



Reprinted
January 21, 2022

SENATE BILL No. 223

DIGEST OF SB 223 (Updated January 20, 2022 3:06 pm - DI 129)

Citations Affected: IC 6-3.1; noncode.

Synopsis: Venture capital investment tax credit. Adds veteran owned businesses (in addition to minority business enterprises and women's business enterprises) to a provision specifying the computation of the maximum amount of tax credits available for the provision of qualified investment capital to those businesses. Provides that if the total amount of tax credits that may be awarded by the Indiana economic development corporation (IEDC) exceeds the \$20,000,000 maximum for a particular calendar year, the IEDC may borrow credits from the subsequent calendar year to facilitate investment of qualified investment capital to a qualified Indiana business or to a qualified Indiana investment fund at the end of a particular calendar year. Specifies that the borrowing of credits from a subsequent calendar year reduces the amount of credits available for the subsequent calendar year in an amount equal to the amount of credits borrowed in the preceding calendar year. Provides that the IEDC may borrow not more than 50% of the credits from a subsequent calendar year. Requires the department of state revenue (department) to annually determine the total amount of credits that were borrowed from each applicable calendar year and post the determined amount on the department's Internet web site.

Effective: January 1, 2023.

Baldwin

January 6, 2022, read first time and referred to Committee on Tax and Fiscal Policy.
January 18, 2022, reported favorably — Do Pass.
January 20, 2022, read second time, amended, ordered engrossed.

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Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

SENATE BILL No. 223

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 6-3.1-24-8, AS AMENDED BY P.L.165-2021,
2 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2023]: Sec. 8. (a) A certification provided under section
4 7 of this chapter must include notice to the investors of the maximum
5 amount of tax credits available under this chapter for the provision of
6 qualified investment capital to the qualified Indiana business.
7 (b) For a calendar year ending before January 1, 2011, the maximum
8 amount of tax credits available under this chapter for the provision of
9 qualified investment capital to a particular qualified Indiana business
10 equals the lesser of:
11 (1) the total amount of qualified investment capital provided to
12 the qualified Indiana business in the calendar year, multiplied by
13 twenty percent (20%); or
14 (2) five hundred thousand dollars (\$500,000).
15 (c) For a calendar year beginning after December 31, 2010, and
16 ending before January 1, 2022, the maximum amount of tax credits
17 available under this chapter for the provision of qualified investment

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1 capital to a particular qualified Indiana business equals the lesser of the
2 following:

3 (1) The total amount of qualified investment capital provided to
4 the qualified Indiana business in the calendar year, multiplied by
5 twenty percent (20%).

6 (2) One million dollars (\$1,000,000).

7 (d) For a calendar year beginning after December 31, 2021, the
8 maximum amount of tax credits available under this chapter for the
9 provision of qualified investment capital to a particular qualified
10 Indiana business equals the lesser of the following:

11 (1) The total amount of qualified investment capital provided to
12 the qualified Indiana business in the calendar year, multiplied by
13 twenty-five percent (25%).

14 (2) One million dollars (\$1,000,000).

15 (e) Notwithstanding subsection (d), for a calendar year beginning
16 after December 31, 2021, the maximum amount of tax credits available
17 under this chapter for the provision of qualified investment capital to
18 a particular qualified Indiana business, if the qualified Indiana business
19 is a minority business enterprise, **or** a women's business enterprise, **or**
20 **a veteran owned business** equals the lesser of the following:

21 (1) The total amount of qualified investment capital provided to
22 the qualified Indiana business in the calendar year, multiplied by
23 thirty percent (30%).

24 (2) One million five hundred thousand dollars (\$1,500,000).

25 SECTION 2. IC 6-3.1-24-15, AS ADDED BY P.L.165-2021,
26 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JANUARY 1, 2023]: Sec. 15. (a) Before January 1, 2022, the total
28 amount of credits that may be awarded by the Indiana economic
29 development corporation under this chapter for investment plans
30 certified as provided in section 12.5 of this chapter that propose
31 investing qualified investment capital in a particular qualified Indiana
32 business during a particular calendar year is twelve million five
33 hundred thousand dollars (\$12,500,000).

34 (b) **Except as provided in subsection (c)**, after December 31, 2021,
35 the total amount of credits that may be awarded by the Indiana
36 economic development corporation under this chapter for investment
37 plans certified as provided in section 12.5 of this chapter that propose
38 investing qualified investment capital in a particular qualified Indiana
39 business or qualified Indiana investment fund during a particular
40 calendar year is twenty million dollars (\$20,000,000), provided that not
41 more than seven million five hundred thousand dollars (\$7,500,000)
42 may be awarded for proposed investments of qualified investment



1 capital in a qualified Indiana investment fund.

2 (c) If the Indiana economic development corporation reaches
3 the total amount of credits that may be awarded under subsection
4 (b) before the end of a particular calendar year, the Indiana
5 economic development corporation may borrow credits from the
6 subsequent calendar year to facilitate investment of qualified
7 investment capital to a qualified Indiana business or to a qualified
8 Indiana investment fund at the end of a particular calendar year.
9 However, the borrowing of credits from a subsequent calendar
10 year reduces the amount of credits available for the subsequent
11 calendar year in an amount equal to the amount of credits
12 borrowed in the preceding calendar year. The Indiana economic
13 development corporation may borrow not more than fifty percent
14 (50%) of the credits from a subsequent calendar year. Beginning
15 January 1, 2024, the department shall annually determine before
16 January 31 of each year the total amount of credits that were
17 borrowed under this subsection from each applicable calendar
18 year and post the determined amount on the department's Internet
19 web site.

20 SECTION 3. [EFFECTIVE JANUARY 1, 2023] (a) IC 6-3.1-24-8,
21 as amended by this act, applies to taxable years beginning after
22 December 31, 2022.

23 (b) IC 6-3.1-24-15, as amended by this act, applies to taxable
24 years beginning after December 31, 2022.

25 (c) This SECTION expires January 1, 2027.



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 223, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 223 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 11, Nays 0

 SENATE MOTION

Madam President: I move that Senate Bill 223 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-3.1-24-8, AS AMENDED BY P.L.165-2021, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2023]: Sec. 8. (a) A certification provided under section 7 of this chapter must include notice to the investors of the maximum amount of tax credits available under this chapter for the provision of qualified investment capital to the qualified Indiana business.

(b) For a calendar year ending before January 1, 2011, the maximum amount of tax credits available under this chapter for the provision of qualified investment capital to a particular qualified Indiana business equals the lesser of:

- (1) the total amount of qualified investment capital provided to the qualified Indiana business in the calendar year, multiplied by twenty percent (20%); or
- (2) five hundred thousand dollars (\$500,000).

(c) For a calendar year beginning after December 31, 2010, and ending before January 1, 2022, the maximum amount of tax credits available under this chapter for the provision of qualified investment capital to a particular qualified Indiana business equals the lesser of the following:

- (1) The total amount of qualified investment capital provided to the qualified Indiana business in the calendar year, multiplied by twenty percent (20%).
- (2) One million dollars (\$1,000,000).

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(d) For a calendar year beginning after December 31, 2021, the maximum amount of tax credits available under this chapter for the provision of qualified investment capital to a particular qualified Indiana business equals the lesser of the following:

- (1) The total amount of qualified investment capital provided to the qualified Indiana business in the calendar year, multiplied by twenty-five percent (25%).
- (2) One million dollars (\$1,000,000).

(e) Notwithstanding subsection (d), for a calendar year beginning after December 31, 2021, the maximum amount of tax credits available under this chapter for the provision of qualified investment capital to a particular qualified Indiana business, if the qualified Indiana business is a minority business enterprise, ~~or~~ a women's business enterprise, **or a veteran owned business** equals the lesser of the following:

- (1) The total amount of qualified investment capital provided to the qualified Indiana business in the calendar year, multiplied by thirty percent (30%).
- (2) One million five hundred thousand dollars (\$1,500,000)."

Page 2, line 13, after "year." insert "**The Indiana economic development corporation may borrow not more than fifty percent (50%) of the credits from a subsequent calendar year. Beginning January 1, 2024, the department shall annually determine before January 31 of each year the total amount of credits that were borrowed under this subsection from each applicable calendar year and post the determined amount on the department's Internet web site.**".

Page 2, line 14, delete "(a)" and insert "**(a) IC 6-3.1-24-8, as amended by this act, applies to taxable years beginning after December 31, 2022.**".

(b)".

Page 2, line 17, delete "(b)" and insert "**(c)**".

Renumber all SECTIONS consecutively.

(Reference is to SB 223 as printed January 19, 2022.)

HOLDMAN

