

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 6310

BILL NUMBER: HB 1225

NOTE PREPARED: Nov 29, 2025

BILL AMENDED:

SUBJECT: Certified Technology Parks.

FIRST AUTHOR: Rep. Lindauer

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that if a Level 2 certified technology park (CTP):

- (1) has reached the limit of deposits for a Level 2 park;
- (2) maintains its certification; and
- (3) is located within a qualified military base enhancement area;

the park shall become a Level 3 park upon reaching its Level 2 deposit limit.

The bill provides that a Level 3 park may receive an additional annual incremental income tax deposit of up to \$250,000.

Effective Date: July 1, 2026.

Explanation of State Expenditures: The Department of State Revenue (DOR) will be required to compute additional incremental tax distributions. The DOR should be able to do this within current resource levels.

The Office of Entrepreneurship and Innovation will determine if a CTP qualifies for the Level 3 designation and conduct re-certification every three years. The office should be able to do this within current resource levels.

Explanation of State Revenues: The bill provides that if a Level 2 CTP meets certain criteria, it will become a Level 3 CTP. Level 3 CTPs may receive an additional annual deposit of up to \$250,000. This deposit would include incremental state and local income tax captures. The bill may decrease state General Fund revenue by an estimated maximum of \$590,000 each year beginning in FY 2027.

Additional Information - The purpose of the CTP program is to encourage high technology businesses to locate and create jobs in Indiana. CTPs may capture incremental revenue from sales tax, state income tax, and local income tax (LIT). Each CTP has a lifetime capture limit of \$5 M. Level 2 CTPs can capture up to \$250,000 after reaching the \$5 M cap.

This bill establishes Level 3 CTPs. The additional annual deposit for Level 3 CTPs is \$250,000 multiplied

by the number of redevelopment commissions that operate the CTP. LSA identified one CTP that could meet the Level 3 criteria. This CTP spans three counties. The total state and local additional revenue captured by the CTP would be up to \$750,000 each year.

Explanation of Local Expenditures:

Explanation of Local Revenues: Establishing Level 3 CTPs will increase the amount of LIT revenue distributed to the CTPs. The estimated increase in LIT captured by qualified CTPs is up to \$160,000 each year beginning in FY 2027.

State Agencies Affected: Department of State Revenue; Office of Entrepreneurship and Innovation.

Local Agencies Affected: Certified technology parks.

Information Sources: Department of State Revenue; Office of Fiscal and Management Analysis, 2021 Tax Incentive Evaluation;

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