

SENATE BILL No. 50

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-24.

Synopsis: Venture capital investment tax credit. Provides that debt from qualified investment capital must be for a repayment term of at least 12 months. Clarifies that the Indiana economic development corporation (IEDC) shall certify businesses that are engaged in sectors not excluded by the statute from eligibility and that are determined by the IEDC to have the significant potential to meet the listed statutory criteria. Removes limitations on retail businesses for the qualified Indiana business certification by the IEDC.

Effective: July 1, 2021.

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January 4, 2021, read first time and referred to Committee on Tax and Fiscal Policy.



First Regular Session of the 122nd General Assembly (2021)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

SENATE BILL No. 50

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

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-24-3, AS AMENDED BY P.L.193-2005,
2 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2021]: Sec. 3. As used in this chapter, "qualified investment
4 capital" means debt or equity capital that is provided to a qualified
5 Indiana business after December 31, 2003. However, the term does not
6 include debt that:

7 (1) is provided by a financial institution (as defined in
8 IC 5-13-4-10) after May 15, 2005; and

9 (2) is secured by a valid mortgage, security agreement, or other
10 agreement or document that establishes a collateral or security
11 position for the financial institution that is senior to all collateral
12 or security interests of other taxpayers that provide debt or equity
13 capital to the qualified Indiana business.

14 **For purposes of this chapter, the repayment of a debt incurred**
15 **must be for a term of at least twelve (12) months.**

16 SECTION 2. IC 6-3.1-24-7, AS AMENDED BY P.L.172-2011,
17 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2021]: Sec. 7. (a) The Indiana economic development corporation shall certify that a business is a qualified Indiana business if the corporation determines that the business:

- (1) has its headquarters in Indiana;
- (2) is primarily focused on professional motor vehicle racing, commercialization of research and development, technology transfers, or the application of new technology, or **is a business engaged in any sector not described in subdivision (5) and that is determined by the Indiana economic development corporation to have significant potential to:**

- (A) bring substantial capital into Indiana;
- (B) create jobs;
- (C) diversify the business base of Indiana; or
- (D) significantly promote the purposes of this chapter in any other way;

- (3) has had average annual revenues of less than ten million dollars (\$10,000,000) in the two (2) years preceding the year in which the business received qualified investment capital from a taxpayer claiming a credit under this chapter;

- (4) has:

- (A) at least fifty percent (50%) of its employees residing in Indiana; or
- (B) at least seventy-five percent (75%) of its assets located in Indiana; and

- (5) is not engaged in a business involving:

- (A) real estate;
- (B) real estate development;
- (C) insurance;
- (D) professional services provided by an accountant, a lawyer, or a physician; **or**
- ~~(E) retail sales, except when the primary purpose of the business is the development or support of electronic commerce using the Internet; or~~
- ~~(F)~~ **(E)** oil and gas exploration.

(b) A business shall apply to be certified as a qualified Indiana business on a form prescribed by the Indiana economic development corporation.

(c) If a business is certified as a qualified Indiana business under this section, the Indiana economic development corporation shall provide a copy of the certification to the investors in the qualified Indiana business for inclusion in tax filings.

(d) Except as provided in subsection (e), the Indiana economic



1 development corporation may impose an application fee of not more
2 than two hundred dollars (\$200).

3 (e) The Indiana economic development corporation may not impose
4 the application fee authorized by subsection (d) for applications
5 submitted during the period beginning July 1, 2011, and ending June
6 30, 2013.

