



April 8, 2019

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# ENGROSSED

## SENATE BILL No. 563

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DIGEST OF SB 563 (Updated April 8, 2019 4:37 pm - DI 113)

**Citations Affected:** IC 5-28; IC 6-3; IC 6-3.1; IC 36-7; noncode.

**Synopsis:** Economic development. Establishes the small business innovation voucher program (program) to provide vouchers to eligible small businesses to be used by the business to purchase research and development support or other forms of technical assistance and services from an Indiana institution of higher education or other authorized research provider. Provides that the Indiana economic development corporation (IEDC) shall administer the program. Provides that the program is subject to appropriation from the general assembly. Amends the definition of "sales" and adds a definition of "telecommunication services" and "broadcast services" under the state adjusted gross income tax provisions. Amends the provisions for determining when sales, other than sales of tangible personal property, are derived from sources within Indiana for purposes of determining the state adjusted gross income of corporations and nonresident persons. Provides that the IEDC may enter into an agreement for mutual economic assistance and a payment agreement with similar agency or body of a state bordering Indiana. Provides that a taxpayer  
(Continued next page)

**Effective:** Upon passage; January 1, 2019 (retroactive); July 1, 2019; January 1, 2020; July 1, 2020.

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**Holdman, Houchin, Messmer,  
Randolph Lonnie M**

(HOUSE SPONSORS — HUSTON, BROWN T, LEHMAN)

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January 14, 2019, read first time and referred to Committee on Tax and Fiscal Policy.  
February 19, 2019, amended, reported favorably — Do Pass.  
February 21, 2019, read second time, ordered engrossed. Engrossed.  
February 25, 2019, read third time, passed. Yeas 45, nays 4.

HOUSE ACTION

March 7, 2019, read first time and referred to Committee on Ways and Means.  
April 8, 2019, amended, reported — Do Pass.

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ES 563—LS 7034/DI 120



(with certain exceptions) is not entitled to receive an industrial recovery tax credit for a qualified investment made after December 31, 2019. Amends the definition of "incremental income tax withholdings" for purposes of the economic development for a growing economy tax credit to accommodate nonresident employees covered by a mutual economic assistance agreement and payment agreement. Permits a taxpayer to claim an income tax credit for qualified investments made after a community revitalization enhancement district has expired if the taxpayer satisfies certain conditions. Allows a taxpayer to assign all or part of a venture capital investment tax credit, subject to certain limitations. Amends the definition of "qualified investment" under the Hoosier business investment tax credit to include the purchase of: (1) retooled or refurbished machinery; (2) new energy conservation and pollution control equipment; and (3) new onsite digital manufacturing equipment. Adds state gross retail and use taxes to the types of taxes against which a taxpayer may claim a Hoosier business investment tax credit. Provides that an owner of a pass through entity may not claim the Hoosier business investment tax credit against the state gross retail and use tax paid by the owner, and that the credit may not be claimed against the state gross retail and use tax collected and remitted by a taxpayer as a retail merchant. Provides that the Hoosier business tax investment credit for new onsite digital manufacturing equipment for a tax credit is not to exceed 25% of the qualified investment and for a limited time period. Amends the headquarters relocation tax credit to extend the credit to an eligible business that: (1) acquired at least \$4,000,000 in venture capital within either six months prior to or six months after applying for the credit; and (2) commits to: (A) relocating its headquarters to Indiana; or (B) relocating the number of jobs that equal 80% of the business's payroll to Indiana. Provides that the total amount of headquarters relocation tax credits that may be approved in a state fiscal year for all eligible businesses that qualify for the tax credit under the new provision may not exceed \$5,000,000. Establishes the redevelopment tax credit (credit). Requires a taxpayer to apply to the IEDC for the credit. Provides that a taxpayer may claim a credit against state tax liability if: (1) the taxpayer makes a qualified investment for the redevelopment or rehabilitation of real property located within a qualified redevelopment site; and (2) the qualified investment is approved by the IEDC. Provides that the amount of the credit is equal to: (1) the qualified investment made by the taxpayer and approved by the IEDC in an agreement; multiplied by (2) the applicable credit percentage determined by the IEDC. Specifies the maximum applicable credit percentages that apply to qualified investments. Caps the redevelopment tax credit at \$50,000,000 per state fiscal year with certain exceptions. Allows a taxpayer to assign all or part of a redevelopment tax credit, subject to certain limitations. Authorizes the IEDC to include in an agreement for the tax credit provisions that require the taxpayer to repay all or part of a credit awarded over a period of years. Provides that an agreement for the redevelopment tax credit must include a repayment provision for the amount of any credit award that exceeds \$10,000,000. Requires the IEDC to establish measurements for evaluating the performance of the redevelopment tax credit and evaluate the tax credit program on a biennial basis. Requires the IEDC to collect data on the effectiveness of an assignment of both the venture capital investment tax credit and the redevelopment tax credit and report its findings to the legislative council before November 1, 2022. Changes the recertification period for certified technology parks from three years to four years. Provides that once a certified technology park reaches its cap, an additional amount equal to incremental income taxes shall be captured. Requires a redevelopment commission that has designated a third party manager or operator of a certified technology park to transfer to the manager or operator the amount owed within 30 days of receiving a distribution.

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Digest Continued

Urges the legislative council to assign to an appropriate interim study committee the task of studying the development of regional airports throughout Indiana. Makes an appropriation.

**ES 563—LS 7034/DI 120**





April 8, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## ENGROSSED SENATE BILL No. 563

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 5-28-28-4, AS AMENDED BY P.L.238-2017,  
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2020]: Sec. 4. As used in this chapter, "tax credit" means  
4 a state tax liability credit under any of the following:  
5 (1) IC 6-3.1-7 (before its expiration).  
6 (2) IC 6-3.1-13.  
7 (3) IC 6-3.1-26.  
8 (4) IC 6-3.1-30.  
9 (5) IC 6-3.1-31.9.  
10 **(6) IC 6-3.1-34.**  
11 SECTION 2. IC 5-28-28-10, AS AMENDED BY P.L.130-2018,  
12 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
13 JANUARY 1, 2020]: Sec. 10. In addition to the other requirements of  
14 this chapter, the economic incentives and compliance report must also  
15 include a detailed report on the following programs, resources, or

ES 563—LS 7034/DI 120



1 activities for which the corporation is responsible:

- 2 (1) The economic development fund under IC 5-28-8.  
 3 (2) The Indiana twenty-first century research and technology fund  
 4 under IC 5-28-16.  
 5 (3) Small business development under IC 5-28-17.  
 6 (4) The small business development fund established under  
 7 IC 5-28-18-7.  
 8 (5) The small business incubator program under IC 5-28-21.  
 9 (6) Efforts to promote business modernization of and the adoption  
 10 of technology by Indiana businesses under IC 5-28-23.  
 11 (7) An evaluation of the economic development for a growing  
 12 economy tax credit under IC 6-3.1-13-24.  
 13 (8) An evaluation of the Hoosier business investment tax credit  
 14 under IC 6-3.1-26-25.  
 15 **(9) Beginning in 2023, an evaluation of the redevelopment tax  
 16 credit under IC 6-3.1-34-21.**

17 SECTION 3. IC 5-28-40 IS ADDED TO THE INDIANA CODE AS  
 18 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
 19 1, 2019]:

20 **Chapter 40. Small Business Innovation Voucher Program**

21 **Sec. 1. As used in this chapter, "eligible small business" means**  
 22 **a business entity that:**

- 23 **(1) is authorized to transact business in Indiana;**  
 24 **(2) maintains a majority of its business operations within**  
 25 **Indiana; and**  
 26 **(3) employs not more than one hundred fifty (150) persons.**

27 **Sec. 2. As used in this chapter, "Indiana institution of higher**  
 28 **education" means a public or private college or university that:**

- 29 **(1) is located in Indiana;**  
 30 **(2) provides research services; and**  
 31 **(3) is approved by the corporation for purposes of this**  
 32 **chapter.**

33 **Sec. 3. As used in this chapter, "other authorized research**  
 34 **provider" means a research organization, other than an Indiana**  
 35 **institution of higher education, that:**

- 36 **(1) is located in Indiana;**  
 37 **(2) provides research services; and**  
 38 **(3) is approved by the corporation for purposes of this**  
 39 **chapter.**

40 **Sec. 4. As used in this chapter, "research services" means**  
 41 **research and development, technology exploration, technical**  
 42 **development, product development, and commercialization**



1 intended to foster innovation in an eligible small business.

2 **Sec. 5.** As used in this chapter, "voucher" means a grant to an  
3 eligible small business to purchase research services from an  
4 Indiana institution of higher education or other authorized  
5 research provider.

6 **Sec. 6. (a)** The small business innovation voucher program is  
7 established to provide vouchers to eligible small businesses to be  
8 used by an eligible small business to purchase research and  
9 development support or other forms of technical assistance and  
10 services from an Indiana institution of higher education or other  
11 authorized research provider.

12 (b) The corporation shall administer the program.

13 (c) The program is subject to appropriation from the general  
14 assembly.

15 **Sec. 7. (a)** The corporation may award vouchers to an eligible  
16 small business under the small business innovation voucher  
17 program established in section 6 of this chapter.

18 (b) To be awarded a voucher under this chapter, an eligible  
19 small business must file an application with the corporation and  
20 enter into an agreement as set forth under this chapter.

21 (c) Vouchers may be used by an eligible small business only to  
22 purchase research services from an Indiana institution of higher  
23 education or other authorized research provider.

24 **Sec. 8.** The corporation shall establish guidelines necessary to  
25 carry out the purposes of this chapter, including:

26 (1) The application process for applying for a voucher.

27 (2) The criteria to be used by the corporation to:

28 (A) evaluate a voucher application from an eligible small  
29 business; and

30 (B) determine the amount of a voucher award.

31 **Sec. 9.** The following apply if the corporation determines a  
32 voucher should be awarded under this chapter:

33 (1) The corporation shall require the eligible small business to  
34 enter into an agreement with the corporation as a condition  
35 of receiving a voucher under this chapter.

36 (2) The agreement with the corporation must:

37 (A) prescribe the method of claiming the voucher; and

38 (B) include provisions that authorize the corporation to  
39 work with the department of state revenue and the eligible  
40 small business, if the corporation determines that the  
41 eligible small business is noncompliant with the terms of  
42 the agreement or the provisions of this chapter, to bring



- 1           **the eligible small business into compliance or to protect the**  
 2           **interests of the state.**  
 3           SECTION 4. IC 6-3-1-24 IS AMENDED TO READ AS FOLLOWS  
 4           [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 24. The  
 5           term "sales" means:  
 6           **(1) in the case of the maturity, redemption, sale, exchange,**  
 7           **loan, or other disposition of stocks, bonds, notes, options,**  
 8           **forward contracts, future contracts, and similar instruments**  
 9           **or securities, the net gain from the sale or exchange of such**  
 10           **contracts, instruments, or securities;**  
 11           **(2) in the case of the maturity, sale, or exchange of two (2) or**  
 12           **more contracts, instruments, or securities as part of a hedging**  
 13           **transaction, only the net gains from all such sales or**  
 14           **exchanges; and**  
 15           **(3) all other gross receipts of the taxpayer;**  
 16           not allocated under IC 6-3-2-2(g) through IC 6-3-2-2(k), other than  
 17           compensation (as defined in section 23 of this chapter), **or otherwise**  
 18           **provided in this chapter. If a taxpayer does not receive money or**  
 19           **other property upon the maturity or redemption of a security, any**  
 20           **includible amounts shall not be included unless and until the**  
 21           **taxpayer actually receives money or other property. Any reference**  
 22           **to "receipts" in this article shall have the same meaning as "sales"**  
 23           **unless the context clearly requires otherwise.**  
 24           SECTION 5. IC 6-3-1-37 IS ADDED TO THE INDIANA CODE  
 25           AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 26           JANUARY 1, 2019 (RETROACTIVE)]: Sec. 37. The term  
 27           **"telecommunication services" has the meaning set forth in**  
 28           **IC 6-2.5-1-27.5, except that telecommunication services also**  
 29           **includes those items described in the following:**  
 30           **(1) IC 6-2.5-1-27.5(c)(1) associated with telecommunications**  
 31           **services.**  
 32           **(2) IC 6-2.5-1-27.5(c)(4) associated with telecommunications**  
 33           **services or the provision of services described in subdivision**  
 34           **(4).**  
 35           **(3) IC 6-2.5-1-27.5(c)(6).**  
 36           **(4) IC 6-2.5-1-27.5(c)(7).**  
 37           **(5) IC 6-2.5-1-27.5(c)(8) associated with telecommunications**  
 38           **services.**  
 39           **(6) IC 6-2.5-1-27.5(c)(9)(B) and IC 6-2.5-1-27.5(c)(9)(C),**  
 40           **except to the extent the item consists of specified digital**  
 41           **products under IC 6-2.5-1-26.5.**  
 42           SECTION 6. IC 6-3-1-38 IS ADDED TO THE INDIANA CODE





1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 2 JANUARY 1, 2019 (RETROACTIVE)]: **Sec. 38. The term**  
 3 **"broadcast services" means the transmission, conveyance, and**  
 4 **routing of video broadcasts, regardless of the medium, including**  
 5 **the furnishing of transmission, conveyance, and routing of the**  
 6 **services by a television broadcast network, a cable program**  
 7 **network, or a television distribution company. The term also**  
 8 **includes any advertising or promotional activity furnished in**  
 9 **conjunction with the broadcast services.**

10 SECTION 7. IC 6-3-2-2, AS AMENDED BY P.L.214-2018(ss),  
 11 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JANUARY 1, 2019 (RETROACTIVE)]: Sec. 2. (a) With regard to  
 13 corporations and nonresident persons, "adjusted gross income derived  
 14 from sources within Indiana", for the purposes of this article, shall  
 15 mean and include:

- 16 (1) income from real or tangible personal property located in this  
 17 state;  
 18 (2) income from doing business in this state;  
 19 (3) income from a trade or profession conducted in this state;  
 20 (4) compensation for labor or services rendered within this state;  
 21 and  
 22 (5) income from stocks, bonds, notes, bank deposits, patents,  
 23 copyrights, secret processes and formulas, good will, trademarks,  
 24 trade brands, franchises, and other intangible personal property to  
 25 the extent that the income is apportioned to Indiana under this  
 26 section or if the income is allocated to Indiana or considered to be  
 27 derived from sources within Indiana under this section.

28 Income from a pass through entity shall be characterized in a manner  
 29 consistent with the income's characterization for federal income tax  
 30 purposes and shall be considered Indiana source income as if the  
 31 person, corporation, or pass through entity that received the income had  
 32 directly engaged in the income producing activity. Income that is  
 33 derived from one (1) pass through entity and is considered to pass  
 34 through to another pass through entity does not change these  
 35 characteristics or attribution provisions. In the case of nonbusiness  
 36 income described in subsection (g), only so much of such income as is  
 37 allocated to this state under the provisions of subsections (h) through  
 38 (k) shall be deemed to be derived from sources within Indiana. In the  
 39 case of business income, only so much of such income as is  
 40 apportioned to this state under the provision of subsection (b) shall be  
 41 deemed to be derived from sources within the state of Indiana. In the  
 42 case of compensation of a team member (as defined in section 2.7 of



1 this chapter), only the portion of income determined to be Indiana  
 2 income under section 2.7 of this chapter is considered derived from  
 3 sources within Indiana. In the case of a corporation that is a life  
 4 insurance company (as defined in Section 816(a) of the Internal  
 5 Revenue Code) or an insurance company that is subject to tax under  
 6 Section 831 of the Internal Revenue Code, only so much of the income  
 7 as is apportioned to Indiana under subsection (r) is considered derived  
 8 from sources within Indiana. **Income derived from Indiana shall be**  
 9 **taxable to the fullest extent permitted by the Constitution of the**  
 10 **United States and federal law, regardless of whether the taxpayer**  
 11 **has a physical presence in Indiana.**

12 (b) Except as provided in subsection (l), if business income of a  
 13 corporation or a nonresident person is derived from sources within the  
 14 state of Indiana and from sources without the state of Indiana, the  
 15 business income derived from sources within this state shall be  
 16 determined by multiplying the business income derived from sources  
 17 both within and without the state of Indiana by the following:

18 (1) For all taxable years that begin after December 31, 2006, and  
 19 before January 1, 2008, a fraction. The:

20 (A) numerator of the fraction is the sum of the property factor  
 21 plus the payroll factor plus the product of the sales factor  
 22 multiplied by three (3); and

23 (B) denominator of the fraction is five (5).

24 (2) For all taxable years that begin after December 31, 2007, and  
 25 before January 1, 2009, a fraction. The:

26 (A) numerator of the fraction is the property factor plus the  
 27 payroll factor plus the product of the sales factor multiplied by  
 28 four and sixty-seven hundredths (4.67); and

29 (B) denominator of the fraction is six and sixty-seven  
 30 hundredths (6.67).

31 (3) For all taxable years beginning after December 31, 2008, and  
 32 before January 1, 2010, a fraction. The:

33 (A) numerator of the fraction is the property factor plus the  
 34 payroll factor plus the product of the sales factor multiplied by  
 35 eight (8); and

36 (B) denominator of the fraction is ten (10).

37 (4) For all taxable years beginning after December 31, 2009, and  
 38 before January 1, 2011, a fraction. The:

39 (A) numerator of the fraction is the property factor plus the  
 40 payroll factor plus the product of the sales factor multiplied by  
 41 eighteen (18); and

42 (B) denominator of the fraction is twenty (20).



- 1 (5) For all taxable years beginning after December 31, 2010, the  
2 sales factor.
- 3 (c) The property factor is a fraction, the numerator of which is the  
4 average value of the taxpayer's real and tangible personal property  
5 owned or rented and used in this state during the taxable year and the  
6 denominator of which is the average value of all the taxpayer's real and  
7 tangible personal property owned or rented and used during the taxable  
8 year. However, with respect to a foreign corporation, the denominator  
9 does not include the average value of real or tangible personal property  
10 owned or rented and used in a place that is outside the United States.  
11 Property owned by the taxpayer is valued at its original cost. Property  
12 rented by the taxpayer is valued at eight (8) times the net annual rental  
13 rate. Net annual rental rate is the annual rental rate paid by the taxpayer  
14 less any annual rental rate received by the taxpayer from subrentals.  
15 The average of property shall be determined by averaging the values at  
16 the beginning and ending of the taxable year, but the department may  
17 require the averaging of monthly values during the taxable year if  
18 reasonably required to reflect properly the average value of the  
19 taxpayer's property.
- 20 (d) The payroll factor is a fraction, the numerator of which is the  
21 total amount paid in this state during the taxable year by the taxpayer  
22 for compensation, and the denominator of which is the total  
23 compensation paid everywhere during the taxable year. However, with  
24 respect to a foreign corporation, the denominator does not include  
25 compensation paid in a place that is outside the United States.  
26 Compensation is paid in this state if:
- 27 (1) the individual's service is performed entirely within the state;  
28 (2) the individual's service is performed both within and without  
29 this state, but the service performed without this state is incidental  
30 to the individual's service within this state; or  
31 (3) some of the service is performed in this state and:  
32 (A) the base of operations or, if there is no base of operations,  
33 the place from which the service is directed or controlled is in  
34 this state; or  
35 (B) the base of operations or the place from which the service  
36 is directed or controlled is not in any state in which some part  
37 of the service is performed, but the individual is a resident of  
38 this state.
- 39 (e) The sales factor is a fraction, the numerator of which is the total  
40 sales of the taxpayer in this state during the taxable year, and the  
41 denominator of which is the total sales of the taxpayer everywhere  
42 during the taxable year. Sales include receipts from intangible property



1 and receipts from the sale or exchange of intangible property. However,  
 2 with respect to a foreign corporation, the denominator does not include  
 3 sales made in a place that is outside the United States. ~~Receipts from~~  
 4 ~~intangible personal property are derived from sources within Indiana~~  
 5 ~~if the receipts from the intangible personal property are attributable to~~  
 6 ~~Indiana under section 2.2 of this chapter.~~ Regardless of the f.o.b. point  
 7 or other conditions of the sale, sales of tangible personal property are  
 8 in this state if:

- 9 (1) the property is delivered or shipped to a purchaser that is  
 10 within Indiana, other than the United States government; or  
 11 (2) the property is shipped from an office, a store, a warehouse, a  
 12 factory, or other place of storage in this state and the purchaser is  
 13 the United States government.

14 Gross receipts derived from commercial printing as described in  
 15 IC 6-2.5-1-10 and from the sale of ~~computer~~ software shall be treated  
 16 as sales of tangible personal property for purposes of this chapter.

17 (f) Sales, other than ~~receipts from intangible property covered by~~  
 18 ~~subsection (e) and~~ sales of tangible personal property, are in this state  
 19 if: as follows:

- 20 (1) the income-producing activity is performed in this state; or

21 **The receipts are attributable to Indiana:**

22 **(A) under subsection (r), (s), or (t); or**

23 **(B) under section 2.2 of this chapter.**

- 24 (2) the income-producing activity is performed both within and  
 25 without this state and a greater proportion of the  
 26 income-producing activity is performed in this state than in any  
 27 other state, based on costs of performance. **The receipts are from**  
 28 **the provision of telecommunications services and broadcast**  
 29 **services, provided that:**

30 **(A) all of the costs of performance related to the receipts**  
 31 **are attributable to Indiana; or**

32 **(B) if the costs of performance are incurred both within**  
 33 **and outside this state, the greater portion of such costs are**  
 34 **incurred in this state than in any other state.**

- 35 **(3) Receipts, other than receipts described in subdivisions (1)**  
 36 **and (2), are in this state if the taxpayer's market for the sales**  
 37 **is in this state. The taxpayer's market for sales is in this state:**

38 **(A) in the case of sale, rental, lease, or license of real**  
 39 **property, if and to the extent the property is located in this**  
 40 **state;**

41 **(B) in the case of rental, lease, or license of tangible**  
 42 **personal property, if and to the extent the property is**



- 1           **located in this state;**  
 2           **(C) in the case of sale of a service, if and to the extent the**  
 3           **benefit of the service is received in this state;**  
 4           **(D) in the case of intangible property that is rented, leased,**  
 5           **or licensed, if and to the extent the property is used in this**  
 6           **state, provided that intangible property used in marketing**  
 7           **a good or service to a consumer is "used in this state" if**  
 8           **that good or service is purchased by a consumer who is in**  
 9           **this state; and**  
 10          **(E) in the case of intangible property that is sold, if and to**  
 11          **the extent the property is used in this state, provided that:**  
 12            **(i) a contract right, government license, or similar**  
 13            **intangible property that authorizes the holder to conduct**  
 14            **a business activity in a specific geographic area is "used**  
 15            **in this state" if the geographic area includes all or part**  
 16            **of this state;**  
 17            **(ii) receipts from intangible property sales that are**  
 18            **contingent on the productivity, use, or disposition of the**  
 19            **intangible property shall be treated as receipts from the**  
 20            **rental, lease, or licensing of such intangible property**  
 21            **under clause (D); and**  
 22            **(iii) all other receipts from a sale of intangible property**  
 23            **shall be excluded from the numerator and denominator**  
 24            **of the receipts factor.**  
 25          **(4) If the state or states of attribution under subdivision (3)**  
 26          **cannot be determined, the state or states of attribution shall**  
 27          **be determined by the state or states in which the delivery of**  
 28          **the service occurs.**  
 29          **(5) If the state of attribution cannot be determined under**  
 30          **subdivision (3) or (4), such receipt shall be excluded from the**  
 31          **denominator of the receipts factor.**  
 32          (g) Rents and royalties from real or tangible personal property,  
 33          capital gains, interest, dividends, or patent or copyright royalties, to the  
 34          extent that they constitute nonbusiness income, shall be allocated as  
 35          provided in subsections (h) through (k).  
 36          (h)(1) Net rents and royalties from real property located in this state  
 37          are allocable to this state.  
 38          (2) Net rents and royalties from tangible personal property are  
 39          allocated to this state:  
 40            (i) if and to the extent that the property is utilized in this state; or  
 41            (ii) in their entirety if the taxpayer's commercial domicile is in this  
 42            state and the taxpayer is not organized under the laws of or



- 1 taxable in the state in which the property is utilized.
- 2 (3) The extent of utilization of tangible personal property in a state  
3 is determined by multiplying the rents and royalties by a fraction, the  
4 numerator of which is the number of days of physical location of the  
5 property in the state during the rental or royalty period in the taxable  
6 year, and the denominator of which is the number of days of physical  
7 location of the property everywhere during all rental or royalty periods  
8 in the taxable year. If the physical location of the property during the  
9 rental or royalty period is unknown or unascertainable by the taxpayer,  
10 tangible personal property is utilized in the state in which the property  
11 was located at the time the rental or royalty payer obtained possession.
- 12 (i)(1) Capital gains and losses from sales of real property located in  
13 this state are allocable to this state.
- 14 (2) Capital gains and losses from sales of tangible personal property  
15 are allocable to this state if:
- 16 (i) the property had a situs in this state at the time of the sale; or  
17 (ii) the taxpayer's commercial domicile is in this state and the  
18 taxpayer is not taxable in the state in which the property had a  
19 situs.
- 20 (3) Capital gains and losses from sales of intangible personal  
21 property are allocable to this state if the taxpayer's commercial  
22 domicile is in this state.
- 23 (j) Interest and dividends are allocable to this state if the taxpayer's  
24 commercial domicile is in this state.
- 25 (k)(1) Patent and copyright royalties are allocable to this state:
- 26 (i) if and to the extent that the patent or copyright is utilized by  
27 the taxpayer in this state; or  
28 (ii) if and to the extent that the patent or copyright is utilized by  
29 the taxpayer in a state in which the taxpayer is not taxable and the  
30 taxpayer's commercial domicile is in this state.
- 31 (2) A patent is utilized in a state to the extent that it is employed  
32 in production, fabrication, manufacturing, or other processing in  
33 the state or to the extent that a patented product is produced in the  
34 state. If the basis of receipts from patent royalties does not permit  
35 allocation to states or if the accounting procedures do not reflect  
36 states of utilization, the patent is utilized in the state in which the  
37 taxpayer's commercial domicile is located.
- 38 (3) A copyright is utilized in a state to the extent that printing or  
39 other publication originates in the state. If the basis of receipts  
40 from copyright royalties does not permit allocation to states or if  
41 the accounting procedures do not reflect states of utilization, the  
42 copyright is utilized in the state in which the taxpayer's



- 1 commercial domicile is located.
- 2 (l) If the allocation and apportionment provisions of this article do  
 3 not fairly represent the taxpayer's income derived from sources within  
 4 the state of Indiana, the taxpayer may petition for or the department  
 5 may require, in respect to all or any part of the taxpayer's business  
 6 activity, if reasonable:
- 7 (1) separate accounting;
  - 8 (2) for a taxable year beginning before January 1, 2011, the  
 9 exclusion of any one (1) or more of the factors, except the sales  
 10 factor;
  - 11 (3) the inclusion of one (1) or more additional factors which will  
 12 fairly represent the taxpayer's income derived from sources within  
 13 the state of Indiana; or
  - 14 (4) the employment of any other method to effectuate an equitable  
 15 allocation and apportionment of the taxpayer's income.
- 16 Notwithstanding IC 6-8.1-5-1(c), a taxpayer petitioning for, or the  
 17 department requiring, the use of an alternative method to effectuate an  
 18 equitable allocation and apportionment of the taxpayer's income under  
 19 this subsection bears the burden of proof that the allocation and  
 20 apportionment provisions of this article do not fairly represent the  
 21 taxpayer's income derived from sources within this state and that the  
 22 alternative method to the allocation and apportionment provisions of  
 23 this article is reasonable.
- 24 (m) In the case of two (2) or more organizations, trades, or  
 25 businesses owned or controlled directly or indirectly by the same  
 26 interests, the department shall distribute, apportion, or allocate the  
 27 income derived from sources within the state of Indiana between and  
 28 among those organizations, trades, or businesses in order to fairly  
 29 reflect and report the income derived from sources within the state of  
 30 Indiana by various taxpayers.
- 31 (n) For purposes of allocation and apportionment of income under  
 32 this article, a taxpayer is taxable in another state if:
- 33 (1) in that state the taxpayer is subject to a net income tax, a  
 34 franchise tax measured by net income, a franchise tax for the  
 35 privilege of doing business, or a corporate stock tax; or
  - 36 (2) that state has jurisdiction to subject the taxpayer to a net  
 37 income tax regardless of whether, in fact, the state does or does  
 38 not.
- 39 (o) Notwithstanding subsections (l) and (m), the department may  
 40 not, under any circumstances, require that income, deductions, and  
 41 credits attributable to a taxpayer and another entity be reported in a  
 42 combined income tax return for any taxable year, if the other entity is:



1 (1) a foreign corporation; or

2 (2) a corporation that is classified as a foreign operating  
3 corporation for the taxable year by section 2.4 of this chapter.

4 (p) Notwithstanding subsections (l) and (m), the department may not  
5 require that income, deductions, and credits attributable to a taxpayer  
6 and another entity not described in subsection (o)(1) or (o)(2) be  
7 reported in a combined income tax return for any taxable year, unless  
8 the department is unable to fairly reflect the taxpayer's adjusted gross  
9 income for the taxable year through use of other powers granted to the  
10 department by subsections (l) and (m).

11 (q) Notwithstanding subsections (o) and (p), one (1) or more  
12 taxpayers may petition the department under subsection (l) for  
13 permission to file a combined income tax return for a taxable year. The  
14 petition to file a combined income tax return must be completed and  
15 filed with the department not more than thirty (30) days after the end  
16 of the taxpayer's taxable year. A taxpayer filing a combined income tax  
17 return must petition the department within thirty (30) days after the end  
18 of the taxpayer's taxable year to discontinue filing a combined income  
19 tax return.

20 (r) This subsection applies to a corporation that is a life insurance  
21 company (as defined in Section 816(a) of the Internal Revenue Code)  
22 or an insurance company that is subject to tax under Section 831 of the  
23 Internal Revenue Code. The corporation's adjusted gross income that  
24 is derived from sources within Indiana is determined by multiplying the  
25 corporation's adjusted gross income by a fraction:

26 (1) the numerator of which is the direct premiums and annuity  
27 considerations received during the taxable year for insurance  
28 upon property or risks in the state; and

29 (2) the denominator of which is the direct premiums and annuity  
30 considerations received during the taxable year for insurance  
31 upon property or risks everywhere.

32 The term "direct premiums and annuity considerations" means the  
33 gross premiums received from direct business as reported in the  
34 corporation's annual statement filed with the department of insurance.

35 (s) This subsection applies to receipts derived from motorsports  
36 racing.

37 (1) Any purse, prize money, or other amounts earned for  
38 placement or participation in a race or portion thereof, including  
39 qualification, shall be attributed to Indiana if the race is conducted  
40 in Indiana.

41 (2) Any amounts received from an individual or entity as a result  
42 of sponsorship or similar promotional consideration for one (1) or





1 more races shall be in this state in the amount received, multiplied  
2 by the following fraction:

3 (A) The numerator of the fraction is the number of racing  
4 events for which sponsorship or similar promotional  
5 consideration has been paid in a taxable year and that occur in  
6 Indiana.

7 (B) The denominator of the fraction is the total number of  
8 racing events for which sponsorship or similar promotional  
9 consideration has been paid in a taxable year.

10 (3) Any amounts earned as an incentive for placement or  
11 participation in one (1) or more races and that are not covered  
12 under subdivision (1) or (2) or under IC 6-3-2-3.2 shall be  
13 attributed to Indiana in the proportion of the races that occurred  
14 in Indiana.

15 This subsection, as enacted in 2013, is intended to be a clarification of  
16 the law and not a substantive change in the law.

17 (t) For purposes of this section and section 2.2 of this chapter, the  
18 following apply:

19 (1) For taxable years beginning after December 25, 2016, if a  
20 taxpayer is required to include amounts in the taxpayer's federal  
21 adjusted gross income, federal taxable income, or IRC 965  
22 Transition Tax Statement, line 1 as a result of Section 965 of the  
23 Internal Revenue Code, the following apply:

24 (A) For an entity that is not eligible to claim a deduction under  
25 IC 6-3-2-12, these amounts shall not be receipts in any taxable  
26 year for the entity.

27 (B) For an entity that is eligible to claim a deduction under  
28 IC 6-3-2-12, these amounts shall be receipts in the year in  
29 which the amounts are reported by the entity as adjusted gross  
30 income under this article, but only to the extent of:

31 (i) any amounts includible after application of  
32 IC 6-3-1-3.5(b)(13), IC 6-3-1-3.5(d)(12), and  
33 IC 6-3-1-3.5(e)(12); minus

34 (ii) the deduction taken under IC 6-3-2-12 with regard to  
35 that income.

36 This subdivision applies regardless of the taxable year in which  
37 the money or property was actually received.

38 (2) If a taxpayer is required to include amounts in the taxpayer's  
39 federal adjusted gross income or federal taxable income as a  
40 result of Section 951A of the Internal Revenue Code the  
41 following apply:

42 (A) For an entity that is not eligible to claim a deduction under



- 1 IC 6-3-2-12, the receipts that generated the income shall not be  
 2 included as a receipt in any taxable year.
- 3 (B) For an entity that is eligible to claim a deduction under  
 4 IC 6-3-2-12, the amounts included in federal gross income as  
 5 a result of Section 951A of the Internal Revenue Code,  
 6 reduced by the deduction allowable under IC 6-3-2-12 with  
 7 regard to that income, shall be considered a receipt in the year  
 8 in which the amounts are includible in federal taxable income.
- 9 (3) Receipts do not include receipts derived from sources outside  
 10 the United States to the extent the taxpayer is allowed a deduction  
 11 or exclusion in determining both the taxpayer's federal taxable  
 12 income as a result of the federal Tax Cuts and Jobs Act of 2017  
 13 and the taxpayer's adjusted gross income under this chapter. If any  
 14 portion of the federal taxable income derived from these receipts  
 15 is deductible under IC 6-3-2-12, receipts shall be reduced by the  
 16 proportion of the deduction allowable under IC 6-3-2-12 with  
 17 regard to that federal taxable income.
- 18 Receipts includible in a taxable year under subdivisions (1) and (2)  
 19 shall be considered dividends from investments for apportionment  
 20 purposes.
- 21 **(u) The following apply:**
- 22 **(1) The department may adopt rules under IC 4-22, including**  
 23 **emergency rules that shall be applied retroactively to January**  
 24 **1, 2019, to specify where sales, receipts, income, transactions,**  
 25 **or costs are attributable under this section and section 2.2 of**  
 26 **this chapter.**
- 27 **(2) Rules adopted under subdivision (1) must be consistent**  
 28 **with the Multistate Tax Commission model regulations for**  
 29 **income tax apportionment as in effect on January 1, 2019,**  
 30 **including any specialized industry provisions, except to the**  
 31 **extent expressly inconsistent with this chapter. A rule is valid**  
 32 **unless the rule is not consistent with the Multistate Tax**  
 33 **Commission model regulations. If a rule is partially valid and**  
 34 **partially invalid, the rule remains in effect to the extent the**  
 35 **rule is valid.**
- 36 **(3) In the absence of rules, or to the extent a rule adopted**  
 37 **under subdivision (1) is determined to be invalid, sales shall**  
 38 **be sourced in the manner consistent with the Multistate Tax**  
 39 **Commission model regulations for income tax apportionment**  
 40 **as in effect on January 1, 2019, including any specialized**  
 41 **industry provisions, except to the extent expressly inconsistent**  
 42 **with this chapter.**



1 SECTION 8. IC 6-3-2-2.2 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]:  
3 Sec. 2.2. (a) Interest income and other receipts from assets in the nature  
4 of loans or installment sales contracts that are primarily secured by or  
5 deal with real or tangible personal property are attributable to this state  
6 if the security or sale property is located in Indiana.

7 (b) Interest income and other receipts from consumer loans not  
8 secured by real or tangible personal property are attributable to this  
9 state if the loan is made to a resident of Indiana, whether at a place of  
10 business, by a traveling loan officer, by mail, by telephone, or by other  
11 electronic means.

12 (c) Interest income and other receipts from commercial loans and  
13 installment obligations not secured by real or tangible personal  
14 property are attributable to this state if the proceeds of the loan are to  
15 be applied in Indiana. If it cannot be determined where the funds are to  
16 be applied, the income and receipts are attributable to the state in  
17 which the business applied for the loan. As used in this section,  
18 "applied for" means initial inquiry (including customer assistance in  
19 preparing the loan application) or submission of a completed loan  
20 application, whichever occurs first.

21 (d) Interest income, merchant discount, and other receipts including  
22 service charges from financial institution credit card and travel and  
23 entertainment credit card receivables and credit card holders' fees are  
24 attributable to the state to which the card charges and fees are regularly  
25 billed.

26 (e) Receipts from the performance of fiduciary and other services  
27 are attributable to the state in which the benefits of the services are  
28 consumed. If the benefits are consumed in more than one (1) state, the  
29 receipts from those benefits are attributable to this state on a pro rata  
30 basis according to the portion of the benefits consumed in Indiana.

31 (f) Receipts from the issuance of traveler's checks, money orders, or  
32 United States savings bonds are attributable to the state in which the  
33 traveler's checks, money orders, or bonds are purchased.

34 (g) Receipts in the form of dividends from investments are  
35 attributable to this state if the taxpayer's commercial domicile is in  
36 Indiana.

37 **(h) Receipts from the maturity, redemption, sale, exchange,**  
38 **loan, or other disposition of stocks, bonds, notes, options, forward**  
39 **contracts, futures contracts, and similar instruments are**  
40 **attributable to this state if the taxpayer's commercial domicile is**  
41 **in Indiana. For purposes of this subsection, only the portion of the**  
42 **receipts required to be included in the taxpayer's sales**



1 **denominator are attributable to Indiana.**

2 SECTION 9. IC 6-3-5-4 IS ADDED TO THE INDIANA CODE AS  
3 A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
4 2019]: **Sec. 4. (a) If the Indiana economic development corporation**  
5 **established under IC 5-28 and a similar agency or body of a state**  
6 **bordering Indiana enter into an agreement for mutual economic**  
7 **development, the department may enter into a payment agreement**  
8 **with that bordering state or an authorized agency of that**  
9 **bordering state.**

10 **(b) The payment agreement must provide for the following:**

11 **(1) That the payment by the department cannot exceed the**  
12 **incremental income tax withholdings collected by the**  
13 **department as a result of the compensation of new employees**  
14 **who are Indiana residents and whose jobs are being**  
15 **incentivized by the border state under an agreement for**  
16 **mutual economic development.**

17 **(2) An obligation by the bordering state substantially similar**  
18 **to the requirement under subdivision (1).**

19 **(c) The payment agreement may not be entered into before it is**  
20 **reviewed by the budget agency.**

21 **(d) The amount needed to make the payment is appropriated**  
22 **from the state general fund.**

23 SECTION 10. IC 6-3.1-11-25 IS ADDED TO THE INDIANA  
24 CODE AS A NEW SECTION TO READ AS FOLLOWS  
25 [EFFECTIVE JULY 1, 2019]: **Sec. 25. (a) Notwithstanding any other**  
26 **law and except as provided in subsection (b), a taxpayer is entitled**  
27 **to receive a credit under this chapter only for a qualified**  
28 **investment made before January 1, 2020.**

29 **(b) A taxpayer is entitled to receive a credit for a qualified**  
30 **investment made after December 31, 2019, and before January 1,**  
31 **2030, if the taxpayer is awarded a credit under:**

32 **(1) an application approved by the corporation before**  
33 **January 1, 2020; or**

34 **(2) an agreement entered into by the taxpayer and the**  
35 **corporation before January 1, 2021.**

36 **(c) This section may not be construed to prevent a taxpayer**  
37 **from carrying an unused tax credit attributable to a qualified**  
38 **investment made before January 1, 2020, or made as provided in**  
39 **subsection (b) forward to a taxable year beginning after December**  
40 **31, 2019, and before January 1, 2030, in the manner provided for**  
41 **by section 17 of this chapter.**

42 **(d) This chapter expires January 1, 2030.**



1 SECTION 11. IC 6-3.1-13-5, AS AMENDED BY P.L.171-2011,  
 2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2019]: Sec. 5. (a) As used in this chapter, "incremental  
 4 income tax withholdings" means:

5 (1) the total amount withheld under IC 6-3-4-8 by the taxpayer  
 6 during the taxable year from the compensation of new employees;

7 **plus**

8 **(2) in the case of an agreement entered into under IC 6-3-5-4,**  
 9 **the additional amount that would have been withheld under**  
 10 **IC 6-3-4-8 by the taxpayer during the taxable year from the**  
 11 **compensation of new employees if the new Indiana**  
 12 **nonresident employees who are residents of the other state**  
 13 **covered by an agreement under IC 6-3-5-4 had been Indiana**  
 14 **residents.**

15 (b) The term does not include for ~~withholding periods beginning~~  
 16 ~~after June 30, 2011~~; any amount withheld from an individual **or an**  
 17 **additional amount described in subsection (a)(2) for an individual**  
 18 for services provided in Indiana as an employee, if the:

19 (1) individual was, during the period of service, prohibited from  
 20 being hired as an employee under 8 U.S.C. 1324a; and

21 (2) taxpayer was not enrolled and participating in the E-Verify  
 22 program (as defined in IC 22-5-1.7-3) during the time the  
 23 taxpayer conducted business in Indiana in the taxable year.

24 SECTION 12. IC 6-3.1-19-2, AS AMENDED BY P.L.250-2015,  
 25 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JANUARY 1, 2020]: Sec. 2. (a) As used in this chapter, "qualified  
 27 investment" means the amount of a taxpayer's expenditures that is:

28 (1) for redevelopment or rehabilitation of property located within  
 29 a community revitalization enhancement district designated under  
 30 IC 36-7-13;

31 (2) made under a plan adopted by an advisory commission on  
 32 industrial development under IC 36-7-13; and

33 (3) approved by the Indiana economic development corporation  
 34 before the expenditure is made.

35 Beginning after December 31, 2015, the term does not include a  
 36 taxpayer's expenditures made on property that is classified as  
 37 residential for property tax purposes, except for expenditures that were  
 38 approved by the Indiana economic development corporation before  
 39 January 1, 2016.

40 (b) **Notwithstanding subsection (a)(1), expenditures for the**  
 41 **redevelopment or rehabilitation of property that are made after**  
 42 **the expiration of the community revitalization district designated**



1 under IC 36-7-13 may still be considered a qualified investment if:  
 2 (1) subsection (a)(2) and (a)(3) are satisfied;  
 3 (2) the Indiana economic development corporation approves  
 4 the taxpayer's application for a credit before the expiration of  
 5 the community revitalization enhancement district; and  
 6 (3) the taxpayer enters into an agreement with the Indiana  
 7 economic development corporation not later than one (1) year  
 8 after the expiration of the community revitalization  
 9 enhancement district.

10 SECTION 13. IC 6-3.1-24-11 IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 11. If a pass through  
 12 entity is entitled to a credit under section 6 of this chapter but does not  
 13 have state tax liability against which the tax credit may be applied, a  
 14 shareholder, partner, or member of the pass through entity is entitled  
 15 to a tax credit equal to:

- 16 (1) the tax credit determined for the pass through entity for the  
 17 taxable year; multiplied by  
 18 (2) the percentage of the pass through entity's distributive income  
 19 to which the shareholder, partner, or member is entitled.

20 **If any or all of the tax credit is passed through to a shareholder,  
 21 partner, or member of a pass through entity, the amount of the tax  
 22 credit that is passed through to a shareholder, partner, or member  
 23 of a pass through entity may not be applied against the pass  
 24 through entity's state tax liability, nor may the pass through entity  
 25 assign any unused credit under section 12 of this chapter.**

26 SECTION 14. IC 6-3.1-24-12, AS AMENDED BY P.L.193-2005,  
 27 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JULY 1, 2019]: Sec. 12. (a) If the amount of the credit determined  
 29 under section 10 of this chapter for a taxpayer in a taxable year exceeds  
 30 the taxpayer's state tax liability for that taxable year, the taxpayer may  
 31 carry the excess credit over for a period not to exceed the taxpayer's  
 32 following five (5) taxable years. The amount of the credit carryover  
 33 from a taxable year shall be reduced to the extent that the carryover is  
 34 used by the taxpayer to obtain a credit under this chapter for any  
 35 subsequent taxable year. A taxpayer is not entitled to a carryback or a  
 36 refund of any unused credit amount.

37 (b) **If the corporation certifies a credit for an investment that is  
 38 made after June 30, 2019, and before July 1, 2029, the taxpayer  
 39 may assign all or part of the credit to which the taxpayer is entitled  
 40 under this chapter, subject to the limitations set forth in subsection  
 41 (c).**

42 (c) **The following apply to the assignment of a credit under this**



1 **chapter:**

2 **(1) A taxpayer may not assign all or part of a credit or credits**  
 3 **to a particular person in amounts that are less than ten**  
 4 **thousand dollars (\$10,000).**

5 **(2) Before a credit may be assigned, the taxpayer must notify**  
 6 **the corporation of the assignment of the credit in the manner**  
 7 **prescribed by the corporation.**

8 **(3) An assignment of a credit must be in writing, and both the**  
 9 **taxpayer and assignee shall report the assignment on the**  
 10 **taxpayer's and assignee's state tax returns for the year in**  
 11 **which the assignment is made, in the manner prescribed by**  
 12 **the department.**

13 **(4) Once a particular credit or credits are assigned, the**  
 14 **assignee may not assign all or part of the credit or credits to**  
 15 **another person.**

16 **(5) A taxpayer may not receive value in connection with an**  
 17 **assignment under this section that exceeds the value of that**  
 18 **part of the credit assigned.**

19 **(d) The corporation shall collect and compile data on the**  
 20 **assignments of tax credits under this chapter and determine the**  
 21 **effectiveness of each assignment in getting projects completed. The**  
 22 **corporation shall report its findings under this subsection to the**  
 23 **legislative council in an electronic format under IC 5-14-6 before**  
 24 **November 1, 2022. This subsection expires January 1, 2023.**

25 SECTION 15. IC 6-3.1-24-14, AS ADDED BY P.L.106-2014,  
 26 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JULY 1, 2019]: Sec. 14. A certificate or tax credit issued under this  
 28 chapter **or assigned under section 12(b) of this chapter (before its**  
 29 **expiration)**, may not be considered to be a security for purposes of  
 30 IC 23. **The issuance or assignment of a certificate or tax credit**  
 31 **under this chapter is not subject to the Indiana securities law**  
 32 **under IC 23.**

33 SECTION 16. IC 6-3.1-26-3.1 IS ADDED TO THE INDIANA  
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 35 [EFFECTIVE JULY 1, 2019]: **Sec. 3.1. As used in this chapter,**  
 36 **"digital manufacturing equipment" means any production**  
 37 **equipment utilized within an integrated computer network system**  
 38 **that provides for the onsite manufacturing of a three-dimensional**  
 39 **part or product using material that is joined or solidified using**  
 40 **multiple layers under computer control pursuant to a computer**  
 41 **aided design for rapid or on demand production.**

42 SECTION 17. IC 6-3.1-26-8, AS AMENDED BY P.L.288-2013,



1 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2019]: Sec. 8. (a) As used in this chapter, "qualified  
3 investment" means the amount of the taxpayer's expenditures in Indiana  
4 for:

5 (1) the purchase of new telecommunications, production,  
6 manufacturing, fabrication, assembly, extraction, mining,  
7 processing, refining, finishing, distribution, transportation, or  
8 logistical distribution equipment;

9 (2) the purchase of new computers and related equipment;

10 (3) costs associated with the modernization of existing  
11 telecommunications, production, manufacturing, fabrication,  
12 assembly, extraction, mining, processing, refining, finishing,  
13 distribution, transportation, or logistical distribution facilities;

14 (4) onsite infrastructure improvements;

15 (5) the construction of new telecommunications, production,  
16 manufacturing, fabrication, assembly, extraction, mining,  
17 processing, refining, finishing, distribution, transportation, or  
18 logistical distribution facilities;

19 **(6) the purchase of retooled or refurbished machinery, and**  
20 costs associated with retooling existing machinery and equipment;

21 (7) costs associated with the construction of special purpose  
22 buildings and foundations for use in the computer, software,  
23 biological sciences, or telecommunications industry;

24 (8) costs associated with the purchase of machinery, equipment,  
25 or special purpose buildings used to make motion pictures or  
26 audio productions; ~~and~~

27 (9) a logistics investment, as described in section 8.5 of this  
28 chapter;

29 **(10) the purchase of new:**

30 **(A) pollution control and abatement;**

31 **(B) energy conservation; or**

32 **(C) renewable energy generation;**

33 **equipment; and**

34 **(11) the purchase of new onsite digital manufacturing**  
35 **equipment;**

36 that are certified by the corporation under this chapter as being eligible  
37 for the credit under this chapter.

38 (b) The term does not include property that can be readily moved  
39 outside Indiana.

40 **(c) Notwithstanding subsection (b), the term does include**  
41 **programmable logic controller property.**

42 SECTION 18. IC 6-3.1-26-9 IS REPEALED [EFFECTIVE





1 JANUARY 1, 2020]. Sec. 9: As used in this chapter, "state tax liability"  
2 means a taxpayer's total tax liability that is incurred under:

- 3 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);  
4 (2) IC 27-1-18-2 (the insurance premiums tax); and  
5 (3) IC 6-5.5 (the financial institutions tax);

6 as computed after the application of the credits that under IC 6-3.1-1-2  
7 are to be applied before the credit provided by this chapter:

8 SECTION 19. IC 6-3.1-26-13, AS AMENDED BY P.L.4-2005,  
9 SECTION 105, IS AMENDED TO READ AS FOLLOWS  
10 [EFFECTIVE JANUARY 1, 2020]: Sec. 13. (a) A taxpayer that:

- 11 (1) is awarded a tax credit under this chapter by the corporation;  
12 and  
13 (2) complies with the conditions set forth in this chapter and the  
14 agreement entered into by the corporation and the taxpayer under  
15 this chapter;

16 is entitled to a credit against the taxpayer's state tax liability in a  
17 taxable year **subject to subsection (b).**

18 **(b) A tax credit awarded under this chapter may be applied only**  
19 **against a taxpayer's state tax liability that is incurred under:**

- 20 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);  
21 (2) IC 27-1-18-2 (the insurance premiums tax);  
22 (3) IC 6-5.5 (the financial institutions tax); and  
23 (4) IC 6-2.5 (the state gross retail and use taxes);

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

27 (c) A shareholder, partner, member, or beneficiary of a pass  
28 through entity may not use the credit against a state gross retail tax  
29 or use tax liability under subsection (b)(4). The application of a  
30 credit against a state gross retail tax or use tax liability under  
31 subsection (b)(4) shall be applied solely against the taxes paid by  
32 the taxpayer as a purchaser in a retail transaction and may not be  
33 applied against the taxes collected and remitted by the taxpayer as  
34 a retail merchant. A taxpayer shall apply for and claim a credit in  
35 the manner prescribed by the department.

36 SECTION 20. IC 6-3.1-26-14, AS AMENDED BY P.L.288-2013,  
37 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 JANUARY 1, 2019 (RETROACTIVE)]: Sec. 14. The total amount of  
39 a tax credit claimed for a taxable year under this chapter is a percentage  
40 determined by the corporation, not to exceed:

- 41 (1) ten percent (10%), of the amount of a qualified investment  
42 made by the taxpayer in Indiana during that taxable year, if the



1 qualified investment is not a logistics investment; ~~and~~  
 2 (2) twenty-five percent (25%) of the amount of a qualified  
 3 investment made by the taxpayer in Indiana during that taxable  
 4 year, if the qualified investment is a logistics investment. For  
 5 purposes of this subdivision, the amount of a qualified investment  
 6 that is used to determine the credit is limited to the difference of:

7 (A) the qualified investments made by the taxpayer during the  
 8 taxable year; minus

9 (B) one hundred five percent (105%) of the average annual  
 10 qualified investments made by the taxpayer during the two (2)  
 11 taxable years immediately preceding the taxable year for  
 12 which the credit is being claimed. However, if the total of the  
 13 qualified investments for the earlier year of the two (2) year  
 14 average is zero (0) and the taxpayer has not claimed the credit  
 15 for a year that precedes that year, the taxpayer shall subtract  
 16 only one hundred five percent (105%) of the amount of the  
 17 qualified investments made during the taxable year  
 18 immediately preceding the taxable year for which the credit is  
 19 being claimed; **and**

20 **(3) for taxable years beginning after December 31, 2018, and**  
 21 **before January 1, 2030, twenty-five percent (25%) of the**  
 22 **amount of a qualified investment made by a taxpayer in**  
 23 **Indiana during that taxable year, if the qualified investment**  
 24 **made is described under section 8(a)(11) of this chapter.**

25 The taxpayer may carry forward any unused credit as provided in  
 26 section 15 of this chapter.

27 SECTION 21. IC 6-3.1-30-2, AS AMENDED BY P.L.288-2013,  
 28 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2019]: Sec. 2. As used in this chapter, "eligible business"  
 30 means **either of the following:**

31 **(1) A business that:**

32 ~~(1)~~ **(A)** is engaged in either interstate or intrastate commerce;

33 ~~(2)~~ **(B)** maintains a corporate headquarters at a location  
 34 outside Indiana;

35 ~~(3)~~ **(C)** has not previously maintained a corporate headquarters  
 36 at a location in Indiana;

37 ~~(4)~~ **(D)** had annual worldwide revenues of at least fifty million  
 38 dollars (\$50,000,000) for the taxable year immediately  
 39 preceding the business's application for a tax credit under  
 40 section 12 of this chapter; and

41 ~~(5)~~ **(E)** commits contractually to relocating its corporate  
 42 headquarters to Indiana.



- 1           **(2) A business that:**  
 2           **(A) is engaged in either interstate or intrastate commerce;**  
 3           **(B) maintains a corporate headquarters at a location**  
 4           **outside Indiana;**  
 5           **(C) has not previously maintained a corporate**  
 6           **headquarters at a location in Indiana;**  
 7           **(D) either:**  
 8               **(i) received at least four million dollars (\$4,000,000) in**  
 9               **venture capital in the six (6) months immediately**  
 10              **preceding the business's application for a tax credit**  
 11              **under section 12 of this chapter; or**  
 12              **(ii) closes on at least four million dollars (\$4,000,000) in**  
 13              **venture capital not later than six (6) months after**  
 14              **submitting the business's application for a tax credit**  
 15              **under section 12 of this chapter; and**  
 16           **(E) commits contractually to relocating:**  
 17               **(i) its corporate headquarters to Indiana; or**  
 18               **(ii) the number of jobs that equal eighty percent (80%)**  
 19               **of the business's total payroll during the immediately**  
 20               **preceding quarter to a location in Indiana.**

21           SECTION 22. IC 6-3.1-30-7, AS ADDED BY P.L.193-2005,  
 22           SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23           JULY 1, 2019]: Sec. 7. As used in this chapter, "taxpayer" means an  
 24           individual or entity:

- 25               **(1) that has any state tax liability; or**  
 26               **(2) in the case of an eligible business under section 2(2) of this**  
 27               **chapter, that has any state tax liability or that submits**  
 28               **incremental income tax withholdings under IC 6-3-4-8.**

29           SECTION 23. IC 6-3.1-30-7.1 IS ADDED TO THE INDIANA  
 30           CODE AS A NEW SECTION TO READ AS FOLLOWS  
 31           [EFFECTIVE JULY 1, 2019]: Sec. 7.1. As used in this chapter,  
 32           **"venture capital" means financing provided by investors that may**  
 33           **include equity, convertible debt, or other forms of equity-like**  
 34           **investment instruments.**

35           SECTION 24. IC 6-3.1-30-8, AS AMENDED BY P.L.288-2013,  
 36           SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37           JULY 1, 2019]: Sec. 8. (a) **Subject to entering into an agreement**  
 38           **with the corporation under sections 14 and 15 of this chapter,** if the  
 39           corporation certifies that a taxpayer:

- 40               (1) is an eligible business;  
 41               (2) completes a qualifying project;  
 42               (3) incurs relocation costs; and



1 (4) employs:

2 (A) at least seventy-five (75) employees in Indiana, **in the case**  
3 **of a taxpayer that qualifies as an eligible business under**  
4 **section 2(1) of this chapter; or**

5 (B) at least ten (10) employees in Indiana, **in the case of a**  
6 **taxpayer that qualifies as an eligible business under section**  
7 **2(2) of this chapter;**

8 the taxpayer is entitled to a credit against the taxpayer's state tax  
9 liability for the taxable year in which the relocation costs are incurred,  
10 **subject to subsection (c).** The credit allowed under this section is  
11 equal to the amount determined under section 9 of this chapter.

12 (b) For purposes of establishing the employment level required by  
13 subsection (a)(4), a taxpayer may include:

14 (1) individuals who:

15 (A) were employed in Indiana by the taxpayer before the  
16 taxpayer commenced a qualifying project; and

17 (B) remain employed in Indiana after the completion of the  
18 taxpayer's qualifying project; and

19 (2) individuals who:

20 (A) were not employed in Indiana by the taxpayer before the  
21 taxpayer commenced a qualifying project; and

22 (B) are employed in Indiana by the taxpayer as a result of the  
23 completion of the taxpayer's qualifying project.

24 **(c) The total amount of credits that may be approved by the**  
25 **corporation for all eligible businesses described in section 2(2) of**  
26 **this chapter may not exceed five million dollars (\$5,000,000) in a**  
27 **state fiscal year.**

28 SECTION 25. IC 6-3.1-30-9, AS AMENDED BY P.L.288-2013,  
29 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
30 JULY 1, 2019]: Sec. 9. (a) Subject to subsection (b), the amount of the  
31 credit to which a taxpayer is entitled under section 8 of this chapter  
32 equals the product of:

33 (1) a percentage determined by the corporation that may not  
34 exceed fifty percent (50%); multiplied by

35 (2) the amount of the taxpayer's relocation costs in the taxable  
36 year.

37 (b) The credit to which a taxpayer is entitled under section 8 of this  
38 chapter may not reduce the taxpayer's state tax liability below the  
39 amount of the taxpayer's state tax liability in the taxable year  
40 immediately preceding the taxable year in which the taxpayer first  
41 incurred relocation costs. **However, this subsection does not apply to**  
42 **a taxpayer that qualifies as an eligible business under section 2(2)**



1 **of this chapter.**

2 SECTION 26. IC 6-3.1-30-11, AS ADDED BY P.L.193-2005,  
 3 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 4 JULY 1, 2019]: Sec. 11. (a) If the credit provided by this chapter  
 5 exceeds the taxpayer's state tax liability for the taxable year for which  
 6 the credit is first claimed, the excess may be carried forward to  
 7 succeeding taxable years and used as a credit against the taxpayer's  
 8 state tax liability during those taxable years. Each time that the credit  
 9 is carried forward to a succeeding taxable year, the credit is to be  
 10 reduced by the amount that was used as a credit during the immediately  
 11 preceding taxable year. The credit provided by this chapter may be  
 12 carried forward and applied to succeeding taxable years for nine (9)  
 13 taxable years following the unused credit year.

14 (b) A taxpayer **that qualifies as an eligible business under section**  
 15 **2(1) of this chapter** is not entitled to any carryback or refund of any  
 16 unused credit.

17 (c) **In the case of a taxpayer that qualifies as an eligible business**  
 18 **under section 2(2) of this chapter, if the credit provided by this**  
 19 **chapter exceeds the taxpayer's state tax liability, the excess may, at**  
 20 **the discretion of the corporation, be refunded to the taxpayer. An**  
 21 **eligible business under section 2(2) of this chapter is not entitled to**  
 22 **carryback any unused credit.**

23 SECTION 27. IC 6-3.1-30-14 IS ADDED TO THE INDIANA  
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 25 [EFFECTIVE JULY 1, 2019]: Sec. 14. (a) **To be awarded a credit**  
 26 **under this chapter, a taxpayer must submit an application to the**  
 27 **corporation and enter into an agreement with the corporation.**

28 (b) **The corporation shall prescribe the form of the application.**

29 (c) **A taxpayer may claim a credit awarded after June 30, 2019,**  
 30 **against the taxpayer's state tax liability for a taxable year only if**  
 31 **the corporation awards a credit to the taxpayer and enters into an**  
 32 **agreement with the taxpayer under section 15 of this chapter. The**  
 33 **corporation may deny an application for a credit under this**  
 34 **chapter in its sole discretion. A taxpayer may not seek judicial**  
 35 **review of a decision by the corporation to deny a taxpayer's**  
 36 **application for a credit.**

37 SECTION 28. IC 6-3.1-30-15 IS ADDED TO THE INDIANA  
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 39 [EFFECTIVE JULY 1, 2019]: Sec. 15. (a) **The corporation shall**  
 40 **require the taxpayer to enter into an agreement with the**  
 41 **corporation as a condition of receiving a credit under this chapter.**

42 (b) **The agreement with the corporation must:**



- 1           **(1) prescribe the method of certifying the taxpayer's qualified**
- 2           **investment;**
- 3           **(2) include provisions that authorize the corporation to work**
- 4           **with the department and the taxpayer, if the corporation**
- 5           **determines that the taxpayer is noncompliant with the terms**
- 6           **of the agreement or the provisions of this chapter, to bring the**
- 7           **taxpayer into compliance or to protect the interests of the**
- 8           **state; and**
- 9           **(3) require the taxpayer to:**
  - 10           **(A) maintain its corporate headquarters at a location in**
  - 11           **Indiana if the business qualifies as an eligible business**
  - 12           **under section 2(1) of this chapter; or**
  - 13           **(B) maintain either:**
    - 14           **(i) its corporate headquarters at a location in Indiana if**
    - 15           **the business qualifies as an eligible business under**
    - 16           **section 2(2) of this chapter; or**
    - 17           **(ii) the number of jobs that equal eighty percent (80%)**
    - 18           **of the business's total payroll at a location in Indiana if**
    - 19           **the business qualifies as an eligible business under**
    - 20           **section 2(2) of this chapter;**
    - 21           **for not less than five (5) consecutively succeeding calendar**
    - 22           **years following the calendar year in which the taxpayer**
    - 23           **first incurs qualifying relocation expenses.**
- 24           **SECTION 29. IC 6-3.1-30-16 IS ADDED TO THE INDIANA**
- 25           **CODE AS A NEW SECTION TO READ AS FOLLOWS**
- 26           **[EFFECTIVE JULY 1, 2019]: Sec. 16. (a) If the corporation**
- 27           **determines that a taxpayer who has claimed a credit under this**
- 28           **chapter is not entitled to the credit because of the taxpayer's**
- 29           **noncompliance with the requirements of the tax credit agreement**
- 30           **or any of the provisions of this chapter, the corporation shall, after**
- 31           **giving the taxpayer an opportunity to explain the noncompliance:**
  - 32           **(1) notify the department of the noncompliance; and**
  - 33           **(2) request the department to impose an assessment on the**
  - 34           **taxpayer in an amount that may not exceed the sum of any**
  - 35           **previously allowed credits under this chapter together with**
  - 36           **interest and penalties required or permitted by law.**
  - 37           **(b) The department shall impose an assessment on a taxpayer if**
  - 38           **requested by the corporation under subsection (a), unless the**
  - 39           **assessment is unsupported by law.**
  - 40           **(c) Notwithstanding the provisions of IC 6-8.1-5-2, an**
  - 41           **assessment is considered timely if the department issues a proposed**
  - 42           **assessment:**



1           (1) not later than one hundred eighty (180) days from the date  
 2           the department is notified of the noncompliance; or  
 3           (2) the date on which the proposed assessment could otherwise  
 4           be issued in a timely manner under IC 6-8.1-5-2;  
 5           whichever is later.

6           SECTION 30. IC 6-3.1-34 IS ADDED TO THE INDIANA CODE  
 7           AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 8           JANUARY 1, 2020]:

9           **Chapter 34. Redevelopment Tax Credit**

10          **Sec. 1. As used in this chapter, "board" means the board of the**  
 11          **Indiana economic development corporation.**

12          **Sec. 2. As used in this chapter, "corporation" refers to the**  
 13          **Indiana economic development corporation established under**  
 14          **IC 5-28-3, unless the context clearly denotes otherwise.**

15          **Sec. 3. As used in this chapter, "floor space" means the usable**  
 16          **interior floor space of a building.**

17          **Sec. 4. As used in this chapter, "pass through entity" means a:**

- 18           (1) corporation that is exempt from the adjusted gross income  
 19           tax under IC 6-3-2-2.8(2);  
 20           (2) partnership;  
 21           (3) trust;  
 22           (4) limited liability company; or  
 23           (5) limited liability partnership.

24          **Sec. 5. As used in this chapter, "placed in service" means that**  
 25          **property is placed in a condition or state of readiness and available**  
 26          **to be occupied. In the case of a qualified redevelopment site**  
 27          **comprised of a complex of buildings, the entire qualified**  
 28          **redevelopment site shall be considered to have been placed in**  
 29          **service on the date that a building was placed in service if the**  
 30          **building has floor space that, when aggregated with the floor space**  
 31          **of all buildings in the complex placed in service on earlier dates,**  
 32          **exceeds fifty percent (50%) of the total floor space of all buildings**  
 33          **in the complex.**

34          **Sec. 6. As used in this chapter, "qualified redevelopment site"**  
 35          **means land:**

- 36           (1) on which a vacant building or complex of buildings:  
 37           (A) having total floor space that exists as of the date an  
 38           application is filed with the corporation under this chapter  
 39           of at least:  
 40           (i) one hundred thousand (100,000) square feet in a  
 41           county with a population of at least one hundred  
 42           thousand (100,000);



- 1                   (ii) fifty thousand (50,000) square feet in a county with a
- 2                   population of at least fifty thousand (50,000) but less
- 3                   than one hundred thousand (100,000); or
- 4                   (iii) twenty-five thousand (25,000) square feet in a county
- 5                   with a population of less than fifty thousand (50,000);
- 6                   and
- 7                   (B) that was placed in service at least fifteen (15) years
- 8                   before the date on which the application is filed with the
- 9                   corporation under this chapter;
- 10               (2) on which a vacant building or complex of buildings:
- 11                (A) having total floor space that existed within five (5)
- 12                years before the date an application is filed with the
- 13                corporation under this chapter of at least:
- 14                 (i) one hundred thousand (100,000) square feet in a
- 15                 county with a population of at least one hundred
- 16                 thousand (100,000);
- 17                 (ii) fifty thousand (50,000) square feet in a county with a
- 18                 population of at least fifty thousand (50,000) but less
- 19                 than one hundred thousand (100,000); or
- 20                 (iii) twenty-five thousand (25,000) square feet in a county
- 21                 with a population of less than fifty thousand (50,000);
- 22                (B) was placed in service at least fifteen (15) years before
- 23                the date on which the demolition of the vacant building or
- 24                complex of buildings was completed; and
- 25                (C) that was demolished in an effort to protect the health,
- 26                safety, and welfare of the community; or
- 27               (3) on which a vacant building or complex of buildings:
- 28                (A) having total floor space that existed within ten (10)
- 29                years before the date an application is filed with the
- 30                corporation under this chapter of at least:
- 31                 (i) one hundred thousand (100,000) square feet in a
- 32                 county with a population of at least one hundred
- 33                 thousand (100,000);
- 34                 (ii) fifty thousand (50,000) square feet in a county with a
- 35                 population of at least fifty thousand (50,000) but less
- 36                 than one hundred thousand (100,000); or
- 37                 (iii) twenty-five thousand (25,000) square feet in a county
- 38                 with a population of less than fifty thousand (50,000);
- 39                (B) was placed in service at least fifteen (15) years before
- 40                the date on which the demolition of the vacant building or
- 41                complex of buildings was completed;
- 42                (C) was placed in service as a public building;





1 (D) was owned by a unit of local government; and

2 (E) has not been redeveloped since the building was taken  
3 out of service as a public building.

4 For a complex of buildings to be considered a qualified  
5 redevelopment site, the buildings must have been located on a  
6 single parcel or contiguous parcels of land that were under  
7 common ownership at the time the site was placed in service.

8 Sec. 7. As used in this chapter, "qualified investment" means the  
9 amount of the taxpayer's expenditures that are:

10 (1) for the redevelopment or rehabilitation of real property  
11 located within a qualified redevelopment site; and

12 (2) approved by the corporation before the expenditure is  
13 made.

14 Sec. 8. As used in this chapter, "rehabilitation" means the  
15 betterment of real property, including remodeling or repair.

16 Sec. 9. As used in this chapter, "state tax liability" means the  
17 taxpayer's total tax liability that is incurred under:

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

19 (2) IC 27-1-18-2 (the insurance premiums tax); and

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

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

24 Sec. 10. As used in this chapter, "taxpayer" means any person,  
25 corporation, limited liability company, partnership, or other entity  
26 that has any state tax liability. The term includes the owner or the  
27 developer of the qualified development site property, a pass  
28 through entity, and a person that is assigned part or all of a credit  
29 under section 14 of this chapter (before its expiration).

30 Sec. 11. (a) A taxpayer may claim a credit against the taxpayer's  
31 state tax liability for a taxable year only if the corporation awards  
32 a credit to the taxpayer and enters into an agreement with the  
33 taxpayer as set forth under this chapter. The corporation may  
34 establish an application period for applying for awards. If an  
35 application period is established, the corporation shall establish  
36 policies and procedures necessary to administer the application  
37 period. The corporation may deny an application for a credit under  
38 this chapter in its sole discretion. A taxpayer may not seek judicial  
39 review of a decision by the corporation to deny a taxpayer's  
40 application for a credit.

41 (b) The amount of the credit that a taxpayer may claim is equal  
42 to:



1 (1) the qualified investment made by the taxpayer during the  
 2 taxable year and approved by the corporation in an  
 3 agreement entered into under section 17 of this chapter;  
 4 multiplied by

5 (2) the applicable credit percentage determined by the  
 6 corporation under section 17(b) and 17(c) of this chapter.

7 (c) If a pass through entity may claim a credit under this section  
 8 but does not have state tax liability against which the tax credit  
 9 may be applied, a shareholder, partner, beneficiary, or member of  
 10 the pass through entity may claim a credit equal to:

11 (1) the credit determined for the pass through entity for the  
 12 taxable year; multiplied by

13 (2) the percentage of the pass through entity's distributive  
 14 income that the shareholder, partner, beneficiary, or member  
 15 may claim.

16 The credit provided under this subsection is in addition to a credit  
 17 that a shareholder, partner, beneficiary, or member of a pass  
 18 through entity may claim. However, a pass through entity and a  
 19 shareholder, partner, beneficiary, or member of a pass through  
 20 entity may not claim more than one (1) credit for the qualified  
 21 investment.

22 (d) Notwithstanding subsections (a), (b), and (c), a pass through  
 23 entity (other than an entity described in IC 6-3-1-35(1)) and its  
 24 partners, beneficiaries, or members may allocate the credit among  
 25 its partners, beneficiaries, or members of the pass through entity  
 26 as provided by written agreement without regard to their sharing  
 27 of other tax or economic attributes. Such agreements shall be filed  
 28 with the corporation not later than fifteen (15) days after  
 29 execution. The pass through entity shall also provide a copy of such  
 30 agreements, a list of partners, beneficiaries, or members of the pass  
 31 through entity, and their respective shares of the credit resulting  
 32 from such agreements in the manner prescribed by the department  
 33 of state revenue.

34 Sec. 12. (a) A tax credit that a taxpayer may claim under this  
 35 chapter shall be applied against taxes owed by the taxpayer in the  
 36 following order:

37 (1) First, against the taxpayer's adjusted gross income tax  
 38 liability (IC 6-3-1 through IC 6-3-7) for the taxable year.

39 (2) Second, against the taxpayer's insurance premiums tax  
 40 liability (IC 27-1-18-2) for the taxable year.

41 (3) Third, against the taxpayer's financial institutions tax  
 42 liability (IC 6-5.5) for the taxable year.



1 (b) If the tax paid by the taxpayer under a tax provision listed  
2 in subsection (a) is a credit against the liability or a deduction in  
3 determining the tax base under another Indiana tax provision, the  
4 credit or deduction shall be computed without regard to the credit  
5 to which a taxpayer may claim under this chapter.

6 Sec. 13. (a) If the amount of the credit determined under section  
7 11 of this chapter for a taxpayer in a taxable year exceeds the  
8 taxpayer's state tax liability for that taxable year, the taxpayer  
9 may carry the excess credit over for a period not to exceed the  
10 taxpayer's following nine (9) taxable years, beginning with the  
11 taxable year after the year in which the corporation certifies the  
12 taxpayer's expenditures as a qualified investment. The amount of  
13 the credit carryover from a taxable year shall be reduced to the  
14 extent that the carryover is used by the taxpayer to obtain a credit  
15 under this chapter for any subsequent taxable year.

16 (b) A taxpayer is not entitled to a carryback or a refund of any  
17 unused credit amount.

18 Sec. 14. (a) If a taxpayer is awarded a credit under this chapter  
19 before July 1, 2029, the taxpayer may assign any part of the credit  
20 that the taxpayer may claim under this chapter. A credit that is  
21 assigned under this subsection remains subject to this chapter.

22 (b) If a taxpayer assigns a part of a credit during a taxable year,  
23 the assignee may not subsequently assign all or part of the credit  
24 to another person. A taxpayer may make only one (1) assignment  
25 of a credit. Before a credit may be assigned, the taxpayer must  
26 notify the corporation of the assignment of the credit in the manner  
27 prescribed by the corporation. An assignment of a credit must be  
28 in writing, and both the taxpayer and assignee shall report the  
29 assignment on the taxpayer's and assignee's state tax returns for  
30 the year in which the assignment is made, in the manner prescribed  
31 by the department. A taxpayer may not receive value in connection  
32 with an assignment under this section that exceeds the value of that  
33 part of the credit assigned.

34 (c) The corporation shall collect and compile data on the  
35 assignments of tax credits under this chapter and determine the  
36 effectiveness of each assignment in getting projects completed. The  
37 corporation shall report its findings under this subsection to the  
38 legislative council in an electronic format under IC 5-14-6 before  
39 November 1, 2022.

40 Sec. 15. To be awarded a credit under this chapter, a taxpayer  
41 must file an application with the corporation and enter into an  
42 agreement with the corporation as set forth under this chapter.



1           **Sec. 16. (a) The corporation shall consider the following factors**  
 2 **in deciding whether to award a credit under this chapter for a**  
 3 **proposed qualified investment:**

4           **(1) Evidence that the project aligns with the community's**  
 5 **development plans.**

6           **(2) The economic development potential for the project for**  
 7 **which the taxpayer proposes to make the qualified investment.**

8           **(3) Evidence of barriers preventing the development or**  
 9 **redevelopment of the qualified redevelopment site in which**  
 10 **the qualified investment is made, such as significant**  
 11 **environmental contamination requiring remediation.**

12           **(4) The level of commitment by the public sector and local**  
 13 **government to assist in the financing of improvements or**  
 14 **redevelopment activities benefitting the qualified**  
 15 **redevelopment site in which the qualified investment is made.**

16           **(5) Evidence of support by residents, businesses, and private**  
 17 **organizations in the surrounding community for the project**  
 18 **for which the taxpayer proposes to make the qualified**  
 19 **investment.**

20           **(6) The level of economic distress in the surrounding**  
 21 **community and the extent to which the project for which the**  
 22 **taxpayer proposes to make the qualified investment mitigates**  
 23 **the economic distress.**

24           **(7) Any other factors as determined by the corporation.**

25           **(b) The corporation shall not approve an application to receive**  
 26 **a tax credit under this chapter for a qualified investment made in**  
 27 **a qualified redevelopment site described in section 6(2) of this**  
 28 **chapter unless the applicant can provide evidence that the local**  
 29 **unit having jurisdiction over the property made a determination**  
 30 **that the qualified redevelopment site was unsafe (as defined in**  
 31 **IC 36-7-9-4), and the local unit took appropriate steps to remedy**  
 32 **the unsafe conditions at the qualified redevelopment site, which led**  
 33 **to its demolition.**

34           **Sec. 17. (a) The following apply if the corporation determines**  
 35 **that a credit should be awarded under this chapter:**

36           **(1) The corporation shall require the taxpayer to enter into an**  
 37 **agreement with the corporation as a condition of receiving a**  
 38 **credit under this chapter.**

39           **(2) The agreement with the corporation must:**

40           **(A) prescribe the method of certifying the taxpayer's**  
 41 **qualified investment; and**

42           **(B) include provisions that authorize the corporation to**



- 1 work with the department and the taxpayer, if the  
 2 corporation determines that the taxpayer is noncompliant  
 3 with the terms of the agreement or the provisions of this  
 4 chapter, to bring the taxpayer into compliance or to  
 5 protect the interests of the state.
- 6 (3) The corporation shall specify the taxpayer's expenditures  
 7 that will be considered a qualified investment.
- 8 (4) The corporation shall determine the applicable credit  
 9 percentage under subsections (b) and (c).
- 10 (b) If the corporation determines that a credit should be  
 11 awarded under this chapter, the corporation shall determine the  
 12 applicable credit percentage for a qualified investment certified by  
 13 the corporation. However, and except as provided in subsection (c),  
 14 the applicable credit percentage may not exceed the following:
- 15 (1) If the qualified redevelopment site was placed in service at  
 16 least fifteen (15) years ago but less than thirty (30) years ago:  
 17 (A) fifteen percent (15%), if the qualified redevelopment  
 18 site is part of a development plan of a regional  
 19 development authority established under IC 36-7.5-2-1 or  
 20 IC 36-7.6-2-3; or  
 21 (B) ten percent (10%), if the qualified redevelopment site  
 22 is not part of a development plan of a regional  
 23 development authority described under clause (A).
- 24 (2) If the qualified redevelopment site was placed in service at  
 25 least thirty (30) years ago but less than forty (40) years ago:  
 26 (A) twenty percent (20%), if the qualified redevelopment  
 27 site is part of a development plan of a regional  
 28 development authority established under IC 36-7.5-2-1 or  
 29 IC 36-7.6-2-3; or  
 30 (B) ten percent (10%), if the qualified redevelopment site  
 31 is not part of a development plan of a regional  
 32 development authority described under clause (A).
- 33 (3) If the qualified redevelopment site was placed in service at  
 34 least forty (40) years ago:  
 35 (A) twenty-five percent (25%), if the qualified  
 36 redevelopment site is part of a development plan of a  
 37 regional development authority established under  
 38 IC 36-7.5-2-1 or IC 36-7.6-2-3; or  
 39 (B) fifteen percent (15%), if the qualified redevelopment  
 40 site is not part of a development plan of a regional  
 41 development authority described under clause (A).
- 42 (c) The corporation may increase the credit amount by not more



1 than an additional five percent (5%) if:

- 2 (1) the qualified redevelopment site is located in a federally  
 3 designated qualified opportunity zone (Section 1400Z-1 and  
 4 1400Z-2 of the Internal Revenue Code); or  
 5 (2) the project qualifies for federal new markets tax credits  
 6 under Section 45D of the Internal Revenue Code.

7 (d) To be eligible for the credit for a qualified investment, a  
 8 taxpayer's expenditures that are considered a qualified investment  
 9 must be certified by the corporation not later than two (2) taxable  
 10 years after the end of the calendar year in which the taxpayer's  
 11 expenditures are made.

12 Sec. 18. (a) The corporation may, as part of an agreement  
 13 entered into under section 17 of this chapter:

- 14 (1) require a taxpayer to repay all or part of a credit awarded  
 15 under this chapter over a period of years; and  
 16 (2) limit the maximum amount of a credit awarded to a  
 17 taxpayer under this chapter that may be claimed during a  
 18 taxable year.

19 (b) The corporation may elect to enter into an agreement with  
 20 a local unit that has jurisdiction over the real property that is  
 21 subject to the proposed qualified investment, through which such  
 22 agreement the local unit commits local revenue generated by the  
 23 project to the corporation rather than the corporation including a  
 24 repayment provision in an agreement with a taxpayer under  
 25 subsection (a)(1). The total amount of revenue committed under an  
 26 agreement entered into under this subsection may not exceed the  
 27 credit repayment amount determined under subsection (a)(1). Any  
 28 amounts received under an agreement entered into under this  
 29 subsection shall be deposited in the state general fund.

30 (c) Notwithstanding subsections (a) and (b), if the corporation  
 31 awards a tax credit to a taxpayer under this chapter that exceeds  
 32 ten million dollars (\$10,000,000), the corporation shall include in  
 33 an agreement entered into under section 17 of this chapter a  
 34 provision that requires the taxpayer to repay the portion of the  
 35 credit that exceeds ten million dollars (\$10,000,000).

36 (d) If the corporation enters into an agreement with a taxpayer  
 37 under section 17 of this chapter that includes a repayment  
 38 provision under subsection (a)(1) or (c), the corporation shall  
 39 include in the repayment provision a provision establishing the  
 40 interest rate that will be applied. The interest rate shall be  
 41 determined by the board and approved by the budget agency.

42 Sec. 19. To receive a credit provided by this chapter, a taxpayer



1 must claim the credit on the taxpayer's state tax return or returns  
 2 in the manner prescribed by the department. The taxpayer shall  
 3 submit the following to the department:

4 (1) The certification of the corporation stating the applicable  
 5 credit percentage approved by the corporation under section  
 6 17(b) of this chapter.

7 (2) All other information that the department determines is  
 8 necessary for:

9 (A) the calculation for the credit provided by this chapter;  
 10 and

11 (B) the determination of whether an expenditure was a  
 12 qualified investment.

13 **Sec. 20. (a)** If the corporation determines that a taxpayer that  
 14 has claimed a credit under this chapter is not entitled to the credit  
 15 because of the taxpayer's noncompliance with the requirements of  
 16 the tax credit agreement or any of the provisions of this chapter,  
 17 the corporation shall, after giving the taxpayer an opportunity to  
 18 explain the noncompliance:

19 (1) notify the department of the noncompliance; and

20 (2) request the department to impose an assessment on the  
 21 taxpayer in an amount that may not exceed the sum of any  
 22 previously allowed credits under this chapter together with  
 23 interest and penalties required or permitted by law.

24 (b) If a credit was assigned under section 14 of this chapter  
 25 (before its expiration), the assessment under this section shall be  
 26 issued against the taxpayer that could have claimed the credit had  
 27 no assignment occurred. If an assessment is issued to a taxpayer,  
 28 other than an assignee of a credit that was assigned, the assessment  
 29 shall not be offset by any nonrefundable credit. An assessment may  
 30 not be made against an assignee of a credit except in the case of  
 31 fraud by the assignee in the assignment of the credit.  
 32 Notwithstanding the provisions of IC 6-8.1-5-2, an assessment is  
 33 considered timely if the department issues a proposed assessment:

34 (1) not later than one hundred eighty (180) days from the date  
 35 the department is notified of the noncompliance; or

36 (2) the date on which the proposed assessment could otherwise  
 37 be issued in a timely manner under IC 6-8.1-5-2;

38 whichever is later.

39 **Sec. 21. (a)** The board shall establish measurements for  
 40 evaluating the performance of the tax credit program under this  
 41 chapter.

42 (b) Beginning in 2023, and each odd-numbered year thereafter,



1 the corporation shall provide for an evaluation of the tax credit  
 2 program. The evaluation shall include an assessment of the  
 3 effectiveness of the program, and the evaluation shall specifically  
 4 report on the extent to which the tax credit program met the  
 5 measurements established by the board under subsection (a). The  
 6 corporation shall include information received or compiled under  
 7 this section in the economic incentives and compliance report  
 8 submitted under IC 5-28-28 for the calendar year in which the  
 9 evaluation is completed.

10 Sec. 22. (a) Except as provided in subsection (b), the total  
 11 amount of credits that the corporation may award under this  
 12 chapter for a state fiscal year for all taxpayers for all qualified  
 13 investments is fifty million dollars (\$50,000,000). The portion of the  
 14 credits that is subject to a repayment provision under section 18(b)  
 15 or 18(c) of this chapter is not included in the calculation of the  
 16 annual limit.

17 (b) If the corporation determines that a credit should be  
 18 awarded under this chapter for a taxpayer's qualified investment  
 19 but the award:

20 (1) will result in the corporation's cumulative credit awards  
 21 under this chapter for a state fiscal year for all taxpayers for  
 22 all qualified investments to exceed the limit established by  
 23 subsection (a); or

24 (2) should not be considered when calculating the  
 25 corporation's cumulative credit awards under this chapter for  
 26 a state fiscal year for all taxpayers for all qualified  
 27 investments;

28 the corporation may, after review by the budget committee, enter  
 29 into an agreement with the taxpayer under section 17 of this  
 30 chapter.

31 SECTION 31. IC 36-7-32-11, AS AMENDED BY P.L.259-2017,  
 32 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33 JANUARY 1, 2020]: Sec. 11. (a) After receipt of an application under  
 34 section 10 of this chapter, and subject to subsection (b), the Indiana  
 35 economic development corporation may designate a certified  
 36 technology park if the corporation determines that the application  
 37 demonstrates a firm commitment from at least one (1) business  
 38 engaged in a high technology activity creating a significant number of  
 39 jobs and satisfies one (1) or more of the following additional criteria:

40 (1) A demonstration of significant support from an institution of  
 41 higher education, a private research based institute, or a military  
 42 research and development or testing facility on an active United





- 1 States government military base or other military installation  
 2 located within, or in the vicinity of, the proposed certified  
 3 technology park, as evidenced by the following criteria:
- 4 (A) Grants of preferences for access to and commercialization  
 5 of intellectual property.
  - 6 (B) Access to laboratory and other facilities owned by or under  
 7 the control of the postsecondary educational institution or  
 8 private research based institute.
  - 9 (C) Donations of services.
  - 10 (D) Access to telecommunications facilities and other  
 11 infrastructure.
  - 12 (E) Financial commitments.
  - 13 (F) Access to faculty, staff, and students.
  - 14 (G) Opportunities for adjunct faculty and other types of staff  
 15 arrangements or affiliations.
  - 16 (H) Other criteria considered appropriate by the Indiana  
 17 economic development corporation.
- 18 (2) A demonstration of a significant commitment by the  
 19 postsecondary educational institution, private research based  
 20 institute, or military research and development or testing facility  
 21 on an active United States government military base or other  
 22 military installation to the commercialization of research  
 23 produced at the certified technology park, as evidenced by the  
 24 intellectual property and, if applicable, tenure policies that reward  
 25 faculty and staff for commercialization and collaboration with  
 26 private businesses.
- 27 (3) A demonstration that the proposed certified technology park  
 28 will be developed to take advantage of the unique characteristics  
 29 and specialties offered by the public and private resources  
 30 available in the area in which the proposed certified technology  
 31 park will be located.
- 32 (4) The existence of or proposed development of a business  
 33 incubator within the proposed certified technology park that  
 34 exhibits the following types of resources and organization:
- 35 (A) Significant financial and other types of support from the  
 36 public or private resources in the area in which the proposed  
 37 certified technology park will be located.
  - 38 (B) A business plan exhibiting the economic utilization and  
 39 availability of resources and a likelihood of successful  
 40 development of technologies and research into viable business  
 41 enterprises.
  - 42 (C) A commitment to the employment of a qualified full-time



- 1 manager to supervise the development and operation of the  
 2 business incubator.
- 3 (5) The existence of a business plan for the proposed certified  
 4 technology park that identifies its objectives in a clearly focused  
 5 and measurable fashion and that addresses the following matters:  
 6 (A) A commitment to new business formation.  
 7 (B) The clustering of businesses, technology, and research.  
 8 (C) The opportunity for and costs of development of properties  
 9 under common ownership or control.  
 10 (D) The availability of and method proposed for development  
 11 of infrastructure and other improvements, including  
 12 telecommunications technology, necessary for the  
 13 development of the proposed certified technology park.  
 14 (E) Assumptions of costs and revenues related to the  
 15 development of the proposed certified technology park.
- 16 (6) A demonstrable and satisfactory assurance that the proposed  
 17 certified technology park can be developed to principally contain  
 18 property that is primarily used for, or will be primarily used for,  
 19 a high technology activity or a business incubator.
- 20 (b) The Indiana economic development corporation may not  
 21 approve an application that would result in a substantial reduction or  
 22 cessation of operations in another location in Indiana in order to  
 23 relocate them within the certified technology park. The Indiana  
 24 economic development corporation may designate not more than two  
 25 (2) new certified technology parks during any state fiscal year. The  
 26 designation of a new certified technology park is subject to review and  
 27 approval under section 11.5 of this chapter.
- 28 (c) A certified technology park designated under this section is  
 29 subject to the review of the Indiana economic development corporation  
 30 and must be recertified:  
 31 (1) every four (4) years, for a recertification occurring before  
 32 January 1, 2018, **or after December 31, 2019;** and  
 33 (2) every three (3) years, for a recertification occurring after  
 34 December 31, 2017, **and before January 1, 2020.**
- 35 (d) The corporation shall develop procedures and the criteria to be  
 36 used in the review required under subsection (c). ~~Beginning after~~  
 37 ~~December 31, 2017;~~ The procedures and criteria must include the  
 38 metrics developed under subsection (h) for measuring the performance  
 39 of a certified technology park.
- 40 (e) A certified technology park shall furnish to the corporation the  
 41 following information to be used in the course of the review:  
 42 (1) Total employment and payroll levels for all businesses



- 1 operating within the certified technology park.
- 2 (2) The nature and extent of any technology transfer activity
- 3 occurring within the certified technology park.
- 4 (3) The nature and extent of any nontechnology businesses
- 5 operating within the certified technology park.
- 6 (4) The use and outcomes of any state money made available to
- 7 the certified technology park.
- 8 (5) An analysis of the certified technology park's overall
- 9 contribution to the technology based economy in Indiana.
- 10 (f) ~~Beginning after December 31, 2017;~~ A certified technology park
- 11 must meet or exceed the minimum threshold requirements developed
- 12 under subsection (h)(2) before the certified technology park may be
- 13 recertified under this section. If a certified technology park is not
- 14 recertified, the Indiana economic development corporation shall send
- 15 a certified copy of a notice of the determination to the county auditor,
- 16 the department of local government finance, and the department of
- 17 state revenue.
- 18 (g) To the extent allowed under IC 5-14-3, the corporation shall
- 19 maintain the confidentiality of any information that is:
- 20 (1) submitted as part of the review process under subsection (c);
- 21 and
- 22 (2) marked as confidential;
- 23 by the certified technology park.
- 24 (h) ~~Before January 1, 2018;~~ The corporation, in conjunction with the
- 25 office of management and budget, shall develop metrics for measuring
- 26 the performance of a certified technology park during the review period
- 27 for recertification under subsection (c). The corporation shall consult
- 28 with local units of government in developing the metrics under this
- 29 subsection. The metrics shall include at least the following elements:
- 30 (1) Specific criteria to be used to analyze and evaluate each
- 31 category of information furnished to the corporation under
- 32 subsection (e)(1) through (e)(5).
- 33 (2) Minimum threshold requirements for the performance of a
- 34 certified technology park regarding each category of information
- 35 furnished to the corporation under subsection (e)(1) through
- 36 (e)(5) based on the criteria for the analysis and evaluation of the
- 37 information under subdivision (1).
- 38 (i) The board of the Indiana economic development corporation
- 39 shall adopt the metrics developed under subsection (h) as part of the
- 40 criteria to be used in the corporation's review under subsection (c).
- 41 (j) ~~Before July 1, 2018, the corporation shall submit a report to the~~
- 42 ~~legislative council and the interim study committee on fiscal policy~~



1 established by IC 2-5-1.3-4 that describes the metrics adopted by the  
 2 corporation under subsection (h). The report to the legislative council  
 3 must be in an electronic format under IC 5-14-6.

4 SECTION 32. IC 36-7-32-22, AS AMENDED BY P.L.197-2016,  
 5 SECTION 139, IS AMENDED TO READ AS FOLLOWS  
 6 [EFFECTIVE JULY 1, 2020]: Sec. 22. (a) The treasurer of state shall  
 7 establish an incremental tax financing fund for each certified  
 8 technology park designated under this chapter. The fund shall be  
 9 administered by the treasurer of state. Money in the fund does not  
 10 revert to the state general fund at the end of a state fiscal year.

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

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

19 (2) The aggregate amount of the following taxes paid by  
 20 employees employed in the certified technology park with respect  
 21 to wages earned for work in the certified technology park, until  
 22 the amount deposited equals the income tax incremental amount:

23 (A) The adjusted gross income tax.

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

25 (c) Except as provided in ~~subsection~~ **subsections (d) and (e)**, not  
 26 more than a total of five million dollars (\$5,000,000) may be deposited  
 27 in a particular incremental tax financing fund for a certified technology  
 28 park over the life of the certified technology park.

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

33 (1) not more than a total of five million dollars (\$5,000,000) may  
 34 be deposited over the life of the certified technology park in the  
 35 incremental tax financing fund of each redevelopment  
 36 commission participating in the operation of the certified  
 37 technology park; and

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

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

42 (B) the number of redevelopment commissions that have



1 entered into a written agreement for the operation of the  
2 certified technology park.

3 **(e) If the certified technology park maintains its certification**  
4 **under section 11(c) of this chapter and the limit on deposits under**  
5 **subsection (c) or (d) has been reached for a period, an additional**  
6 **annual deposit amount equal to the following, as applicable, shall**  
7 **be deposited in a particular incremental tax financing fund for a**  
8 **certified technology park:**

9 **(1) For a certified technology park to which subsection (c)**  
10 **applies, the lesser of:**

11 **(A) the annual income tax incremental amount described**  
12 **in subsection (b)(2); or**

13 **(B) five hundred thousand dollars (\$500,000).**

14 **(2) For certified technology parks to which subsection (d)**  
15 **applies, the lesser of:**

16 **(A) the aggregate collected under subsection (b) by the**  
17 **redevelopment commissions that have entered into a**  
18 **written agreement for the operation of the certified**  
19 **technology park; or**

20 **(B) five hundred thousand dollars (\$500,000) multiplied by**  
21 **the number of redevelopment commissions that have**  
22 **entered into a written agreement for the operation of the**  
23 **certified technology park.**

24 **(f) On or before the twentieth day of each month, all amounts**  
25 **held in the incremental tax financing fund established for a certified**  
26 **technology park shall be distributed to the redevelopment commission**  
27 **for deposit in the certified technology park fund established under**  
28 **section 23 of this chapter.**

29 SECTION 33. IC 36-7-32-23, AS AMENDED BY P.L.1-2006,  
30 SECTION 571, IS AMENDED TO READ AS FOLLOWS  
31 [EFFECTIVE JULY 1, 2020]: Sec. 23. (a) Each redevelopment  
32 commission that establishes a certified technology park under this  
33 chapter shall establish a certified technology park fund to receive:

34 (1) property tax proceeds allocated under section 17 of this  
35 chapter; and

36 (2) money distributed to the redevelopment commission under  
37 section 22 of this chapter.

38 (b) Money deposited in the certified technology park fund may be  
39 used by the redevelopment commission only for one (1) or more of the  
40 following purposes:

41 (1) Acquisition, improvement, preparation, demolition, disposal,  
42 construction, reconstruction, remediation, rehabilitation,



- 1 restoration, preservation, maintenance, repair, furnishing, and  
 2 equipping of public facilities.
- 3 (2) Operation of public facilities described in section 9(2) of this  
 4 chapter.
- 5 (3) Payment of the principal of and interest on any obligations that  
 6 are payable solely or in part from money deposited in the fund and  
 7 that are incurred by the redevelopment commission for the  
 8 purpose of financing or refinancing the development of public  
 9 facilities in the certified technology park.
- 10 (4) Establishment, augmentation, or restoration of the debt service  
 11 reserve for obligations described in subdivision (3).
- 12 (5) Payment of the principal of and interest on bonds issued by the  
 13 unit to pay for public facilities in or serving the certified  
 14 technology park.
- 15 (6) Payment of premiums on the redemption before maturity of  
 16 bonds described in subdivision (3).
- 17 (7) Payment of amounts due under leases payable from money  
 18 deposited in the fund.
- 19 (8) Reimbursement to the unit for expenditures made by it for  
 20 public facilities in or serving the certified technology park.
- 21 (9) Payment of expenses incurred by the redevelopment  
 22 commission for public facilities that are in the certified  
 23 technology park or serving the certified technology park.
- 24 (10) For any purpose authorized by an agreement between  
 25 redevelopment commissions entered into under section 26 of this  
 26 chapter.
- 27 (c) The certified technology park fund may not be used for operating  
 28 expenses of the redevelopment commission.
- 29 **(d) If a redevelopment commission has designated a third party**  
 30 **manager or operator of the certified technology park, the**  
 31 **redevelopment commission shall transfer the appropriate amount**  
 32 **from the certified technology park fund to the manager or operator**  
 33 **within thirty (30) days of receiving a distribution under section 22**  
 34 **of this chapter.**
- 35 SECTION 34. [EFFECTIVE UPON PASSAGE] **(a) The legislative**  
 36 **council is urged to assign to an appropriate interim study**  
 37 **committee the task of studying the development of regional**  
 38 **airports throughout Indiana.**
- 39 **(b) This SECTION expires December 31, 2019.**
- 40 SECTION 35. [EFFECTIVE JANUARY 1, 2019  
 41 (RETROACTIVE)] **(a) IC 6-3-1-24, IC 6-3-2-2, and IC 6-3-2-2.2, all**  
 42 **as amended by this act, and IC 6-3-1-37 and IC 6-3-1-38, both as**



1     **added by this act, apply to taxable years beginning after December**  
2     **31, 2018.**  
3         **(b) This SECTION expires June 30, 2022.**  
4     **SECTION 36. An emergency is declared for this act.**



## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 563, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 16, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 10. IC 6-3.1-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 6. (a) As used in this chapter, "new employee" means a full-time employee first employed by a taxpayer in the project that is the subject of a tax credit agreement and who is employed after the taxpayer enters into the tax credit agreement. **The term includes a full-time employee that resides outside Indiana.**

(b) The term "new employee" does not include:

- (1) an employee of the taxpayer who performs a job that was previously performed by another employee, if that job existed for at least six (6) months before hiring the new employee;
- (2) an employee of the taxpayer who was previously employed in Indiana by a related member of the taxpayer and whose employment was shifted to the taxpayer after the taxpayer entered into the tax credit agreement; or
- (3) a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who is an employee of the taxpayer and who has a direct or an indirect ownership interest of at least five percent (5%) in the profits, capital, or value of the taxpayer (an ownership interest shall be determined in accordance with Section 1563 of the Internal Revenue Code and regulations prescribed under that Section).

(c) Notwithstanding subsection (b)(1), if a new employee performs a job that was previously performed by an employee who was:

- (1) treated under the agreement as a new employee; and
- (2) promoted by the taxpayer to another job;

the employee may be considered a new employee under the agreement.

(d) Notwithstanding subsection (a), the board may credit awards to an applicant that met the conditions of this chapter at the time of the applicant's location or expansion decision, if:

- (1) the applicant is in receipt of a letter from the department of commerce stating an intent to enter into a credit agreement; and
- (2) the letter described in subdivision (1) is issued by the department of commerce not later than March 15, 1994."

Page 16, line 39, after "subsection (c)." insert "**This subsection**





**expires July 1, 2024."**

Page 17, between lines 16 and 17, begin a new line blocked left and insert:

**"This subsection expires July 1, 2024.**

**(d) The corporation shall collect and compile data on the assignments of tax credits under this chapter and determine the effectiveness of each assignment in getting projects completed. The corporation shall report its findings under this subsection to the legislative council in an electronic format under IC 5-14-6 before November 1, 2022. This subsection expires January 1, 2023."**

Page 17, line 19, delete "or assigned".

Page 17, line 20, after "under this chapter" and insert **"or assigned under section 12(b) of this chapter (before its expiration),"**

Page 17, between lines 23 and 24, begin a new paragraph and insert:

**"SECTION 14. IC 6-3.1-26-3.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 3.1. As used in this chapter, "digital manufacturing equipment" means any production equipment utilized within an integrated computer network system that provides for the onsite manufacturing of a three-dimensional part or product using material that is joined or solidified using multiple layers under computer control pursuant to a computer aided design for rapid or on-demand production."**

Page 18, line 10, delete "and".

Page 18, line 15, after "equipment;" insert **"and"**.

Page 18, between lines 15 and 16, begin a new line block indented and insert:

**"(11) the purchase of new onsite digital manufacturing equipment;"**

Page 18, between lines 21 and 22, begin a new paragraph and insert:

**"SECTION 17. IC 6-3.1-26-9 IS REPEALED [EFFECTIVE JANUARY 1, 2020]. Sec. 9: As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:**

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

**(2) IC 27-1-18-2 (the insurance premiums tax); and**

**(3) IC 6-5.5 (the financial institutions tax);**

**as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter:**

**SECTION 18. IC 6-3.1-26-13, AS AMENDED BY P.L.4-2005, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2020]: Sec. 13. (a) A taxpayer that:**

**(1) is awarded a tax credit under this chapter by the corporation;**



and

(2) complies with the conditions set forth in this chapter and the agreement entered into by the corporation and the taxpayer under this chapter;

is entitled to a credit against the taxpayer's state tax liability in a taxable year **subject to subsection (b).**

**(b) A tax credit awarded under this chapter may be applied only against a taxpayer's state tax liability that is incurred under:**

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

**(2) IC 27-1-18-2 (the insurance premiums tax);**

**(3) IC 6-5.5 (the financial institutions tax); and**

**(4) IC 6-2.5 (the state gross retail and use taxes);**

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

Page 20, line 21, delete "in a calendar year shall be subject to a cap established" and insert **"may not exceed five million dollars (\$5,000,000) in a state fiscal year."**

Page 20, delete line 22.

Page 24, delete lines 29 through 33.

Page 25, line 7, delete "this chapter." and insert **"section 14 of this chapter (before its expiration)."**

Page 27, between lines 6 and 7, begin a new paragraph and insert:

**"(c) The corporation shall collect and compile data on the assignments of tax credits under this chapter and determine the effectiveness of each assignment in getting projects completed. The corporation shall report its findings under this subsection to the legislative council in an electronic format under IC 5-14-6 before November 1, 2022.**

**(d) This section expires July 1, 2024."**

Page 28, delete lines 25 through 32, begin a new line block indented and insert:

**"(1) If the qualified redevelopment site was placed in service at least fifteen (15) years ago but less than thirty (30) years ago:**

**(A) fifteen percent (15%), if the qualified redevelopment site is part of a development plan of a regional development authority established under IC 36-7.5-2-1 or IC 36-7.6-2-3; or**

**(B) ten percent (10%), if the qualified redevelopment site is not part of a development plan of a regional development authority described under clause (A).**



**(2) If the qualified redevelopment site was placed in service at least thirty (30) years ago but less than forty (40) years ago:**

**(A) twenty percent (20%), if the qualified redevelopment site is part of a development plan of a regional development authority established under IC 36-7.5-2-1 or IC 36-7.6-2-3; or**

**(B) ten percent (10%), if the qualified redevelopment site is not part of a development plan of a regional development authority described under clause (A).**

**(3) If the qualified redevelopment site was placed in service at least forty (40) years ago:**

**(A) twenty-five percent (25%), if the qualified redevelopment site is part of a development plan of a regional development authority established under IC 36-7.5-2-1 or IC 36-7.6-2-3; or**

**(B) fifteen percent (15%), if the qualified redevelopment site is not part of a development plan of a regional development authority described under clause (A)."**

Page 29, line 16, delete "five million dollars (\$5,000,000)," and insert "**ten million dollars (\$10,000,000),"**

Page 29, line 19, delete "five million dollars (\$5,000,000)." and insert "**ten million dollars (\$10,000,000)."**

Page 30, line 8, delete "chapter," and insert "**chapter (before its expiration),"**

Page 30, after line 35, begin a new paragraph and insert:

**"SECTION 34. [EFFECTIVE UPON PASSAGE] (a) The legislative council is urged to assign to an appropriate interim study committee the task of studying the development of regional airports throughout Indiana.**

**(b) This SECTION expires December 31, 2019.**

**SECTION 35. An emergency is declared for this act."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 563 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 14, Nays 0.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 563, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Replace the effective dates in SECTIONS 4 through 8 with "[EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]".

Page 4, line 25, delete "shall".

Page 4, line 26, delete "have the meaning as provided in" and insert "**has the meaning set forth in**".

Page 4, line 27, delete "shall also include" and insert "**also includes**".

Page 4, delete lines 28 through 29 and insert:

**"in the following:**

**(1) IC 6-2.5-1-27.5(c)(1) associated with telecommunications services.**

**(2) IC 6-2.5-1-27.5(c)(4) associated with telecommunications services or the provision of services described in subdivision (4).**

**(3) IC 6-2.5-1-27.5(c)(6).**

**(4) IC 6-2.5-1-27.5(c)(7).**

**(5) IC 6-2.5-1-27.5(c)(8) associated with telecommunications services.**

**(6) IC 6-2.5-1-27.5(c)(9)(B) and IC 6-2.5-1-27.5(c)(9)(C), except to the extent the item consists of specified digital products under IC 6-2.5-1-26.5."**

Page 8, line 8, delete "subsections" and insert "**subsection**".

Page 8, line 20, after "this" insert "**state than in any other**".

Page 14, delete lines 13 through 17, begin a new line block indented and insert:

**"(2) Rules adopted under subdivision (1) must be"**.

Page 14, line 22, after "chapter." insert "**A rule is valid unless the rule is not consistent with the Multistate Tax Commission model regulations. If a rule is partially valid and partially invalid, the rule remains in effect to the extent the rule is valid.**".

Page 14, line 23, after "a rule" insert "**adopted under subdivision (1)**".

Page 15, between lines 30 and 31, begin a new paragraph and insert:



"SECTION 9. IC 6-3-5-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 4. (a) If the Indiana economic development corporation established under IC 5-28 and a similar agency or body of a state bordering Indiana enter into an agreement for mutual economic development, the department may enter into a payment agreement with that bordering state or an authorized agency of that bordering state.**

**(b) The payment agreement must provide for the following:**

**(1) That the payment by the department cannot exceed the incremental income tax withholdings collected by the department as a result of the compensation of new employees who are Indiana residents and whose jobs are being incentivized by the border state under an agreement for mutual economic development.**

**(2) An obligation by the bordering state substantially similar to the requirement under subdivision (1).**

**(c) The payment agreement may not be entered into before it is reviewed by the budget agency.**

**(d) The amount needed to make the payment is appropriated from the state general fund."**

Page 16, delete lines 9 through 42, begin a new paragraph and insert:

"SECTION 11. IC 6-3.1-13-5, AS AMENDED BY P.L.171-2011, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 5. (a) As used in this chapter, "incremental income tax withholdings" means:**

**(1) the total amount withheld under IC 6-3-4-8 by the taxpayer during the taxable year from the compensation of new employees; plus**

**(2) in the case of an agreement entered into under IC 6-3-5-4, the additional amount that would have been withheld under IC 6-3-4-8 by the taxpayer during the taxable year from the compensation of new employees if the new Indiana nonresident employees who are residents of the other state covered by an agreement under IC 6-3-5-4 had been Indiana residents.**

**(b) The term does not include for withholding periods beginning after June 30, 2011; any amount withheld from an individual or an additional amount described in subsection (a)(2) for an individual for services provided in Indiana as an employee, if the:**

**(1) individual was, during the period of service, prohibited from**



being hired as an employee under 8 U.S.C. 1324a; and  
 (2) taxpayer was not enrolled and participating in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year.

SECTION 12. IC 6-3.1-19-2, AS AMENDED BY P.L.250-2015, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2020]: Sec. 2. **(a)** As used in this chapter, "qualified investment" means the amount of a taxpayer's expenditures that is:

- (1) for redevelopment or rehabilitation of property located within a community revitalization enhancement district designated under IC 36-7-13;
- (2) made under a plan adopted by an advisory commission on industrial development under IC 36-7-13; and
- (3) approved by the Indiana economic development corporation before the expenditure is made.

Beginning after December 31, 2015, the term does not include a taxpayer's expenditures made on property that is classified as residential for property tax purposes, except for expenditures that were approved by the Indiana economic development corporation before January 1, 2016.

**(b) Notwithstanding subsection (a)(1), expenditures for the redevelopment or rehabilitation of property that are made after the expiration of the community revitalization district designated under IC 36-7-13 may still be considered a qualified investment if:**

- (1) subsection (a)(2) and (a)(3) are satisfied;**
- (2) the Indiana economic development corporation approves the taxpayer's application for a credit before the expiration of the community revitalization enhancement district; and**
- (3) the taxpayer enters into an agreement with the Indiana economic development corporation not later than one (1) year after the expiration of the community revitalization enhancement district."**

Page 17, line 29, after "2019," insert "**and before July 1, 2029,**".

Page 17, line 31, delete "This subsection".

Page 17, delete line 32.

Page 18, delete line 10.

Page 18, line 33, delete "on-demand" and insert "**on demand**".

Page 20, between lines 18 and 19, begin a new paragraph and insert:

**"(c) A shareholder, partner, member, or beneficiary of a pass through entity may not use the credit against a state gross retail tax or use tax liability under subsection (b)(4). The application of a credit against a state gross retail tax or use tax liability under**



**subsection (b)(4) shall be applied solely against the taxes paid by the taxpayer as a purchaser in a retail transaction and may not be applied against the taxes collected and remitted by the taxpayer as a retail merchant. A taxpayer shall apply for and claim a credit in the manner prescribed by the department.**

SECTION 20. IC 6-3.1-26-14, AS AMENDED BY P.L.288-2013, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 14. The total amount of a tax credit claimed for a taxable year under this chapter is a percentage determined by the corporation, not to exceed:

(1) ten percent (10%), of the amount of a qualified investment made by the taxpayer in Indiana during that taxable year, if the qualified investment is not a logistics investment; ~~and~~

(2) twenty-five percent (25%) of the amount of a qualified investment made by the taxpayer in Indiana during that taxable year, if the qualified investment is a logistics investment. For purposes of this subdivision, the amount of a qualified investment that is used to determine the credit is limited to the difference of:

(A) the qualified investments made by the taxpayer during the taxable year; minus

(B) one hundred five percent (105%) of the average annual qualified investments made by the taxpayer during the two (2) taxable years immediately preceding the taxable year for which the credit is being claimed. However, if the total of the qualified investments for the earlier year of the two (2) year average is zero (0) and the taxpayer has not claimed the credit for a year that precedes that year, the taxpayer shall subtract only one hundred five percent (105%) of the amount of the qualified investments made during the taxable year immediately preceding the taxable year for which the credit is being claimed; **and**

**(3) for taxable years beginning after December 31, 2018, and before January 1, 2030, twenty-five percent (25%) of the amount of a qualified investment made by a taxpayer in Indiana during that taxable year, if the qualified investment made is described under section 8(a)(11) of this chapter.**

The taxpayer may carry forward any unused credit as provided in section 15 of this chapter."

Page 25, line 29, delete "at least one hundred thousand (100,000) square".

Page 25, line 30, delete "feet of".

Page 25, delete line 32 and insert:



**"chapter of at least:**

- (i) one hundred thousand (100,000) square feet in a county with a population of at least one hundred thousand (100,000);**
- (ii) fifty thousand (50,000) square feet in a county with a population of at least fifty thousand (50,000) but less than one hundred thousand (100,000); or**
- (iii) twenty-five thousand (25,000) square feet in a county with a population of less than fifty thousand (50,000); and".**

Page 25, line 37, delete "at least one hundred thousand (100,000) square".

Page 25, line 38, delete "feet of".

Page 25, delete line 40 and insert:

**"under this chapter of at least:**

- (i) one hundred thousand (100,000) square feet in a county with a population of at least one hundred thousand (100,000);**
- (ii) fifty thousand (50,000) square feet in a county with a population of at least fifty thousand (50,000) but less than one hundred thousand (100,000); or**
- (iii) twenty-five thousand (25,000) square feet in a county with a population of less than fifty thousand (50,000);".**

Page 26, line 5, delete "at least one hundred thousand (100,000) square".

Page 26, line 6, delete "feet of".

Page 26, delete line 8 and insert:

**"under this chapter of at least:**

- (i) one hundred thousand (100,000) square feet in a county with a population of at least one hundred thousand (100,000);**
- (ii) fifty thousand (50,000) square feet in a county with a population of at least fifty thousand (50,000) but less than one hundred thousand (100,000); or**
- (iii) twenty-five thousand (25,000) square feet in a county with a population of less than fifty thousand (50,000);".**

Page 27, line 3, after "chapter." insert **"The corporation may establish an application period for applying for awards. If an application period is established, the corporation shall establish policies and procedures necessary to administer the application period."**

Page 27, line 14, delete "17(b)" and insert **"17(b) and 17(c)"**.





Page 28, line 26, delete "A" and insert **"If a taxpayer is awarded a credit under this chapter before July 1, 2029, the"**.

Page 29, delete line 5.

Page 30, line 17, delete "subsection (b)." and insert **"subsections (b) and (c)."**

Page 30, line 21, after "However," insert **"and except as provided in subsection (c)."**

Page 31, between lines 7 and 8, begin a new paragraph and insert: **"(c) The corporation may increase the credit amount by not more than an additional five percent (5%) if:**

**(1) the qualified redevelopment site is located in a federally designated qualified opportunity zone (Section 1400Z-1 and 1400Z-2 of the Internal Revenue Code); or**

**(2) the project qualifies for federal new markets tax credits under Section 45D of the Internal Revenue Code."**

Page 31, line 8, delete "(c)" and insert **"(d)"**.

Page 32, line 37, before "proposed" delete "a".

Page 33, between lines 10 and 11, begin a new paragraph and insert:

**"Sec. 22. (a) Except as provided in subsection (b), the total amount of credits that the corporation may award under this chapter for a state fiscal year for all taxpayers for all qualified investments is fifty million dollars (\$50,000,000). The portion of the credits that is subject to a repayment provision under section 18(b) or 18(c) of this chapter is not included in the calculation of the annual limit.**

**(b) If the corporation determines that a credit should be awarded under this chapter for a taxpayer's qualified investment but the award:**

**(1) will result in the corporation's cumulative credit awards under this chapter for a state fiscal year for all taxpayers for all qualified investments to exceed the limit established by subsection (a); or**

**(2) should not be considered when calculating the corporation's cumulative credit awards under this chapter for a state fiscal year for all taxpayers for all qualified investments;**

**the corporation may, after review by the budget committee, enter into an agreement with the taxpayer under section 17 of this chapter.**

SECTION 28. IC 36-7-32-11, AS AMENDED BY P.L.259-2017, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2020]: Sec. 11. (a) After receipt of an application under



section 10 of this chapter, and subject to subsection (b), the Indiana economic development corporation may designate a certified technology park if the corporation determines that the application demonstrates a firm commitment from at least one (1) business engaged in a high technology activity creating a significant number of jobs and satisfies one (1) or more of the following additional criteria:

(1) A demonstration of significant support from an institution of higher education, a private research based institute, or a military research and development or testing facility on an active United States government military base or other military installation located within, or in the vicinity of, the proposed certified technology park, as evidenced by the following criteria:

(A) Grants of preferences for access to and commercialization of intellectual property.

(B) Access to laboratory and other facilities owned by or under the control of the postsecondary educational institution or private research based institute.

(C) Donations of services.

(D) Access to telecommunications facilities and other infrastructure.

(E) Financial commitments.

(F) Access to faculty, staff, and students.

(G) Opportunities for adjunct faculty and other types of staff arrangements or affiliations.

(H) Other criteria considered appropriate by the Indiana economic development corporation.

(2) A demonstration of a significant commitment by the postsecondary educational institution, private research based institute, or military research and development or testing facility on an active United States government military base or other military installation to the commercialization of research produced at the certified technology park, as evidenced by the intellectual property and, if applicable, tenure policies that reward faculty and staff for commercialization and collaboration with private businesses.

(3) A demonstration that the proposed certified technology park will be developed to take advantage of the unique characteristics and specialties offered by the public and private resources available in the area in which the proposed certified technology park will be located.

(4) The existence of or proposed development of a business incubator within the proposed certified technology park that



exhibits the following types of resources and organization:

- (A) Significant financial and other types of support from the public or private resources in the area in which the proposed certified technology park will be located.
  - (B) A business plan exhibiting the economic utilization and availability of resources and a likelihood of successful development of technologies and research into viable business enterprises.
  - (C) A commitment to the employment of a qualified full-time manager to supervise the development and operation of the business incubator.
- (5) The existence of a business plan for the proposed certified technology park that identifies its objectives in a clearly focused and measurable fashion and that addresses the following matters:
- (A) A commitment to new business formation.
  - (B) The clustering of businesses, technology, and research.
  - (C) The opportunity for and costs of development of properties under common ownership or control.
  - (D) The availability of and method proposed for development of infrastructure and other improvements, including telecommunications technology, necessary for the development of the proposed certified technology park.
  - (E) Assumptions of costs and revenues related to the development of the proposed certified technology park.
- (6) A demonstrable and satisfactory assurance that the proposed certified technology park can be developed to principally contain property that is primarily used for, or will be primarily used for, a high technology activity or a business incubator.
- (b) The Indiana economic development corporation may not approve an application that would result in a substantial reduction or cessation of operations in another location in Indiana in order to relocate them within the certified technology park. The Indiana economic development corporation may designate not more than two (2) new certified technology parks during any state fiscal year. The designation of a new certified technology park is subject to review and approval under section 11.5 of this chapter.
- (c) A certified technology park designated under this section is subject to the review of the Indiana economic development corporation and must be recertified:
- (1) every four (4) years, for a recertification occurring before January 1, 2018, **or after December 31, 2019;** and
  - (2) every three (3) years, for a recertification occurring after



December 31, 2017, and before January 1, 2020.

(d) The corporation shall develop procedures and the criteria to be used in the review required under subsection (c). ~~Beginning after December 31, 2017,~~ The procedures and criteria must include the metrics developed under subsection (h) for measuring the performance of a certified technology park.

(e) A certified technology park shall furnish to the corporation the following information to be used in the course of the review:

- (1) Total employment and payroll levels for all businesses operating within the certified technology park.
- (2) The nature and extent of any technology transfer activity occurring within the certified technology park.
- (3) The nature and extent of any nontechnology businesses operating within the certified technology park.
- (4) The use and outcomes of any state money made available to the certified technology park.
- (5) An analysis of the certified technology park's overall contribution to the technology based economy in Indiana.

(f) ~~Beginning after December 31, 2017,~~ A certified technology park must meet or exceed the minimum threshold requirements developed under subsection (h)(2) before the certified technology park may be recertified under this section. If a certified technology park is not recertified, the Indiana economic development corporation shall send a certified copy of a notice of the determination to the county auditor, the department of local government finance, and the department of state revenue.

(g) To the extent allowed under IC 5-14-3, the corporation shall maintain the confidentiality of any information that is:

- (1) submitted as part of the review process under subsection (c); and
- (2) marked as confidential;

by the certified technology park.

(h) ~~Before January 1, 2018,~~ The corporation, in conjunction with the office of management and budget, shall develop metrics for measuring the performance of a certified technology park during the review period for recertification under subsection (c). The corporation shall consult with local units of government in developing the metrics under this subsection. The metrics shall include at least the following elements:

- (1) Specific criteria to be used to analyze and evaluate each category of information furnished to the corporation under subsection (e)(1) through (e)(5).
- (2) Minimum threshold requirements for the performance of a



certified technology park regarding each category of information furnished to the corporation under subsection (e)(1) through (e)(5) based on the criteria for the analysis and evaluation of the information under subdivision (1).

(i) The board of the Indiana economic development corporation shall adopt the metrics developed under subsection (h) as part of the criteria to be used in the corporation's review under subsection (c).

~~(j) Before July 1, 2018, the corporation shall submit a report to the legislative council and the interim study committee on fiscal policy established by IC 2-5-1.3-4 that describes the metrics adopted by the corporation under subsection (h). The report to the legislative council must be in an electronic format under IC 5-14-6.~~

SECTION 29. IC 36-7-32-22, AS AMENDED BY P.L.197-2016, SECTION 139, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 22. (a) The treasurer of state shall establish an incremental tax financing fund for each certified technology park designated under this chapter. The fund shall be administered by the treasurer of state. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

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

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

(2) The aggregate amount of the following taxes paid by employees employed in the certified technology park with respect to wages earned for work in the certified technology park, until the amount deposited equals the income tax incremental amount:

(A) The adjusted gross income tax.

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

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

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

(1) not more than a total of five million dollars (\$5,000,000) may



be deposited over the life of the certified technology park in the incremental tax financing fund of each redevelopment commission participating in the operation of the certified technology park; and

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

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

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

**(e) If the certified technology park maintains its certification under section 11(c) of this chapter and the limit on deposits under subsection (c) or (d) has been reached for a period, an additional annual deposit amount equal to the following, as applicable, shall be deposited in a particular incremental tax financing fund for a certified technology park:**

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

**(A) the annual income tax incremental amount described in subsection (b)(2); or**

**(B) five hundred thousand dollars (\$500,000).**

**(2) For certified technology parks to which subsection (d) applies, the lesser of:**

**(A) the aggregate collected under subsection (b) by the redevelopment commissions that have entered into a written agreement for the operation of the certified technology park; or**

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

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

SECTION 30. IC 36-7-32-23, AS AMENDED BY P.L.1-2006, SECTION 571, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 23. (a) Each redevelopment commission that establishes a certified technology park under this chapter shall establish a certified technology park fund to receive:



- (1) property tax proceeds allocated under section 17 of this chapter; and
- (2) money distributed to the redevelopment commission under section 22 of this chapter.

(b) Money deposited in the certified technology park fund may be used by the redevelopment commission only for one (1) or more of the following purposes:

- (1) Acquisition, improvement, preparation, demolition, disposal, construction, reconstruction, remediation, rehabilitation, restoration, preservation, maintenance, repair, furnishing, and equipping of public facilities.
- (2) Operation of public facilities described in section 9(2) of this chapter.
- (3) Payment of the principal of and interest on any obligations that are payable solely or in part from money deposited in the fund and that are incurred by the redevelopment commission for the purpose of financing or refinancing the development of public facilities in the certified technology park.
- (4) Establishment, augmentation, or restoration of the debt service reserve for obligations described in subdivision (3).
- (5) Payment of the principal of and interest on bonds issued by the unit to pay for public facilities in or serving the certified technology park.
- (6) Payment of premiums on the redemption before maturity of bonds described in subdivision (3).
- (7) Payment of amounts due under leases payable from money deposited in the fund.
- (8) Reimbursement to the unit for expenditures made by it for public facilities in or serving the certified technology park.
- (9) Payment of expenses incurred by the redevelopment commission for public facilities that are in the certified technology park or serving the certified technology park.
- (10) For any purpose authorized by an agreement between redevelopment commissions entered into under section 26 of this chapter.

(c) The certified technology park fund may not be used for operating expenses of the redevelopment commission.

**(d) If a redevelopment commission has designated a third party manager or operator of the certified technology park, the redevelopment commission shall transfer the appropriate amount from the certified technology park fund to the manager or operator within thirty (30) days of receiving a distribution under section 22**



**of this chapter."**

Page 33, between lines 15 and 16, begin a new paragraph and insert:  
"SECTION 31. [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)] **(a) IC 6-3-1-24, IC 6-3-2-2, and IC 6-3-2-2.2, all as amended by this act, and IC 6-3-1-37 and IC 6-3-1-38, both as added by this act, apply to taxable years beginning after December 31, 2018.**

**(b) This SECTION expires June 30, 2022."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 563 as printed February 20, 2019.)

HUSTON

Committee Vote: yeas 23, nays 0.

