

# SENATE BILL No. 174

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.1-37.

**Synopsis:** Indiana historic tax credits. Allows a credit against a qualified taxpayer's state tax liability in an amount equal to either 25% or 30% of the qualified taxpayer's qualified expenses related to the rehabilitation of a qualified historic structure. Provides that, for a qualified taxpayer that is tax exempt under Section 501(c)(3) of the Internal Revenue Code, the credit is equal to 30% of the qualified taxpayer's expenses. Provides that the credit is transferrable and may be carried forward for 10 years, but may not be carried back.

**Effective:** January 1, 2024.

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January 9, 2023, read first time and referred to Committee on Appropriations.

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First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

# SENATE BILL No. 174



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 6-3.1-37 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2024]:  
4 **Chapter 37. Indiana Historic Tax Credit**  
5 **Sec. 1. This chapter applies only to taxable years beginning after**  
6 **December 31, 2023.**  
7 **Sec. 2. As used in this chapter, "qualified expenses" are**  
8 **expenses related to a qualified historic structure's rehabilitation**  
9 **that meets the following requirements:**  
10 (1) **The proposed work must follow a qualified rehabilitation**  
11 **plan.**  
12 (2) **The project must have been reviewed and approved by the**  
13 **department of natural resources' historic preservation and**  
14 **archeology division through the application process before the**  
15 **proposed work begins.**  
16 (3) **The expenses must exceed five thousand dollars (\$5,000).**  
17 **Expenses related to more than one (1) project may be**



1 combined in order to exceed the five thousand dollar (\$5,000)  
2 minimum requirement.

3 (4) All work must meet the United States Secretary of the  
4 Interior's Standards for Rehabilitation.

5 (5) For purposes of this chapter, the qualified structure may  
6 be either income producing or nonincome producing.

7 Sec. 3. As used in this chapter, "qualified historic structure"  
8 means a structure that has been:

9 (1) listed on the National Register of Historic Places;

10 (2) deemed a contributor to a national or state registered  
11 historic district; or

12 (3) approved by the National Park Service for a twenty  
13 percent (20%) federal tax credit.

14 Sec. 4. As used in this chapter, "qualified taxpayer" means an  
15 individual, corporation, limited liability company, partnership, or  
16 other entity that has any state tax liability.

17 Sec. 5. As used in this chapter, "state tax liability" means a  
18 qualified taxpayer's total tax liability that is incurred under:

19 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

20 (2) IC 6-5.5 (the financial institutions tax); and

21 (3) IC 27-1-18-2 (the insurance premiums tax) or IC 6-8-15  
22 (the nonprofit agricultural organization health coverage tax);

23 as computed after the application of the credits that, under  
24 IC 6-3.1-1-2, are to be applied before the credit provided by this  
25 chapter.

26 Sec. 6. A qualified taxpayer is entitled to a credit against the  
27 qualified taxpayer's state tax liability for a taxable year in an  
28 amount equal to twenty-five percent (25%) of the qualified  
29 taxpayer's qualified expenses.

30 Sec. 7. A qualified taxpayer that is tax exempt under Section  
31 501(c)(3) of the Internal Revenue Code and that owns the qualified  
32 historic structure under rehabilitation is entitled to a credit against  
33 the qualified taxpayer's state tax liability for a taxable year in an  
34 amount equal to thirty (30%) of the qualified taxpayer's qualified  
35 expenses.

36 Sec. 8. To receive the credit provided by this chapter, a qualified  
37 taxpayer must claim the credit on the qualified taxpayer's state tax  
38 return or returns in the manner prescribed by the department.

39 Sec. 9. (a) The amount of the credit provided by this chapter  
40 that a qualified taxpayer uses during a particular taxable year may  
41 not exceed the state tax liability of the qualified taxpayer.

42 (b) If the amount of a credit determined under this chapter for



1 a particular qualified taxpayer and a particular taxable year  
2 exceeds the qualified taxpayer's state tax liability for that taxable  
3 year, then the qualified taxpayer may carry the excess over to the  
4 immediately succeeding taxable years. The credit carryover may  
5 not be used for any taxable year that begins more than ten (10)  
6 years after the date on which the donation from which the credit  
7 results is made. The amount of the credit carryover from a taxable  
8 year shall be reduced to the extent that the carryover is used by the  
9 qualified taxpayer to obtain a credit under this chapter for any  
10 subsequent taxable year.

11 (c) A qualified taxpayer is not entitled to a carryback or refund  
12 of any unused credit.

13 (d) A qualified taxpayer may transfer a credit under this  
14 chapter to another taxpayer.

15 Sec. 10. The department shall adopt rules under IC 4-22-2 to  
16 implement this chapter.

