

SENATE BILL No. 264

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7-32-22.

Synopsis: Certified technology parks. Amends provisions that allow a certified technology park to capture an additional amount of incremental income taxes once it has reached its limit on deposits to do the following: (1) Increase the annual additional deposit amount from \$100,000 to \$500,000, and cap the total additional amount that may be captured at not more than \$2,000,000. (2) Require a certified technology park to meet certain reporting and performance requirements in order to be eligible to capture the additional amount of incremental income taxes.

Effective: July 1, 2020.

Holdman

January 13, 2020, read first time and referred to Committee on Tax and Fiscal Policy.



Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

SENATE BILL No. 264

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 36-7-32-22, AS AMENDED BY P.L.158-2019,
2 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2020]: Sec. 22. (a) The treasurer of state shall establish an
4 incremental tax financing fund for each certified technology park
5 designated under this chapter. The fund shall be administered by the
6 treasurer of state. Money in the fund does not revert to the state general
7 fund at the end of a state fiscal year.

8 (b) Subject to subsection (c), the following amounts shall be
9 deposited during each state fiscal year in the incremental tax financing
10 fund established for a certified technology park under subsection (a):

11 (1) The aggregate amount of state gross retail and use taxes that
12 are remitted under IC 6-2.5 by businesses operating in the
13 certified technology park, until the amount of state gross retail
14 and use taxes deposited equals the gross retail incremental
15 amount for the certified technology park.

16 (2) Except as provided in subdivision (3), the aggregate amount
17 of the following taxes paid by employees employed in the



1 certified technology park with respect to wages earned for work
 2 in the certified technology park, until the amount deposited equals
 3 the income tax incremental amount as defined in section 8.5(1) of
 4 this chapter:

5 (A) The adjusted gross income tax.

6 (B) The local income tax (IC 6-3.6).

7 (3) In the case of a certified technology park to which subsection
 8 (e) applies, the amount determined under subsection (e), if any.

9 (c) Except as provided in subsections (d) and (e), not more than a
 10 total of five million dollars (\$5,000,000) may be deposited in a
 11 particular incremental tax financing fund for a certified technology
 12 park over the life of the certified technology park.

13 (d) Except as provided in subsection (e), in the case of a certified
 14 technology park that is operating under a written agreement entered
 15 into by two (2) or more redevelopment commissions, and subject to
 16 section 26(b)(4) of this chapter:

17 (1) not more than a total of five million dollars (\$5,000,000) may
 18 be deposited over the life of the certified technology park in the
 19 incremental tax financing fund of each redevelopment
 20 commission participating in the operation of the certified
 21 technology park; and

22 (2) the total amount that may be deposited in all incremental tax
 23 financing funds, over the life of the certified technology park, in
 24 aggregate, may not exceed the result of:

25 (A) five million dollars (\$5,000,000); multiplied by

26 (B) the number of redevelopment commissions that have
 27 entered into a written agreement for the operation of the
 28 certified technology park.

29 (e) ~~If a certified technology park maintains its certification under~~
 30 ~~section 11(c) of this chapter and the limit on deposits for a certified~~
 31 **technology park** under subsection (c) or (d) has been reached for a
 32 period, **and the certified technology park meets the eligibility**
 33 **requirements set forth in subdivision (f)**, an additional annual deposit
 34 amount shall, if applicable, be deposited in the incremental tax
 35 financing fund for the certified technology park equal to the following:

36 (1) For a certified technology park to which subsection (c)
 37 applies, the lesser of:

38 (†) (A) the income tax incremental amount as defined in
 39 section 8.5(2) of this chapter; or

40 (‡) (B) ~~one five~~ hundred thousand dollars ~~(\$100,000)-~~
 41 **(\$500,000).**

42 **However, the aggregate deposit amounts under this**



1 **subdivision that may be deposited in the incremental tax**
 2 **financing fund may not exceed two million dollars**
 3 **(\$2,000,000).**

4 (2) For a certified technology park to which subsection (d)
 5 applies, the lesser of:

6 ~~(1)~~ (A) the aggregate income tax incremental amounts as
 7 defined in section 8.5(2) of this chapter attributable to each
 8 redevelopment commission that has entered into a written
 9 agreement for the operation of the certified technology park;
 10 or

11 ~~(2)~~ (B) ~~one five~~ hundred thousand dollars ~~(\$100,000)~~
 12 **(\$500,000)** multiplied by the number of redevelopment
 13 commissions that have entered into a written agreement for the
 14 operation of the certified technology park.

15 **However, the aggregate deposit amounts under this**
 16 **subdivision that may be deposited in the incremental tax**
 17 **financing fund may not exceed two million dollars**
 18 **(\$2,000,000) multiplied by the number of redevelopment**
 19 **commissions that have entered into a written agreement for**
 20 **the operation of the certified technology park.**

21 (f) The following requirements must be met for a certified
 22 technology park to be eligible for an additional annual deposit
 23 amount under subsection (e):

24 (1) For initial eligibility for a state fiscal year:

25 (A) the redevelopment commission for the certified
 26 technology park and the Indiana economic development
 27 corporation must prepare and submit a report to the
 28 budget committee on the effectiveness of the certified
 29 technology park since its designation using the metrics for
 30 measuring the performance of a certified technology park
 31 developed by the Indiana economic development
 32 corporation under section 11(h) of this chapter; and

33 (B) the report under clause (A) must be reviewed by the
 34 budget committee.

35 **No additional amount under subsection (e) may be deposited**
 36 **in the incremental tax financing fund for the certified**
 37 **technology park for any state fiscal year, unless the report**
 38 **required under this subdivision is submitted to and reviewed**
 39 **by the budget committee.**

40 (2) **To maintain eligibility in a state fiscal year following the**
 41 **initial eligibility year under subdivision (1), the**
 42 **redevelopment commission for the certified technology park**



1 must prepare and submit a report to the budget committee
2 before October 1 of every other state fiscal year. The report
3 must include a determination of:

4 (A) the amount of adjusted gross income tax that was
5 captured in the territory comprising the certified
6 technology park during each of the immediately preceding
7 two (2) state fiscal years;

8 (B) the amount of local income tax (IC 6-3.6) that was
9 captured in the territory comprising the certified
10 technology park during each of the immediately preceding
11 two (2) state fiscal years; and

12 (C) the effectiveness of the certified technology park
13 during each of the immediately preceding two (2) state
14 fiscal years using the metrics for measuring the
15 performance of a certified technology park developed by
16 the Indiana economic development corporation under
17 section 11(h) of this chapter.

18 (f) (g) On or before the twentieth day of each month, all amounts
19 held in the incremental tax financing fund established for a certified
20 technology park shall be distributed to the redevelopment commission
21 for deposit in the certified technology park fund established under
22 section 23 of this chapter.

