because they have higher wealth, on average, they pay higher taxes on purchases and property.” Therefore, we should do everything to keep and even grow this cohort.

According to American Community Survey 2014, “the median household income among veterans in the US is \$56, 890.” “ Male veterans working full time earn about \$6,000 more than similar non-Veterans” and Female veterans who worked year-round and full-time earned about \$7,000 more than similar non-veterans” according to the Department of Veterans Affairs, Office of Policy and Planning, National Center for Veterans Analysis and Statistics in their June 2016 report. Getting and keeping veterans is a very positive economic advantage for a state.

States are generally free from federal control in deciding how to tax pensions, but some limits apply. State tax policy cannot discriminate against federal civil service pensions, according to the U.S. Supreme Court decision in *Davis v. Michigan* (1989), which ended the once common practice of more favorable state tax treatment for state pensions than for federal civil service pensions. In 1992 the U.S. Supreme Court further ruled, in *Barker v. Kansas*, that states cannot tax U.S. military pensions if they exempt state pensions from taxation. Over time these rulings have produced substantial conformity in the way each state taxes the three kinds of pensions, although differential treatment persists in **Indiana** and New Jersey.

Of the 50 states, seven – Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming – do not levy a personal income tax. New Hampshire and Tennessee collect income tax only on interest and dividend income. The District of Columbia and 41 states levy a broad-based personal income tax. Among the 41 states with a broad-based income tax, 37 offer exclusions for some amount of specifically identified type of state or federal pension income or both, a broad income exclusion or a tax credit targeted at the elderly. The District of Columbia provide a public pension exclusion. The four states that do not do so are California, **Indiana**, Rhode Island and Vermont. Some of those four states

*partially or fully exclude Social Security income from state taxation, and **no state collects income taxes on Railroad Retirement income.** (Source: NCSL Ronald Snell and Bert Waisanen article Jul 07)*

*Looking at the economics surrounding this proposed amendment also support this change. When you consider the military retirees who will potentially stay in Indiana as a result of such a change, plus those additional military retirees attracted to the state by no or significantly reduced military retirement income, the forecast loss in income tax revenue on the military retirement pay is less than the gain from other taxes like income tax on civilian employment earnings, sales, gasoline, car plates, property, and other taxes and fees the state would collect.. Overall it is estimated that tax revenue grows substantially in this scenario. We think that between 500 and 1000 people would be added to the tax rolls annually. Over 50,000 individuals retire from the US military every year, it is reasonable to think that at least 500-1000 might choose to retire in Indiana if the benefits to doing so were attractive enough. With the right incentives it might be higher. Based upon an average military retired income of \$40,000 per year, even 500 new military retirees coming to Indiana would bring \$20,000,000 of additional disposable income per year to our state.”*

*Additionally, this will help the brain drain in Indiana. How so? The Military Services (i.e. West Point, Annapolis, etc.) graduate 40 officers annually. These are ALL Hoosiers and ALL recommended by Indiana’s federal congressional delegation. Additionally, Indiana, Purdue, IUPUI, Ball State, Notre Dame, Indiana State, and other universities graduate nearly 100 officers annually from their ROTC programs. Federal Recruiters from all services recruit an average of 5200 Service members from Indiana annually all of which are high school graduates and meet the military standards set by the services. These enlisted men and women continue their education while serving in the armed forces as commanders encourage such actions and DOD funds much of this education. The Department of Veterans Affairs, Office of Policy and Planning, National Center for Veterans Analysis and Statistics in their June 2016 report indicated 69% of current veterans have some college and 35.5% who are at least 25 years old have a bachelor’s degree or higher. Additionally, all these officers and enlisted service members bring years of career experience, management and leadership to the civilian workforce. However, the military in Indiana is not growing—it is shrinking as explained above—this is real brain and community citizenship drain!*

*Recruiting or retaining veterans in Indiana will stimulate growth in business, services, and industry as these new residents and current residents will spend the Indiana income tax savings in Indiana. This is a win – win opportunity!*

*Veterans in Indiana cost the state less than non-veterans! The Department of Veterans Affairs, Office of Policy and Planning, National Center for Veterans Analysis and Statistics in their June 2016 report indicated “a lower percentage of both male and female Veterans lived below 100 percent of poverty compared to their non-Veteran counterparts.”*

*Lastly, and certainly most importantly, Indiana residents enjoy the many blessings being part of this great republic thanks to Hoosiers who will serve, are serving, and have served in the military. For this, state representatives of your districts in Indiana should support the wishes of your citizens as amended by this proposal.*

*Per the Army Vice Chief of Staff (Daniel Allyn) to the Senate Armed Services Committee (SASC) testimony March 15, 2016; National Defense Budget Estimates for FY17, Table 7-5the Army estimated end strength will be 460,000 in 2017, 420,000 in 2019. This in spite of an increase in combatant command demands for Army forces since 2012 being up 23%. Indiana could garner many of these veterans being released from active duty if Indiana had favorable income tax laws. See our initiative #3 for additional details.*

3. IC 4-30-3-20.5. Synopsis: **Lottery games to benefit veterans.** Require the state lottery commission to adopt rules and establish a scratch-off ticket to benefit Indiana veterans. Deposit revenue from sales of tickets for the scratch-off game into the veteran's trust fund. 10% of funds generated can be used to administer the fund. All such dedicated funding, raised through the veterans scratch off card, will be non-reverting and shall be appropriated for its intended purpose.

***Rationale:** Revenues from the sale of Veteran lottery tickets could be used to fund many veteran programs identified in our 2018 legislative agenda and future veteran programs. Included could be many programs currently funded with state tax revenue such as grants to counties for hiring veterans service officers, grants for Veterans Disability Clinics, funding for veteran service officer training, homeless veteran funding, and many other veteran issues.*

#### 4. Keeping and growing veteran population in Indiana.

**SECTION 1.** IC 6-3.1-34. Synopsis: **INDIANA Tax credit for hiring veterans.** Provide the INDIANA Work Opportunity Tax Credit (IWOTC) for hiring qualified veterans. Through IWOTC, for-profit employers may receive tax credits of \$3,000 per qualified eligible service member currently serving in the United States Armed Forces or for \$2,000 for qualified non-profit organizations. The IWOTC program enables the targeted employees to gradually move from economic dependency into self-sufficiency as they earn a steady income, while participating employers are able to reduce their federal AND STATE income tax liability. The tax credit can be claimed after the eligible service member currently serving in the United States Armed Forces works for one year at the business. Revenue gain to the state will depend upon factor such as:

- The number of hours the eligible service member currently serving in the United States Armed Forces works
- The eligible service member currently serving in the United States Armed Forces first year of wages

Work One Regions are to train businesses on how to apply for the Federal and State WOTC to encourage use and success of this program.

For additional information go to: [www.doleta.gov/wotc](http://www.doleta.gov/wotc)

<https://www.employflorida.com/portals/veteran/default.asp?pg=employers>

#### **Instituting a Private Enterprise Indiana Tax Credit for each documented veteran hired as a fulltime employee during their tax year**

***Rationale:** To encourage Indiana businesses to hire Veterans, this credit will be an incentive to put veterans to work in the State. The Federal Government currently offers a \$9600 Federal Tax Credit for this action through the [UNITED STATES DEPARTMENT OF LABOR Employment and Training Administration](#). Indiana should provide training to businesses in the 12 Work One Regions on how to apply for the Federal and State WOTC and most corporations do NOT apply and ignore the program. Training them will help encourage receipt of the credit and success of the program.*

**SECTION 2.** IC x-x-x. Synopsis: **Add or assign one staff person to lead and create a group within State Personnel Department to recruit service members coming off active duty** at their active duty discharge locations 6 months prior to their expiration of service. Team with economic development commission and private enterprises to develop marketing packages and financial incentives to lure skills desired for employment in Indiana. Provide loans for home purchase, salary while training for job, relocation expenses, property tax abatement for up to 10 years, and Indiana Income Tax credits. Program should be modeled after "Regional Cities" projects where private industry joins with local government and state government to build a "regional" marketing package to be used as a major tool in winning new veterans coming to Indiana. The idea is building a template for communities to use to get and keep veterans and execute on a community level with coordination by STATE level. One possible

example would be to assist with use of GI bill education benefits for training in area where families will be moving to Indiana. (i.e. A welder moves to Ft Wayne and needs some specialized training; coordinate to have available in Ft Wayne area. Insure private business have sponsors and mentors to insure assimilation into the community and business.)

**Rationale:** *To encourage Indiana businesses to hire skilled service members leaving active duty via this program. These individuals have great soft skills, many technical skills, and bring their families with them. They bring veterans benefit, retirement benefits, low likelihood of financial dependence on government, low likelihood of public safety issues, and are likely to volunteer in their community.*

*Per the Army Vice Chief of Staff (Daniel Allyn) to the Senate Armed Services Committee (SASC) testimony March 15, 2016; National Defense Budget Estimates for FY17, Table 7-5 the Army estimated end strength will be 460,000 in 2017, 420,000 in 2019. This in spite of an increase in combatant command demands for Army forces since 2012 being up 23%. Indiana could garnet many of these veterans if Indiana had favorable income tax laws. Similar cuts are scheduled for the other services. See our initiative #3 for details.*

*Per Michael Hicks, the director of the Center for Business and Economics Research and the George and Francis Ball distinguished professor for economics in the Miller College of Business at Ball State University on Sunday, April 3, 2016 in the IndyStar stated: "In the last month's population report, the number of shrinking counties rose to 54, and those growing faster than the nation as a whole rose to 14. That left 24 counties in relative decline..... This population redistribution matters deeply for Indianan's health through the 21<sup>st</sup> Century..... Thick labor markets offer job security that reduces employee risk. Increasing returns combined with abundant labor make businesses far more profitable, so they invest and grow.." Our current schools will not produce the labor pool needed to satisfy the labor demand that is becoming larger and larger with the addition of new businesses.*

*Today 72% of Indiana high school graduates are NOT eligible to serve in the Armed Forces per the Department of Defense. The reasons: "they are too poorly educated, physically unfit, or possess a serious record of crime or drug abuse." They go on to say "Without significant action, this dangerous trend will undermine our national security, weaken our competitiveness, and jeopardize our ability to mobilize in response to threats at home and abroad." The same can be said about Indiana's economy which is built on manufacturing.*

## 5. 21<sup>st</sup> Century Veterans Support.

**SECTION 1.** IC10-17-12. Synopsis: **Fund Service Officer training, renewal, and training expenses.** Direct annual appropriation from General Fund in amount per biannual budget.

**Rationale:** *Calculation: 4 Days \* 92 CVSOs \* \$170 per hotel, food, and travel=\$62,560*

**SECTION 2.** IC10-17-1-9. Synopsis: County service officers, city service officers, and assistants' requirements. **Require the designation and duties of county service officers to serve for 5 years.** Poor performance should be considered to remove service officer sooner.

**Rationale:** *County service officers, city service officers, and assistants today can be appointed for 4 years. We propose removing the appointment of up to 5 years and requiring the designation and duties of county service officers. Some counties have county service officers in name only, and their duties very dramatically with other counties. In some instances counties*

*have not gotten their service officers trained or accredited, there needs to be consequences of not doing so.*

**SECTION 3.** IC 10-17-1-6 Synopsis: **Expand duties of the IDVA director to include notification to county/ city leadership, governor, of non-compliance to IC 10-17-1-9 County service officer, city service officer, and assistants within 60 days of date the vacancy occurs.**

***Rationale:** Several County / City service officers do not become accredited, retain their accreditation, or retire and must be replaced. Initial training and getting replacements up to speed is crucial to the success and support of veterans who need assistance.*

**SECTION 4.** IC 6-3.6-9-12, Require a portion of local income taxes to be withheld from cities and counties that fail to enforce accreditation and reaccreditation requirements for city and county service officers.

*(text from HB1089 of 2016)* Sec. 12. (a) Except as provided in subsection (b), one-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its trust account established under this chapter to the appropriate county treasurer on the first regular business day of each month of that calendar year. (b) If the Indiana veterans' affairs director certifies to the auditor of state and the budget agency that a county or city is not in compliance with the requirements of IC 10-17-1, one-fifth (1/5) of the part of the certified distribution that would be distributed to the county civil taxing unit shall be withheld by the auditor of state until the city or county has complied with IC 10-17-1. 15 (c) If a part of a distribution is withheld under subsection (b) and the city or county subsequently complies with IC 10-17-1, the auditor of state shall distribute to the county civil taxing unit the amount of the distribution that was previously withheld, without interest for the period during which the distribution was withheld. (d) A withholding made under subsection (b) shall not affect a distribution to any unit other than the county civil taxing unit.

***Rationale:** Several County / City service officers do not become accredited, retain their accreditation, or retire and must be replaced. Initial training and getting replacements up to speed is crucial to the success and support of veterans who need assistance.*

**SECTION 5.** IC XX-XXX-XX. Require County Veteran Service Officers, City Veteran Service Officers, District Veteran Service Officers to be initially accredited by the National Association of County Veteran Service Officers (NACVSO).

***Rationale:** Current initial Veteran Service Officer training does NOT insure that these critical individuals have received and demonstrated via an objective national test that they are fully trained and capable of developing a "fully developed disability claim" on behalf of the veteran they are serving. This results in CSVOs having their work reviewed, corrected, and submitted by other Veteran Service Officers who were trained to this national standard.*

**6.** IC21-14-4 Synopsis: **Tuition and fee exemption for children of disabled veterans.** Provide children of all service connected disabled veterans full remission of fees at any State supported post secondary school or university in the State of Indiana. Funds are only available if all GI Bill benefits available to the individual are first exhausted. Provide a requirement to maintain a "C" GPA to continue to receive remission. Provide remission of accrued debt to the VA disability decision start date. Limit duration of remission to 4 years and make funding limited to undergraduate degree or associates degree.

***Rationale:** Repeal IC21-14-4-2.5 Return to pre-2011 criteria when dependents of all service connected disabled veterans received full remission of fees at any State supported post secondary school or university in the State of Indiana. Present remission is based upon the percentage of disability, thus creating two "classes" of Hoosier Veterans. This treatment of those who served since July 2011 is discriminatory and devalues those who serve today and in the future. Currently there are no requirements for course completion or minimum acceptable standards for payment of the supplement or continuation in the program. Currently the VA medical claims processing system does not provide timely decisions for veteran's disability claims. Dependents of these*

*disabled veterans continue to accrue thousands of dollars in higher education debt. Funds are only available if all GI Bill benefits are exhausted.*

*State College professors' kids get free tuition—they deserve it more than veterans?!!*

## **7. Veteran Homelessness**

**SECTION 1. IC 10-17-13.5-4. Fix current funding for Veteran Homelessness and help End Veteran Homelessness.** Fix HB1001 to include Hoosier Veterans as defined in IC and include all individuals who have served in the armed forces regardless of the character of their discharge should they have a discharge. **Extend the period by 1 year.** Provide one full time staff person to lead a Veteran Homelessness Task Force to design, coordinate, and execute plans to manage the entire state problem—working with federal, state, county and other entities. Also provide property tax credits for Landlord/Property Owners/Managers who house Veterans that are connected to the VA or Veteran Organization. These providers shall be granted this credit only if they are associated with a not-for-profit organization helping homeless veterans in Indiana. Credits will be limited to two (2) years for the same property if the occupant is the same homeless veteran for the duration.

***Rationale:** Indiana not-for-profits assisting military veterans get significant funding for veteran who have honorable discharges. However, veterans with “bad paper” and those who served in the Guard and Reserve are NOT included—there is no funding from the federal government for these individuals. HB1001 needs adjusted to address this.*

*Many organizations operate in the state and within various agencies of state government, county government yet there is no coherent plan to reach the goal. Other states have been successful and Indiana is among the worse in the nation by WalletHub analysis rating of the 100 largest cities in America.*

*Additionally, one of the difficulties in reaching this goal is the lack of safe and affordable housing for Veterans experiencing barriers such as history of eviction, felonies, low-income, etc... Some of these barriers are the results of the Veteran's difficulty in transitioning to civilian life.*

*Housing is a basic human need. One cannot hold a job; provide for their family; be healthy both physically and mentally; recover from trauma; and to simply survive.*

*This proposal is to incentivize landlords/property Owners/managers to collaborate with the VA to end Veteran homelessness. The VA already fund programs to house homeless veterans and support them while working toward being a stable member of society such as the Supportive Services for Veteran Families (SSVF), the Gran Per Diem (GPD), and HUD-Veterans Affairs Supportive Housing (HUD-VASH). Unfortunately, the funds from these programs do no good if landlords/property managers won't take a chance on our Veterans.*

*If this legislature passes, it can lead to ending homelessness; reduce the unemployment rate; boost the local economy; lower crime rates; lower the use of emergency services; and set the precedence for the country to follow suit.*

**SECTION 2. IC xxx. Make Veteran Homelessness Elimination a priority.** Direct State of Indiana Agencies to develop and execute policies and procedures to make elimination of veteran homelessness a priority and to meet federal guidelines. The policies and procedures should focus on treatment (to include substance abuse), elimination of barriers to temporary and permanent housing, job training, and elimination of barriers to employment that will support returning this individual to productive contribution to society.

**Rationale:** *Several cities and communities have declared the end of veteran homelessness, Indiana has none. COC management and government leadership across the state in communities is not visible. Private Sector support is lacking. CAC is not organized, involved, measured and reported. Publicity and public relations do not remain visible after a “start”. Many veteran homeless have actions that were taken against them in the pass that “force” them to this low state. Examples include: loss of driving privileges, unreasonable child support, convictions, and leans.*

## 8. Veteran Identification.

**SECTION 1.** IC 9-24, 9-29 new section. Synopsis: Require Bureau of Motor Vehicles to ask questions to **gather military service participation of applicants/renewals for driver’s license or ID Card.** Also optionally, gather email/facebook information and phone number on a voluntary basis and store for use. Information will be posted to BMV database and can be used by IDVA to develop outreach of those who have served.

**Rationale:** *Today we don’t know who are Indiana Veterans and where they live. Capture of military participation (and email, phone number) will enable state agencies to communicate proactively to this group to “market” federal and state benefit programs and other matters as needed. Indiana ranks near the bottom on VA benefit revenue currently and billions of dollars are lost annually.*

**SECTION 2.** IC 9-24, 9-29 new section. Synopsis: Require Bureau of Motor Vehicles to **issue a Disability Parking Placard with all Disabled Hoosier Veteran license plates.**

**Rationale:** *Today veterans get parking tickets because safety officers do NOT understand if the auto is plated with a disabled plate a placard is not required. The disabled veteran then must go to court and explain they were legitimately parking and the safety officer made a mistake. This is time consuming, inconvenient, and cost the veteran money for parking, time off work, etc...*

## 9. GUARD AND RESERVE EDUCATION MATTERS

**SECTION 1.** IC xx. Synopsis: **Enact academic protections for mobilized Guard and Reserve students** including: refund guarantees; and, exemption of a state or private student loan payments during mobilization.

**Rationale:** *Hoosier members of the Indiana Reserve Components are subject to activation for state and federal duty. Some of these service members are enrolled in Indiana schools of higher education. When mobilized these individuals do not have the opportunity to complete the course of instruction and could result in loss of funds for the costs of this instruction. This is unfair as the service member is obligated to serve. Therefore, these service members should be refunded the cost of the course or allowed to re-enroll into the course at the next opportunity without additional costs. If the course is being paid for via a state provided scholarship or aid then refund as an option is denied.*

**SECTION 2.** IC xx. Synopsis: **Exempt GI Bill, disability compensation, and vocational rehabilitation funds from being considered income in any need based financial aid calculations.**

**Rationale:** *Veterans use of GI Bill and vocational rehabilitation funds is for education to improve their opportunity of future employment and not funds to live on. Disability compensation is funds to offset your ability to earn funds based upon your disability. Therefore, this income should NOT be used in any need based financial aid calculation.*

## 10. Veterans inclusion in boards. IC xx-xx-xx

Require all workforce development boards, Commission on Higher Education, Civil Rights Commission Board of Directors, Advisory Commission on Intergovernmental Relations, all state university board of directors, Department of Financial Institutes Board of Directors, Governor’s Commission on Minority &



Women Business Enterprise, Indiana Economic Development Corporation Board of Directors, Indiana Board of Tax Review, Indiana Career Council, Job creation committee, Midwestern Higher Education Compact, State Board of Education, State family Support Council, State Workforce Innovation Council, to have veteran representation and the boards shall prioritize actions to support veterans. Person(s) can satisfy multiple requirements of board membership as a veteran.

**Rationale:** *Veterans to be a priority in communities as veterans contribute more to communities than non-veterans (see above).*

**11. IC 14-22-12-1.4. Synopsis: Provide that **Veteran Non-Profit Organizations/Associations can get resident rates for disabled veterans** who may not be Indiana residents for fishing and hunting licenses **for a group event.****

**Rationale:** *Veteran Service Organizations desire to come to Indiana for events such fishing and hunting as treatment or comarodory for disabled service members. The biggest expense and a barrier to action is the non-resident rates charged.*

**12. Renter Credit for Disabled Veteran.** IC 6-3-2-6 Deduction; rent payments. Provide a renter credit for a disabled veteran who would qualify for the property tax credit for disabled veterans except for the fact that the disabled veteran rents living quarters.

**Rationale:** *IC 6-3-2-6 Deduction; rent payments Sec. 6. (a) Each taxable year, an individual who rents a dwelling for use as the individual's principal place of residence may deduct from the individual's adjusted gross income (as defined in IC 6-3-1-3.5(a)), the lesser of:*

- (1) the amount of rent paid by the individual with respect to the dwelling during the taxable year; or*
- (2) three thousand dollars (\$3,000).*

*(b) Notwithstanding subsection (a), a husband and wife filing a joint adjusted gross income tax return for a particular taxable year may not claim a deduction under this section of more than three thousand dollars (\$3,000).*

*(c) The deduction provided by this section does not apply to an individual who rents a dwelling that is exempt from Indiana property tax.*

*(d) For purposes of this section, a "dwelling" includes a single family dwelling and unit of a multi-family dwelling. As added by Acts 1979, P.L.70, SEC.1. Amended by P.L.14-1999, SEC.1; P.L.192-2002(ss), SEC.77; P.L.146-2008, SEC.318.*

*(new code to be added)*

*(e) Disabled veterans would be eligible for an additional deduction. This additional deduction would be the disabled veterans disability times the deduction identified in 6A above. Example: Rent paid per year was \$2,500 and veteran was 20% disabled. Additional deduction would be \$500. The total renter's deduction would be \$3,000. Example 2: Rent paid per year was \$8000 and veteran was 70% disabled. Calculation would be \$3,000 time 70% which is equal to \$2,100; thus the total deduction would be \$5,100 in this case.*

*(f) The disability deduction cannot exceed \$3,000; and total deduction cannot exceed \$6,000.*

**13. IC 6-1.1-12-14. Synopsis: **Veteran Property Tax Matters****

**SECTION 1. Exemption for Surviving Spouse of Service Member killed in Action, Dies While On Active Duty, or receives Dependency Income Compensation (DIC).**

**Rationale:** *Surviving spouses could have financial hardships and should be granted this exemption as a measure of gratitude from the State Of Indiana for their loss. Individual and spouse must be Indiana residents.*

**SECTION 2. Property Tax Exemption at 100% rate for veterans who are classified as individually unemployable** by the federal Department of Veterans Affairs regardless of their service connected disability rating.

**Rationale:** *Some counties provide property tax credits at 100% for veterans who are classified as "INDIVIDUAL UNEMPLOYABILITY" even though their disability rating is not 100%. Other counties are only recognizing the disability rating which must be at least 70% to be classified as individually unemployable.*

**SECTION 3. Remove the property value limitation for a disabled vet to receive a property tax reduction.**

**Rationale:** *IN 6-1.1-12-14(c). Provide disabled veterans relief from property tax based having 90 days of service and being totally disabled or being 62 yrs of age and being at least 10% disabled. The current amount continues to diminish in value with time as inflation and other economic pressures increase the value of real property. This change would eliminate revisiting this law and insure deserving disabled veterans would remain whole.*

**SECTION 4. Abandoned homestead property taxation.** Allow a county or city fiscal body to adopt an ordinance to grant an assessed value property tax deduction for abandoned homesteads that **become owner occupied by a military veteran, member of the military, public safety officer, or licensed teacher. Provide that the deduction may be for up to 10 years** and at percentages specified in the fiscal body's ordinance. Permit the fiscal body to establish additional criteria for a homestead to be eligible for the deduction. Require an application process and an annual filing by the property owner. Allow the department of local government finance to adopt rules to implement the deduction.

**Rationale:** *Providing veterans, members of the military, and public safety officers to opportunity to "reclaim" homes will add to the stability of a community and help prevent plight in communities. These citizens are more likely to influence neighborhoods in a positive way which will help stability of cities and towns.*

**14. IC 6-3.1. Synopsis:** Provide **Employer tax credits** as a means to help offset costs associated with employees' **Guard or Reserve activities** and reinforce employer support.

**Rationale:** *The intent is the same but instead of hiring unemployed veterans substitute "employed National Guard and Reservist who are state residents". Employers have NG and Reservists called to duty and they must be gone from work for days or even up to years. The law requires them to re-employ the service members when they return from duty. The employer needs a temporary replacement or must have other employees work overtime to "cover the lost hours"-- this can be an additional cost. The goal is to encourage employers to hire and retain Guardsmen and Reservists as the nation and Indiana needs them; yet "compensate" in a small way, the business for the additional costs associated with having these Hoosiers employed. The tax credit calculation could be based upon documented additional expenses of a business or a formula such as: 50% of hourly rate of absent NG / Reservists for the hours the NG / Reservists is away from work under normal work hours. An example: SGT Jones (a Guardsman) works at Business Furniture as an installer. He is ordered to duty at Camp Atterbury for 2 weeks. His hourly rate is \$20 per hour. Business Furniture could get a tax credit of  $\$20 \times 80 \text{ hours} \times 50\% = \$800$  dollars. The logic is that they will have to pay time and a half to other employees to "cover the hours" while SGT Jones is gone. Note: If SGT Jones uses PTO or vacation then Business Furniture would NOT be entitled as they did NOT experience a loss of labor that they would have had Jones been sick or on vacation. One might ask-- why would SGT Jones take PTO or vacation-- the answer is because he wants to be paid by Business Furniture while off. If he goes to duty per the orders he receives he is NOT entitled to his hourly wages. It is also noteworthy, that some businesses make up the difference in pay when NG or Reservists go on duty. This is voluntary and should not be considered in determining a tax credit*

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**OSD INITIATIVES:**

TBD