

Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1406

AN ACT to amend the Indiana Code concerning taxation.

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

SECTION 1. IC 5-28-5-2, AS AMENDED BY P.L.145-2025, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) Subject to subsection (b), the corporation is granted all powers necessary or appropriate to carry out the corporation's public and corporate purposes under this chapter.

(b) Before the corporation may purchase land in a county that in total exceeds one hundred (100) acres whether acquired in one (1) transaction or a series of transactions, the corporation must first give notice, in writing, to the board of county commissioners of the county in which the land is located not later than thirty (30) days before the closing date for the purchase or purchases. If the land is located within a city, the corporation must also give notice in writing to the mayor of the city in which the land is located not later than thirty (30) days before the closing date.

(c) At the same time the corporation provides the notice described in subsection (b) to the county or municipality, or both, in which the land is located, the corporation shall also provide a copy of the notice described in subsection (b) to the budget committee.

(d) Not later than thirty (30) days after the closing date for any purchase or sale of land, regardless of the amount of acreage, the corporation shall submit to the budget committee a report concerning the purchase or sale that must at least include:

HEA 1406 — CC 1



- (1) the location and address of the land;**
- (2) a general description of the land, including any improvements located on the land;**
- (3) the total price of the purchase or sale, including the price of the land and of any improvements located on the land; and**
- (4) the price paid or received per acre, as applicable.**

SECTION 2. IC 5-28-6-9, AS AMENDED BY P.L.213-2025, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Subject to subsection (c), the aggregate amount of applicable tax credits that the corporation may certify:

- (1) for each state fiscal year ending on or before June 30, 2025, for all taxpayers is two hundred fifty million dollars (\$250,000,000); and
- (2) for each state fiscal year ending on or after July 1, 2025, for all taxpayers is three hundred million dollars (\$300,000,000), **fifty million dollars (\$50,000,000) of which must be allocated to fund qualified community projects within local government units under IC 6-3.1-34-24 and to fund development authorities under IC 6-3.1-34-0.5.** Each certification under this subdivision tax credit award is subject to budget committee review:

- (A) beginning after February 1, 2026, and before May 1, 2026, after the first calendar quarter in which the award is made; and**
- (B) after April 30, 2026, at the next budget committee meeting immediately following the date of the tax credit award.**

(b) For purposes of determining the amount of applicable tax credits that have been certified for a state fiscal year, the following apply:

- (1) An applicable tax credit is considered awarded in the state fiscal year in which the taxpayer can first claim the credit, determined without regard to any carryforward period or carryback period.
- (2) An applicable tax credit awarded by the corporation before July 1, 2022, shall be counted toward the aggregate credit limitation under this section.
- (3) If an accelerated credit is awarded under IC 6-3.1-26-15, the amount counted toward the aggregate credit limitation under this section for a state fiscal year shall be the amount of the credit for the taxable year described in subdivision (1) prior to any discount.

(c) Notwithstanding subsection (a), if the corporation determines that:



(1) an applicable tax credit should be certified in a state fiscal year; and

(2) certification of the applicable tax credit will result in an aggregate amount of applicable tax credits certified for that state fiscal year that exceeds the maximum amount provided in subsection (a);

the corporation may, after review by the budget committee, certify the applicable tax credit to the taxpayer.

(d) This section expires December 31, 2032.

SECTION 3. IC 5-28-6-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 9.5. (a) As used in this section, "foreign adversary" means a country described in 15 CFR 791.2 as in effect on July 1, 2026.**

(b) The corporation may not award an applicable tax credit to a taxpayer if the corporation determines that the taxpayer is:

(1) organized under the laws of a country that is a foreign adversary;

(2) headquartered in a country that is a foreign adversary; or

(3) majority owned by an organization that is an agency or instrumentality of a foreign adversary, or is a business that is an organization that is organized or headquartered under a foreign adversary.

(c) The corporation shall require an applicant to, under penalties of perjury, affirm that the applicant is not prohibited from an award under subsection (b).

(d) If the corporation determines that an award under this section is materially false, the corporation shall:

(1) revoke the awarding of the applicable tax credit; and

(2) require repayment of any benefit received.

SECTION 4. IC 6-1.1-8-45, AS AMENDED BY P.L.230-2025, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 45. (a) This subsection applies only to a taxpayer's assessable depreciable personal property that is placed in service on or before January 1, 2025. Except as provided in subsections (b) and (c), for each assessment date, the total valuation of a taxpayer's assessable depreciable personal property in a single taxing district may not be less than thirty percent (30%) of the adjusted cost of all the taxpayer's assessable depreciable property in the taxing district.**

(b) The limitation set forth in subsection (a) is to be applied before any special adjustment for abnormal obsolescence. The limitation does



not apply to equipment not placed in service, special tooling, and permanently retired depreciable personal property.

(c) Depreciable personal property that is placed in service after January 1, 2025, is not subject to the minimum valuation limitation under this section. However, if depreciable personal property:

(1) is placed in service after January 1, 2025, and is located in an existing tax increment allocation area for which the base assessed value is determined before January 1, 2025; or

(2) is owned by a light, heat, or power company, or a utility company owned, operated, or held in trust by a consolidated city;

the depreciable personal property remains subject to the minimum valuation limitations under this section.

SECTION 5. IC 6-1.1-10-16, AS AMENDED BY P.L.230-2025, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2027]: Sec. 16. (a) All or part of a building is exempt from property taxation if it is owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes.

(b) A building is exempt from property taxation if it is owned, occupied, and used by a town, city, township, or county for educational, literary, scientific, fraternal, or charitable purposes.

(c) A tract of land, including the campus and athletic grounds of an educational institution, is exempt from property taxation if:

(1) a building that is exempt under subsection (a) or (b) is situated on it;

(2) a parking lot or structure that serves a building referred to in subdivision (1) is situated on it; or

(3) the tract:

(A) is owned by a nonprofit entity established for the purpose of retaining and preserving land and water for their natural characteristics;

(B) does not exceed five hundred (500) acres; and

(C) is not used by the nonprofit entity to make a profit.

(d) A tract of land is exempt from property taxation if:

(1) it is purchased for the purpose of erecting a building that is to be owned, occupied, and used in such a manner that the building will be exempt under subsection (a) or (b); and

(2) not more than four (4) years after the property is purchased, and for each year after the four (4) year period, the owner demonstrates substantial progress and active pursuit towards the erection of the intended building and use of the tract for the exempt purpose. To establish substantial progress and active



pursuit under this subdivision, the owner must prove the existence of factors such as the following:

- (A) Organization of and activity by a building committee or other oversight group.
- (B) Completion and filing of building plans with the appropriate local government authority.
- (C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within four (4) years.
- (D) The breaking of ground and the beginning of actual construction.
- (E) Any other factor that would lead a reasonable individual to believe that construction of the building is an active plan and that the building is capable of being completed within eight (8) years considering the circumstances of the owner.

If the owner of the property sells, leases, or otherwise transfers a tract of land that is exempt under this subsection, the owner is liable for the property taxes that were not imposed upon the tract of land during the period beginning January 1 of the fourth year following the purchase of the property and ending on December 31 of the year of the sale, lease, or transfer. The county auditor of the county in which the tract of land is located may establish an installment plan for the repayment of taxes due under this subsection. The plan established by the county auditor may allow the repayment of the taxes over a period of years equal to the number of years for which property taxes must be repaid under this subsection.

(e) Personal property is exempt from property taxation if it is owned and used in such a manner that it would be exempt under subsection (a) or (b) if it were a building.

(f) A hospital's property that is exempt from property taxation under subsection (a), (b), or (e) shall remain exempt from property taxation even if the property is used in part to furnish goods or services to another hospital whose property qualifies for exemption under this section.

(g) Property owned by a shared hospital services organization that is exempt from federal income taxation under Section 501(c)(3) or 501(e) of the Internal Revenue Code is exempt from property taxation if it is owned, occupied, and used exclusively to furnish goods or services to a hospital whose property is exempt from property taxation under subsection (a), (b), or (e).

(h) This section does not exempt from property tax an office or a practice of a physician or group of physicians that is owned by a



hospital licensed under IC 16-21-2 or other property that is not substantially related to or supportive of the inpatient facility of the hospital unless the office, practice, or other property:

- (1) provides or supports the provision of charity care (as defined in IC 16-18-2-52.5), including providing funds or other financial support for health care services for individuals who are indigent (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or
- (2) provides or supports the provision of community benefits (as defined in IC 16-21-9-1), including research, education, or government sponsored indigent health care (as defined in IC 16-21-9-2).

However, participation in the Medicaid or Medicare program alone does not entitle an office, practice, or other property described in this subsection to an exemption under this section.

(i) A tract of land or a tract of land plus all or part of a structure on the land is exempt from property taxation if:

- (1) the tract is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold:
 - (A) in a charitable manner;
 - (B) by a nonprofit organization; and
 - (C) to low income individuals who will:
 - (i) use the land as a family residence; and
 - (ii) not have an exemption for the land under this section;
- (2) the tract does not exceed three (3) acres; and
- (3) the tract of land or the tract of land plus all or part of a structure on the land is not used for profit while exempt under this section.

(j) An exemption under subsection (i) terminates when the property is conveyed by the nonprofit organization to another owner.

(k) When property that is exempt in any year under subsection (i) is conveyed to another owner, the nonprofit organization receiving the exemption must file a certified statement with the auditor of the county, notifying the auditor of the change not later than sixty (60) days after the date of the conveyance. The county auditor shall immediately forward a copy of the certified statement to the county assessor. A nonprofit organization that fails to file the statement required by this subsection is liable for the amount of property taxes due on the property conveyed if it were not for the exemption allowed under this chapter.

(l) If property is granted an exemption in any year under subsection (i) and the owner:



(1) fails to transfer the tangible property within eight (8) years after the assessment date for which the exemption is initially granted; or

(2) transfers the tangible property to a person who:

(A) is not a low income individual; or

(B) does not use the transferred property as a residence for at least one (1) year after the property is transferred;

the person receiving the exemption shall notify the county recorder and the county auditor of the county in which the property is located not later than sixty (60) days after the event described in subdivision (1) or (2) occurs. The county auditor shall immediately inform the county assessor of a notification received under this subsection.

(m) If subsection (1)(1) or (1)(2) applies, the owner shall pay, not later than the date that the next installment of property taxes is due, an amount equal to the sum of the following:

(1) The total property taxes that, if it were not for the exemption under subsection (i), would have been levied on the property in each year in which an exemption was allowed.

(2) Interest on the property taxes at the rate of ten percent (10%) per year.

(n) The liability imposed by subsection (m) is a lien upon the property receiving the exemption under subsection (i). An amount collected under subsection (m) shall be collected as an excess levy. If the amount is not paid, it shall be collected in the same manner that delinquent taxes on real property are collected.

(o) Property referred to in this section shall be assessed to the extent required under IC 6-1.1-11-9.

(p) This subsection applies to assessment dates occurring before January 1, 2026. A for-profit provider of early childhood education services to children who are at least four (4) but less than six (6) years of age on the annual assessment date may receive the exemption provided by this section for property used for educational purposes only if all the requirements of section 46 of this chapter are satisfied. A for-profit provider of early childhood education services that provides the services only to children younger than four (4) years of age may not receive the exemption provided by this section for property used for educational purposes.

(q) This subsection applies to assessment dates occurring after December 31, 2025. Property used by a for-profit provider of early childhood education services to children who are less than six (6) years of age on the annual assessment date may receive the exemption provided by this section for property used for educational purposes



only if all the requirements of section 46 of this chapter are satisfied.

(r) This subsection applies only to an Indiana nonprofit hospital system (as defined in IC 16-21-18-2). A tract of land of a nonprofit hospital system is exempt from real property taxation if:

- (1) it is purchased for the purpose of erecting a building that is to be owned, occupied, and used in such a manner that the building will be exempt under subsection (a) or (b); and**
- (2) not more than four (4) years after the property is purchased, the Indiana nonprofit hospital system proves it has been issued a certificate of occupancy (or has submitted a certificate of completion and compliance if applicable).**

If the Indiana nonprofit hospital system sells, leases, or otherwise transfers a tract of land that is exempt under this subsection, the Indiana nonprofit hospital system is liable for the property taxes that were not imposed upon the tract of land during the period beginning January 1 of the fourth year following the purchase of the property and ending on December 31 of the year of the sale, lease, or transfer. The county auditor of the county in which the tract of land is located may establish an installment plan for the repayment of taxes due under this subsection. The plan established by the county auditor may allow the repayment of the taxes over a period of years equal to the number of years for which property taxes must be repaid under this subsection.

(†) (s) This subsection applies only to property taxes that are first due and payable in calendar years 2025 and 2026. All or part of a building is deemed to serve a charitable purpose and is exempt from property taxation if it is owned by a nonprofit entity that is:

- (1) registered as a continuing care retirement community under IC 23-2-4 and charges an entry fee of not more than five hundred thousand dollars (\$500,000) per unit;**
- (2) defined as a small house health facility under IC 16-18-2-331.9;**
- (3) licensed as a health care or residential care facility under IC 16-28; or**
- (4) licensed under IC 31-27 and designated as a qualified residential treatment provider that provides services under a contract with the department of child services.**

This subsection expires January 1, 2027.

SECTION 6. IC 6-1.1-17-20.3, AS AMENDED BY P.L.230-2025, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 20.3. (a) Except as provided in section 20.4 of this chapter, this section applies only to the governing body of a public



library that:

- (1) is not comprised of a majority of officials who are elected to serve on the governing body; and
- (2) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is **equal to or more** than the result of:
 - (A) the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year, rounded to the nearest thousandth (0.001), minus **one (1); multiplied by**
 - (B) ~~one (1);~~ **five-tenths (0.5).**

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) This section does not apply to an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

- (1) the assessed valuation of a public library's territory is entirely contained within a city or town; or
- (2) the assessed valuation of a public library's territory is not entirely contained within a city or town but more than fifty percent (50%) of the assessed valuation of the public library's territory is contained within the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year. However, the governing body shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d), rather than to the city or town fiscal body, if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town.

(d) If subsection (c) does not apply or the public library's territory covers more than one (1) county, the governing body of the public library shall submit its proposed budget and property tax levy to the county fiscal body in the county where the public library has the most assessed valuation. The proposed budget and levy shall be submitted to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final



budget and tax levy for the public library. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a public library fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, when calculating the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for the public library for the ensuing budget year, instead of multiplying the maximum levy growth quotient determined under IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by the public library's maximum permissible ad valorem property tax levy for the preceding calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of IC 6-1.1-18.5-3(a), the public library's maximum permissible ad valorem property tax levy for the preceding calendar year must instead be multiplied by the result of the following:

STEP ONE: Determine:

(A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus

(B) one (1).

STEP TWO: Multiply:

(A) the STEP ONE result; by

(B) ~~eight-tenths (0.8)~~: **forty-nine hundredths (0.49)**.

STEP THREE: Add one (1) to the STEP TWO result.

However, if the public library files the information as required in subsection (c) or (d), whichever applies, for the budget year immediately following the budget year for which the formula under this subsection is applied, when calculating the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for the public library for the subsequent budget year, the public library's maximum permissible ad valorem property tax levy must be calculated as if the formula under this subsection had not been applied for the affected budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any public library subject to this section, when calculating the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for the city, town, or county for the ensuing budget year, instead of multiplying the maximum levy growth quotient determined under IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by the city's, town's, or county's maximum permissible ad valorem property tax levy for the preceding calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible



ad valorem property tax levy for the preceding calendar year must instead be multiplied by the result of the following:

STEP ONE: Determine:

- (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
- (B) one (1).

STEP TWO: Multiply:

- (A) the STEP ONE result; by
- (B) eight-tenths (0.8).

STEP THREE: Add one (1) to the STEP TWO result.

However, if the city, town, or county files the information as required in subsection (e) for the budget year immediately following the budget year for which the formula under this subsection is applied, when calculating the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent budget year, the unit's maximum permissible ad valorem property tax levy must be calculated as if the formula under this subsection had not been applied for the affected budget year.

SECTION 7. IC 6-1.1-22-8.1, AS AMENDED BY P.L.230-2025, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8.1. (a) The county treasurer shall:

- (1) except as provided in subsection (h), mail to the last known address of each person liable, as described in subsection (o), for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book; and
- (2) transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records;

a statement in the form required under subsection (b).

(b) The department of local government finance shall prescribe a form, subject to the approval of the state board of accounts, for the statement under subsection (a) that includes at least the following:

- (1) A statement of the taxpayer's current and delinquent taxes and special assessments.
- (2) A breakdown showing the total property tax and special assessment liability and the amount of the taxpayer's liability that will be distributed to each taxing unit in the county.
- (3) An itemized listing for each property tax levy, including:
 - (A) the amount of the tax rate;
 - (B) the entity levying the tax owed; and



- (C) the dollar amount of the tax owed.
- (4) Information designed to show the manner in which the taxes and special assessments billed in the tax statement are to be used.
- (5) Information regarding how a taxpayer can obtain information regarding the taxpayer's notice of assessment or reassessment under IC 6-1.1-4-22.
- (6) A comparison showing any change in the assessed valuation for the property as compared to the previous year.
- (7) A comparison showing any change in the property tax and special assessment liability for the property as compared to the previous year. The information required under this subdivision must identify:
 - (A) the amount of the taxpayer's liability distributable to each taxing unit in which the property is located in the current year and in the previous year; and
 - (B) the percentage change, if any, in the amount of the taxpayer's liability distributable to each taxing unit in which the property is located from the previous year to the current year.
- (8) An explanation of the following:
 - (A) Homestead credits under IC 6-1.1-20.4, IC 6-3.6-5 (before its expiration), or another law that are available in the taxing district where the property is located.
 - (B) All property tax deductions that are available in the taxing district where the property is located.
 - (C) The procedure and deadline for filing for any available homestead credits under IC 6-1.1-20.4, IC 6-3.6-5 (before its expiration), or another law and each deduction.
 - (D) The procedure that a taxpayer must follow to:
 - (i) appeal a current assessment; or
 - (ii) petition for the correction of an error related to the taxpayer's property tax and special assessment liability.
 - (E) The forms that must be filed for an appeal or a petition described in clause (D).
 - (F) The procedure and deadline that a taxpayer must follow and the forms that must be used if a credit or deduction has been granted for the property and the taxpayer is no longer eligible for the credit or deduction.
 - (G) Notice that an appeal described in clause (D) requires evidence relevant to the true tax value of the taxpayer's property as of the assessment date that is the basis for the taxes payable on that property.



The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

(9) A checklist that shows:

(A) homestead credits under IC 6-1.1-20.4, IC 6-3.6-5 (before its expiration), or another law and all property tax deductions; and

(B) whether each homestead credit and property tax deduction applies in the current statement for the property transmitted under subsection (a).

(10) A remittance coupon indicating the payment amounts due at each payment due date and other information determined by the department of local government finance.

(c) The county treasurer shall mail or transmit the statement one (1) time each year on or before April 15. Whenever a person's tax liability for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must include the date on which the installment is due and denote the amount of money to be paid for the installment. Whenever a person's tax liability is due in two (2) installments, a statement that is mailed must contain the dates on which the first and second installments are due and denote the amount of money to be paid for each installment. If a statement is returned to the county treasurer as undeliverable and the forwarding order is expired, the county treasurer shall notify the county auditor of this fact. Upon receipt of the county treasurer's notice, the county auditor may, at the county auditor's discretion, treat the property as not being eligible for any deductions under IC 6-1.1-12 or any homestead credits under IC 6-1.1-20.4 and IC 6-3.6-5 (before its expiration).

(d) All payments of property taxes and special assessments shall be made to the county treasurer. The county treasurer, when authorized by the board of county commissioners, may open temporary offices for the collection of taxes in cities and towns in the county other than the county seat.

(e) The county treasurer, county auditor, and county assessor shall cooperate to generate the information to be included in the statement under subsection (b).

(f) The information to be included in the statement under subsection (b) must be simply and clearly presented and understandable to the average individual.

(g) After December 31, 2007, a reference in a law or rule to IC 6-1.1-22-8 (expired January 1, 2008, and repealed) shall be treated as a reference to this section.

(h) Transmission of statements and other information under this



subsection applies in a county only if the county legislative body adopts an authorizing ordinance. Subject to subsection (i), in a county in which an ordinance is adopted under this subsection for property taxes and special assessments, a person may, in any manner permitted by subsection (n), direct the county treasurer and county auditor to transmit the following to the person by electronic mail:

- (1) A statement that would otherwise be sent by the county treasurer to the person by regular mail under subsection (a)(1), including a statement that reflects installment payment due dates under section 9.5 or 9.7 of this chapter.
- (2) A provisional tax statement that would otherwise be sent by the county treasurer to the person by regular mail under IC 6-1.1-22.5-6.
- (3) A reconciling tax statement that would otherwise be sent by the county treasurer to the person by regular mail under any of the following:
 - (A) Section 9 of this chapter.
 - (B) Section 9.7 of this chapter.
 - (C) IC 6-1.1-22.5-12, including a statement that reflects installment payment due dates under IC 6-1.1-22.5-18.5.
- (4) Any other information that:
 - (A) concerns the property taxes or special assessments; and
 - (B) would otherwise be sent:
 - (i) by the county treasurer or the county auditor to the person by regular mail; and
 - (ii) before the last date the property taxes or special assessments may be paid without becoming delinquent.

The information listed in this subsection may be transmitted to a person by using electronic mail that provides a secure Internet link to the information.

(i) For property with respect to which more than one (1) person is liable for property taxes and special assessments, subsection (h) applies only if all the persons liable for property taxes and special assessments designate the electronic mail address for only one (1) individual authorized to receive the statements and other information referred to in subsection (h).

(j) The department of local government finance shall create a form to be used to implement subsection (h). The county treasurer and county auditor shall:

- (1) make the form created under this subsection available to the public;
- (2) transmit a statement or other information by electronic mail



under subsection (h) to a person who files, on or before March 15, the form created under this subsection:

- (A) with the county treasurer; or
 - (B) with the county auditor; and
 - (3) publicize the availability of the electronic mail option under this subsection through appropriate media in a manner reasonably designed to reach members of the public.
- (k) The form referred to in subsection (j) must:
- (1) explain that a form filed as described in subsection (j)(2) remains in effect until the person files a replacement form to:
 - (A) change the person's electronic mail address; or
 - (B) terminate the electronic mail option under subsection (h); and
 - (2) allow a person to do at least the following with respect to the electronic mail option under subsection (h):
 - (A) Exercise the option.
 - (B) Change the person's electronic mail address.
 - (C) Terminate the option.
 - (D) For a person other than an individual, designate the electronic mail address for only one (1) individual authorized to receive the statements and other information referred to in subsection (h).
 - (E) For property with respect to which more than one (1) person is liable for property taxes and special assessments, designate the electronic mail address for only one (1) individual authorized to receive the statements and other information referred to in subsection (h).
- (l) The form created under subsection (j) is considered filed with the county treasurer or the county auditor on the postmark date or on the date it is electronically submitted. If the postmark is missing or illegible, the postmark is considered to be one (1) day before the date of receipt of the form by the county treasurer or the county auditor.
- (m) The county treasurer shall maintain a record that shows at least the following:
- (1) Each person to whom a statement or other information is transmitted by electronic mail under this section.
 - (2) The information included in the statement.
 - (3) Whether the county treasurer received a notice that the person's electronic mail was undeliverable.
- (n) A person may direct the county treasurer and county auditor to transmit information by electronic mail under subsection (h) on a form prescribed by the department submitted:



- (1) in person;
- (2) by mail; or
- (3) in an online format developed by the county and approved by the department.

(o) Liability, for purposes of ~~subsection (a)~~; **subsections (a) and (q)**, means property taxes or special assessments that are greater than zero dollars (\$0).

(p) **Except as provided in subsection (q)**, the county treasurer is not required to mail or transmit a statement for property that is exempt from taxation and does not have a reported **net** assessed value.

(q) A county treasurer, in a county that opts to use a property tax statement as the notice of assessment under IC 6-1.1-4-22, must send a property tax statement to all property owners regardless of whether the property has any liability.

(r) This subsection applies only to a property tax statement sent for property taxes first due and payable in 2027. The county treasurer shall indicate on the property tax statement whether the taxpayer's property tax liability for property taxes first due and payable in 2027 is less than the taxpayer's property tax liability for property taxes first due and payable in 2026, including the amount, if applicable.

SECTION 8. IC 6-2.5-5-26, AS AMENDED BY P.L.193-2023, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 26. (a) Sales of tangible personal property by an organization are exempt from the state gross retail tax if either of the following apply:

- (1) The organization:
 - (A) is described in section 25(a)(1)(A) through 25(a)(1)(C) of this chapter, section 25(a)(1)(D)(i) through 25(a)(1)(D)(iii) of this chapter, or section 25(a)(1)(D)(ix) of this chapter;
 - (B) makes the sale to make money to carry on a not-for-profit purpose; and
 - (C) did not make more than one hundred thousand dollars (\$100,000) in sales in the current calendar year or the previous calendar year.
- (2) The organization:
 - (A) is described in section 25(a)(1)(D)(iv) through 25(a)(1)(D)(viii) of this chapter; **or**
 - (B) is a youth organization focused on agriculture;
 - (C) is a youth organization listed in 36 U.S.C. 101 et. seq. that:**
 - (i) has an educational purpose; and**



- (ii) promotes patriotism and civic involvement; or**
- (D) is an organization that:**
 - (i) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; and**
 - (ii) promotes youth shooting sports.**

Once sales of an organization that meets the qualifications under subdivision (1), but does not meet the qualifications under subdivision (2), exceed the amount described in subdivision (1), the organization is required to collect state gross retail tax on sales on an ongoing basis for the remainder of the calendar year and each calendar year thereafter until the organization makes less than one hundred thousand dollars (\$100,000) in sales for two (2) consecutive years.

(b) For purposes of subsection (a), the sales of an organization include sales made by all units operating under the organization's registration pursuant to section 25(c) of this chapter.

(c) If the qualifications of subsection (a) are not met, sales of tangible personal property by an organization described in section 25(a)(1) of this chapter are exempt from the state gross retail tax, if:

- (1) the organization is not operated predominantly for social purposes;
- (2) the property sold is designed and intended primarily either for the organization's educational, cultural, or religious purposes, or for improvement of the work skills or professional qualifications of the organization's members; and
- (3) the property sold is not designed or intended primarily for use in carrying on a private or proprietary business.

(d) Sales of tangible personal property by a public library, or a charitable organization described in section 25(a)(1) of this chapter formed to support a public library, are exempt from the state gross retail tax if the property sold consists of:

- (1) items in the library's circulated and publicly available collections, including items from the library's holdings; or
- (2) items that would typically be included in the library's circulated and publicly available collections and that are donated by individuals or organizations to a public library or to a charitable organization described in section 25(a)(1) of this chapter formed to support a public library.

The exemption provided by this subsection does not apply to any other sales of tangible personal property by a public library.

(e) The exemption provided by this section does not apply to an accredited college or university's sales of books, stationery, haberdashery, supplies, or other property.



(f) To obtain the exemption provided by this section, a taxpayer must follow the procedures set forth in section 25(c) of this chapter.

SECTION 9. IC 6-3.1-24-7, AS AMENDED BY P.L.172-2011, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) The Indiana economic development corporation shall certify that a business is a qualified Indiana business if the corporation determines that the business:

- (1) has its headquarters in Indiana;
 - (2) is primarily focused on professional motor vehicle racing, commercialization of research and development, technology transfers, or the application of new technology, or is determined by the Indiana economic development corporation to have significant potential to:
 - (A) bring substantial capital into Indiana;
 - (B) create jobs;
 - (C) diversify the business base of Indiana; or
 - (D) significantly promote the purposes of this chapter in any other way;
 - (3) has had average annual revenues of less than ten million dollars (\$10,000,000) in the two (2) years preceding the year in which the business received qualified investment capital from a taxpayer claiming a credit under this chapter;
 - (4) has:
 - (A) at least fifty percent (50%) of its employees residing in Indiana; or
 - (B) at least seventy-five percent (75%) of its assets located in Indiana; and
 - (5) is not engaged in a business involving:
 - (A) real estate;
 - (B) real estate development;
 - (C) insurance;
 - (D) professional services provided by an accountant, a lawyer, or a physician;
 - (E) retail sales, except when:
 - (i) the primary purpose of the business is the development or support of electronic commerce using the Internet; or
 - (ii) **the business is engaged in retail sales as a method to sell a unique product that the business developed, for which the business holds patents, or of which the business otherwise has ownership; or**
 - (F) oil and gas exploration.
- (b) A business shall apply to be certified as a qualified Indiana



business on a form prescribed by the Indiana economic development corporation.

(c) If a business is certified as a qualified Indiana business under this section, the Indiana economic development corporation shall provide a copy of the certification to the investors in the qualified Indiana business for inclusion in tax filings.

(d) Except as provided in subsection (e), the Indiana economic development corporation may impose an application fee of not more than two hundred dollars (\$200).

(e) The Indiana economic development corporation may not impose the application fee authorized by subsection (d) for applications submitted during the period beginning July 1, 2011, and ending June 30, 2013.

SECTION 10. IC 6-3.1-24-7.5, AS ADDED BY P.L.165-2021, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7.5. (a) The Indiana economic development corporation may certify that an investment fund is a qualified Indiana investment fund if the corporation determines that the fund meets the definition in section 2.5 of this chapter and the requirements in subsection (b).

(b) The Indiana economic development corporation may only certify a fund as a qualified Indiana investment fund if the fund makes investments according to a policy that:

- (1) requires eligible companies to be primarily focused on the commercialization of research and development, technology transfer, or application of new technology; and
- (2) prioritizes investments in companies that:
 - (A) have received a grant, loan, or other investment funds provided by the Indiana twenty-first century research and technology fund established by IC 5-28-16-2; or
 - (B) maintain a substantial presence in Indiana.

The policy referred to in this subsection shall apply only to investable capital in the fund, excluding management fees, legal fees, and other expenses incurred in the operation of the fund.

(c) An investment fund must apply to be certified as a qualified Indiana investment fund on a form prescribed by the Indiana economic development corporation.

(d) If an investment fund is certified as a qualified Indiana investment fund under this section, the Indiana economic development corporation shall provide a copy of the certification to the investors in the qualified Indiana investment fund for inclusion in tax filings.

SECTION 11. IC 6-3.1-24-12, AS AMENDED BY P.L.165-2021,



SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) If the amount of the credit determined under section 8 or 8.5 of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess credit over for a period not to exceed the taxpayer's following five (5) taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback or a refund of any unused credit amount.

(b) If the corporation certifies a credit for an investment that is made after June 30, 2020, and before July 1, 2029, the taxpayer may assign all or part of the credit to which the taxpayer is entitled under this chapter, subject to the limitations set forth in subsection (c).

(c) The following apply to the assignment of a credit under this chapter:

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

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

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

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

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

Nothing in this subsection shall prevent a taxpayer from combining individual credits of less than ten thousand dollars (\$10,000) for assignment.

(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.

SECTION 12. IC 6-3.1-34-0.5 IS ADDED TO THE INDIANA



CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. (a) In order to facilitate the redevelopment and rehabilitation of property in Indiana that promotes regional collaboration and long term strategic planning, the corporation may commit a tax credit to a development authority pursuant to a development plan approved by the corporation, which may subsequently be awarded by the corporation at the request of a development authority to a taxpayer proposing a qualified investment in a qualified redevelopment site that is included in the development authority's development plan.**

(b) The corporation shall award thirty-five million dollars (\$35,000,000) to development authorities each fiscal year that may be granted to taxpayers proposing qualified investment in a qualified redevelopment site pursuant to a development plan approved by the corporation.

SECTION 13. IC 6-3.1-34-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 2.1. (a) As used in this chapter, "development authority" refers to a regional development authority established under IC 36-7.5-2-1, IC 36-7.6-2-3, or IC 36-7.7-3-1.**

(b) For the period beginning July 1, 2026, and ending June 30, 2028, the term "development authority" includes a qualified nonprofit organization formed to support economic development across the region and which does not represent a single interest group or local unit or units within a single county. This subsection expires July 1, 2028.

SECTION 14. IC 6-3.1-34-2.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 2.2. (a) As used in this chapter, "development plan" refers to a comprehensive strategic development plan approved by the development authority for its jurisdiction and which outlines its economic development strategy, the anticipated local resource commitments, the proposed regionally significant projects, the return on investment analysis reflecting a positive state return for such projects, the requirement that an equal or greater level of local public financial participation in the aggregate across all projects, the requirement that projects are reasonably expected to spur a total investment across all projects that is four (4) times greater than the level of the state resources provided on a present value basis, and that each project**



supported would not occur but for the provision of the requested state resources.

(b) The development plan shall also include specific, measurable five (5) and ten (10) year objectives, and plans for achieving the objectives, for the region, including targets for:

- (1) per capita income;
- (2) population;
- (3) employment; and
- (4) credential attainment among residents;

in the region.

SECTION 15. IC 6-3.1-34-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 24. (a) As used in this section, "downtown area" means:

- (1) the central business district of a city or town; or
- (2) any commercial or mixed use area within a neighborhood of a city or town that has traditionally served, since the founding of the community, as the retail service and communal focal point within the community.

(b) As used in this section, "initiative" means the small town opportunity initiative established by subsection (f).

(c) As used in this section, "nonprofit taxpayer" means a taxpayer:

- (1) that is tax exempt under Section 501 of the Internal Revenue Code;
- (2) for which some or all of its mission is to revitalize the community it serves; and
- (3) whose leadership includes primarily members of the community it serves.

(d) As used in this section, "qualified community project" means a project that:

- (1) is located in the:
 - (A) downtown area of a city or a town with a population of less than thirty thousand (30,000);
 - (B) downtown area of a city or a town that is located in a county with a population of less than seventy-five thousand (75,000); or
 - (C) unincorporated territory of a county with a population of less than seventy-five thousand (75,000) if the site of the project is an area of the unincorporated territory that serves as the retail service and communal focal point within the unincorporated territory;



- (2) involves the:
- (A) historic preservation;
 - (B) redevelopment; or
 - (C) rehabilitation;
- of real property; and
- (3) has a total project budget of at least fifteen million dollars (\$15,000,000).
- (e) As used in this section, "qualified investment" means the amount of the taxpayer's expenditures that are:
- (1) for the redevelopment or rehabilitation of real property as part of a qualified community project; and
 - (2) approved by the corporation before the expenditure is made.
- (f) The small town opportunity initiative is established.
- (g) The corporation shall administer the initiative.
- (h) The purpose of the initiative is to undertake qualified community projects within local government units to do the following:
- (1) Advance historic preservation.
 - (2) Redevelop or rehabilitate distressed buildings or underutilized property.
 - (3) Redevelop or rehabilitate sites where distressed buildings once stood.
- (i) A for-profit taxpayer undertaking a qualified community project under the initiative is entitled to a redevelopment tax credit under this chapter equal to twenty percent (20%) of the taxpayer's cost of the project.
- (j) A nonprofit taxpayer undertaking a qualified community project under the initiative is entitled to a redevelopment tax credit under this chapter equal to thirty percent (30%) of the taxpayer's cost of the project.
- (k) Qualified community projects undertaken under this section are not subject to any statutory or administrative repayment obligation.
- (l) Notwithstanding any other provision of this section, for a nonprofit taxpayer undertaking a qualified community project under this section, expenditures incurred to acquire, hold, or prepare real property for redevelopment or rehabilitation before the date the taxpayer's initial application or application for certification is approved by the corporation shall be included in the taxpayer's qualified investment if:
- (1) the expenditures were incurred for the primary purpose



- of future redevelopment consistent with subsection (h);
- (2) the nonprofit taxpayer obtained site control in furtherance of a locally supported redevelopment effort; and
- (3) the corporation determines, as part of the application or certification process, that inclusion of such expenditures is in the public interest and supportive of early stage community redevelopment efforts.

(m) For purposes of determining whether an expenditure is included as part of a qualified investment under subsection (l), an expenditure shall be treated as if it were approved by the corporation as of the date the expenditure was originally incurred.

SECTION 16. IC 6-9-30 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 30. Delaware County Hospitality Tax Board Consolidation Ordinance

Sec. 0.5. This chapter applies only to Delaware County.

Sec. 1. As used in this chapter, "consolidated entity" means a board resulting from the adoption of an ordinance under section 4 of this chapter to consolidate the functions of each former entity into the consolidated entity.

Sec. 2. As used in this chapter, "executive" has the meaning set forth in IC 36-1-2-5.

Sec. 3. As used in this chapter, "former entity" means a board, bureau, commission, authority, or any other similar entity authorized to administer funds received from the county:

- (1) innkeeper's tax imposed under IC 6-9-18; or
- (2) food and beverage tax imposed under IC 6-9-21.

Sec. 4. The county executive may adopt an ordinance to consolidate the functions of a former entity with respect to the administration of funds received from the county:

- (1) innkeeper's tax imposed under IC 6-9-18; or
- (2) food and beverage tax imposed under IC 6-9-21;

into a single consolidated entity as designated in the ordinance to administer funds received from both of those taxes.

Sec. 5. If an ordinance is adopted under section 4 of this chapter, each former entity is abolished on the date the ordinance is adopted and may not exercise any of the powers, duties, or responsibilities conferred on the former entity under IC 6-9-18 or IC 6-9-21. In addition, the term of any individual serving on each former entity ends on the date the ordinance is adopted. The consolidated entity designated in the ordinance shall exercise the



functions of each abolished former entity.

Sec. 6. (a) If an ordinance is adopted under section 4 of this chapter, the county executive may determine the number of members to serve on the consolidated entity, which must be an odd number. All members appointed to the consolidated entity must reside in the county. The county executive shall determine:

- (1) the qualifications to be appointed to the consolidated entity, which may not include consideration of political party affiliation;**
- (2) the term of a member, which may not exceed four (4) years, but may provide for:**
 - (A) the staggering of the terms of members initially appointed to the consolidated entity;**
 - (B) reappointment following the expiration of a member's term; and**
 - (C) the filling of vacancies if a vacancy occurs;**
- (3) the grounds for removal;**
- (4) the number of members required for a quorum; and**
- (5) any other matters that the county executive determines reasonably relate to the composition of the consolidated entity.**

A member of the consolidated entity may not receive a salary or benefits. However, a member of the consolidated entity is entitled to reimbursement for necessary expenses incurred in the performance of the member's respective duties.

(b) Each member of the consolidated entity, before entering the member's duties, shall take an oath of office in the usual form, to be endorsed upon the member's certificate of appointment and promptly filed with the clerk of the circuit court of the county.

Sec. 7. If an ordinance is adopted under section 4 of this chapter, the ordinance is final and the county executive may not adopt a subsequent ordinance to restore each former entity and transfer the powers, duties, and responsibilities concerning the administration of the innkeeper's tax imposed under IC 6-9-18 or food and beverage tax imposed under IC 6-9-21 back to each former entity.

Sec. 8. If an ordinance is adopted under section 4 of this chapter, money in a fund established under a provision of IC 6-9-18 or IC 6-9-21 on the date the ordinance is adopted remains in the fund and is available to be administered and used by the consolidated entity for the purposes allowed under IC 6-9-18 or IC 6-9-21.

Sec. 9. If an ordinance is adopted under section 4 of this chapter,



any bonds, leases, contractual agreements, or other obligations issued, entered into, or in effect on or before the date the ordinance is adopted are transferred to and assumed by the consolidated entity.

Sec. 10. If an ordinance is adopted under section 4 of this chapter, all records and property of each former entity are transferred on the date the ordinance is adopted to the consolidated entity.

Sec. 11. If an ordinance is adopted under section 4 of this chapter, the county executive must immediately send a certified copy of the ordinance to each of the following:

- (1) The commissioner of the department of state revenue.
- (2) The treasurer of state.
- (3) The state comptroller.

Sec. 12. If an ordinance is adopted under section 4 of this chapter, a reference to a former entity in IC 6-9-18, IC 6-9-21, another statute, a rule, or any other document is considered a reference to the consolidated entity.

SECTION 17. IC 6-9-79 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 79. Bedford Food and Beverage Tax

Sec. 1. This chapter applies to the city of Bedford.

Sec. 2. The definitions in IC 6-9-12-1 apply throughout this chapter.

Sec. 3. (a) The fiscal body of the city may adopt an ordinance to impose an excise tax, known as the city food and beverage tax, on transactions described in section 4 of this chapter. The fiscal body of the city may adopt an ordinance under this subsection only after the fiscal body has previously held at least one (1) separate public hearing in which a discussion of the proposed ordinance to impose the city food and beverage tax is the only substantive issue on the agenda for the public hearing.

(b) If the city fiscal body adopts an ordinance under subsection (a), the city fiscal body shall immediately send a certified copy of the ordinance to the department of state revenue.

(c) If the city fiscal body adopts an ordinance under subsection (a), the city food and beverage tax applies to transactions that occur after the later of the following:

- (1) The day specified in the ordinance.
- (2) The last day of the month that succeeds the month in which the ordinance is adopted.



Sec. 4. (a) Except as provided in subsection (c), a tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;**
- (2) in the city; and**
- (3) by a retail merchant for consideration.**

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;**
- (2) sold in a heated state or heated by a retail merchant;**
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or**
- (4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).**

(c) The city food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5.

Sec. 5. The city food and beverage tax rate:

- (1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and**
- (2) may not exceed one percent (1%);**

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

Sec. 6. A tax imposed under this chapter shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5. However, the return to be filed with the payment of the tax imposed under this chapter may be made on a separate return or may be combined with the return filed for the payment of the state gross retail tax, as



prescribed by the department of state revenue.

Sec. 7. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the city fiscal officer upon warrants issued by the state comptroller.

Sec. 8. (a) If a tax is imposed under section 3 of this chapter by the city, the city fiscal officer shall establish a food and beverage tax receipts fund.

(b) The city fiscal officer shall deposit in the fund all amounts received under this chapter.

(c) Money earned from the investment of money in the fund becomes a part of the fund.

Sec. 9. Money in the food and beverage tax receipts fund must be used by the city only for the following purposes:

(1) Economic development and tourism related purposes or facilities, including the purchase of land for economic development or tourism related purposes.

(2) The pledge of money under IC 5-1-14-4 for bonds, leases, or other obligations incurred for a purpose described in subdivision (1).

Revenue derived from the imposition of a tax under this chapter may be treated by the city as additional revenue for the purpose of fixing its budget for the budget year during which the revenues are to be distributed to the city.

Sec. 10. With respect to obligations for which a pledge has been made under section 9 of this chapter, the general assembly covenants with the holders of the obligations that this chapter will not be repealed or amended in a manner that will adversely affect the imposition or collection of the tax imposed under this chapter if the payment of any of the obligations is outstanding.

Sec. 11. (a) If the city imposes the tax authorized by this chapter, the tax terminates on January 1, 2049.

(b) This chapter expires January 1, 2049.

SECTION 18. IC 23-15-13-4, AS ADDED BY SEA 243-2026, SECTION 106, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 15, 2026]: Sec. 4. (a) For a total transaction amount payable to a business entity, except as provided in subsection (b), the business entity ~~must~~ **may** round the total transaction amount for all transactions with a number other than zero (0) or five (5) in the second decimal place by either:

(1) rounding the total transaction amount downward to the next amount divisible by five cents (\$0.05);

(2) ~~round~~ **rounding** the total transaction amount upward to the



next amount divisible by five cents (\$0.05); or

(3) **rounding** to the nearest five cent (\$0.05) increment by:

(A) for a total transaction amount with one (1), two (2), six (6), or seven (7) in the second decimal place, rounding the total transaction amount downward to the next amount divisible by five cents (\$0.05); or

(B) for a total transaction amount with three (3), four (4), eight (8), or nine (9) in the second decimal place, rounding the total transaction amount upward to the next amount divisible by five cents (\$0.05).

(b) For a total transaction amount that is less than five cents (\$0.05), the business entity may round the amount downward or upward to either zero cents (\$0.00) or five cents (\$0.05).

SECTION 19. IC 32-21-14-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. For purposes of this chapter, transfer fee covenants are limited to only transactions that involve the transfer of property for consideration to the owner.**

SECTION 20. IC 32-21-14-1, AS AMENDED BY P.L.6-2012, SECTION 207, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "transfer" means the transfer of an interest in real property located in Indiana by:

- (1) sale;
- ~~(2) gift;~~
- ~~(3) (2) conveyance;~~
- ~~(4) (3) assignment; or~~
- ~~(5) inheritance; or~~
- ~~(6) (4) other means of transfer;~~

for consideration to the owner.

SECTION 21. IC 36-7-32-8.5, AS AMENDED BY P.L.154-2020, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8.5. As used in this chapter, "income tax incremental amount" means the following:

- (1) Except as provided in subdivision (2), the remainder of:
 - (A) the total amount of state adjusted gross income taxes and local income taxes paid by employees employed in the territory comprising the certified technology park with respect to wages and salary earned for work in the territory comprising the certified technology park for a particular state fiscal year; minus
 - (B) the sum of the:



(i) income tax base period amount as defined in section 8 of this chapter; and

(ii) tax credits awarded by the Indiana economic development corporation under IC 6-3.1-13 to businesses operating in a certified technology park as the result of wages earned for work in the certified technology park for the state fiscal year;

as determined by the department of state revenue.

(2) In the case of a certified technology park for which the amount limit under section 22(c), ~~or 22(d)~~, **or 22(e)** of this chapter has been exceeded, the remainder of:

(A) the total amount of state adjusted gross income taxes and local income taxes paid by employees employed in the territory comprising the certified technology park with respect to wages and salary earned for work in the territory comprising the certified technology park for a particular state fiscal year; minus

(B) the sum of the:

(i) income tax base period amount as defined in section 8 of this chapter; and

(ii) tax credits awarded by the Indiana economic development corporation under IC 6-3.1-13 to businesses operating in a certified technology park as the result of wages earned for work in the certified technology park for the state fiscal year;

as determined by the department of state revenue.

SECTION 22. IC 36-7-32-22, AS AMENDED BY P.L.145-2025, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: 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) Except as provided in subdivision (3), 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 as defined in section 8.5(1) of this chapter:

(A) The adjusted gross income tax.

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

(3) In the case of a certified technology park to which subsection (e) **or (f)** applies, the amount determined under subsection (e) **or (f)**, if any **and as applicable**.

(c) Except as provided in subsections (d), ~~and (e)~~, **and (f)**, 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 (c)~~, **subsections (e) and (f)**, 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 a certified technology park has reached the limit on deposits under subsection (c) or (d) and maintains its certification under section 11(c) of this chapter, the certified technology park shall become a Level 2 certified technology park and an additional annual deposit amount shall be deposited in the incremental tax financing fund for the certified technology park equal to the following:

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

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

(B) two hundred fifty thousand dollars (\$250,000).

(2) For a certified technology park to which subsection (d)



applies, the lesser of:

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

(B) two hundred fifty thousand dollars (\$250,000) multiplied by the number of redevelopment commissions that have entered into a written agreement for the operation of the certified technology park.

(3) The following apply to deposits under this subsection:

(A) If a certified technology park reached its limit on deposits based on a state fiscal year ending before July 1, 2020, the certified technology park shall receive deposits based on the income tax incremental amount as defined in section 8.5(2) of this chapter for each state fiscal year ending after June 30, 2019.

(B) If a certified technology park reached its limit on deposits based on a state fiscal year ending after June 30, 2020, the certified technology park shall receive deposits based on the income tax incremental amount as defined in section 8.5(2) of this chapter for the state fiscal year in which it reached its limit on deposits under subsection (c) or (d) and each state fiscal year thereafter.

(C) If a certified technology park is permitted to receive deposits under this subsection during the state fiscal year in which it reached its limit on deposits under subsection (c) or (d), the income tax incremental amount for purposes of subdivision (1)(A) or (1)(B) for that state fiscal year shall be reduced by an amount equal to:

(i) the deposit amount for the state fiscal year under subsection (b) required to reach the limit on deposits under subsection (c) or (d); minus

(ii) the gross retail incremental amount determined under section 6.5 of this chapter;

but not less than zero (0).

(f) This subsection applies to a certified technology park that is located within a qualified military base enhancement area under IC 36-7-34. Subject to subsection (g), if a certified technology park has reached the limit on deposits under subsection (e) and maintains its certification under section 11(c) of this chapter, the certified technology park shall become a Level 3 certified



technology park and an additional annual deposit amount shall be deposited in the incremental tax financing fund for the certified technology park equal to the lesser of:

- (1) the aggregate income tax incremental amounts as defined in section 8.5(2) of this chapter attributable to each redevelopment commission that has entered into a written agreement for the operation of the certified technology park;
- or
- (2) two hundred fifty thousand dollars (\$250,000) multiplied by the number of redevelopment commissions that have entered into a written agreement for the operation of the certified technology park.

However, no amount of state gross retail and use taxes that are remitted under IC 6-2.5 for transactions occurring after June 30, 2029, by businesses operating in the certified technology park and no amount of adjusted gross income tax or local income tax paid by employees employed in the certified technology park with respect to wages and salary earned for work in the certified technology park after June 30, 2029, may be deposited in the incremental tax financing fund for the certified technology park, regardless of whether the maximum annual amount under subdivision (1) or (2) has been met.

(g) For purposes of calculating the income tax incremental amount for the additional annual deposit amount under subsection (f), only wages attributable to new employees hired on or after the date the certified technology park becomes a Level 3 certified technology park shall be included in the calculation. The department of state revenue shall determine the incremental amount based only on the net payroll increase over the base payroll determined at the time of the Level 3 designation.

(h) Once a certified technology park meets the requirements of designation as a Level 3 certified technology park, the department of state revenue shall, not later than ninety (90) days after receipt of all information necessary to make the determination, issue a written determination establishing:

- (1) the date on which the certified technology park became a Level 3 certified technology park; and
- (2) the base payroll amount to be used for purposes of calculating the income tax incremental amount under section 8.5 of this chapter.

The department of state revenue may require the submission of documentation reasonably necessary to make the determination



under this subsection.

(f) (i) This subsection applies to a Level 2 **or** Level 3 certified technology park designated in subsection (e) **or** (f). When the office recertifies a certified technology park as required under section 11 of this chapter, the office shall make a determination of whether the certified technology park shall continue to be designated as a Level 2 **or** Level 3 certified technology park.

(g) (j) 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 23. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "division" means the division of family resources established by IC 12-13-1-1.

(b) As used in this SECTION, "EBT card" refers to a magnetic stripe card issued by or on behalf of the division for distribution of SNAP assistance through an electronic benefits transfer program.

(c) As used in this SECTION, "SNAP" refers to the federal Supplemental Nutrition Assistance Program under 7 U.S.C. 2011 et seq.

(d) The office of the secretary of family and social services and division shall, when issuing a request for proposals for vendors to implement or maintain an electronic benefits transfer program in Indiana for SNAP assistance, require that, as part of its services, a vendor offer a mobile application that allows the division to implement technology solutions to prevent theft of SNAP benefits and allow for the following:

- (1) EBT card locking and unlocking.**
- (2) Blocking use of an EBT card for out-of-state transactions.**
- (3) Blocking use of an EBT card for online transactions.**
- (4) Receiving alerts for suspicious transactions using an EBT card.**

(e) This SECTION expires July 1, 2029.

SECTION 24. [EFFECTIVE MARCH 15, 2026] (a) Notwithstanding the January 1, 2027, effective date of IC 6-2.5-1-5 as amended by SEA 243-2026, SECTION 2, the effective date of IC 6-2.5-1-5 as amended by SEA 243-2026, SECTION 2, is March 15, 2026.

(b) Notwithstanding the "upon passage" effective date of IC 23-15-13, as added by SEA 243-2026, SECTION 106, the effective date of IC 23-15-13, as added by SEA 243-2026,



SECTION 106, is March 15, 2026.

(c) This SECTION expires January 1, 2030.

SECTION 25. [EFFECTIVE MARCH 15, 2026] (a) IC 6-2.5-1-5, as amended by SEA 243-2026, SECTION 2, and IC 23-15-13, as added by SEA 243-2026, SECTION 106, both as amended by this act, apply only to cash transactions occurring after March 14, 2026.

(b) Except as provided in subsection (c), a retail transaction is considered to have occurred after March 14, 2026, if the property whose transfer constitutes selling at retail is delivered to the purchaser or to the place of delivery designated by the purchaser after March 14, 2026.

(c) Notwithstanding the delivery of the property constituting selling at retail after March 14, 2026, a transaction is considered to have occurred before March 15, 2026, to the extent that:

- (1) the agreement of the parties to the transaction is entered into before March 15, 2026; and**
- (2) payment for the property furnished in the transaction is made before March 15, 2026.**

(d) This SECTION expires January 1, 2030.

SECTION 26. SEA 243-2026, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2027]: SECTION 112. (a) ~~IC 6-2.5-2-2, as amended by this act, and IC 5-36.5, and IC 23-15-13, both~~ as added by this act, **apply applies only to cash transactions occurring after December 31, 2026.**

(b) Except as provided in subsection (c), a retail transaction is considered to have occurred after December 31, 2026, if the property whose transfer constitutes selling at retail is delivered to the purchaser or to the place of delivery designated by the purchaser after December 31, 2026.

(c) Notwithstanding the delivery of the property constituting selling at retail after December 31, 2026, a transaction is considered to have occurred before January 1, 2027, to the extent that:

- (1) the agreement of the parties to the transaction is entered into before January 1, 2027; and**
- (2) payment for the property furnished in the transaction is made before January 1, 2027.**

(d) This SECTION expires January 1, 2030.

SECTION 27. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "data center" means one (1) or more buildings that are rehabilitated or constructed to house a group of networked server computers in one (1) physical location in order to centralize the



storage, management, and dissemination of data and information pertaining to a particular business, taxonomy, or body of knowledge.

(b) As used in this SECTION, "data center equipment" has the meaning set forth in IC 6-2.5-15-2.

(c) The Indiana finance authority (established by IC 5-1.2-3-1), in collaboration with the Indiana economic development corporation (established by IC 5-28-3-1), shall conduct a study and prepare a report evaluating the following:

(1) Each of the:

(A) property tax incentives that may be granted by a local unit;

(B) state adjusted gross income tax incentives;

(C) state gross retail and use tax incentives; and

(D) other tax incentives;

that are available to data centers or are applicable to data center equipment under current Indiana law, including a review of the state and local fiscal impact of the utilization of any of the tax incentives.

(2) The impact of data centers on the:

(A) costs of utilities; and

(B) water supply;

for local governments and consumers.

(3) The local and regional environmental impacts of data centers.

The report shall include recommendations on whether the continued availability of each tax incentive, with or without new statutory limitations on the amounts of tax incentives that may be awarded, is beneficial to the state and local economies and workforces. The report shall also include recommendations concerning the impacts on utilities and the water supply for local governments and consumers, and recommendations concerning the local and regional environmental impacts. Not later than November 1, 2026, the Indiana finance authority (established by IC 5-1.2-3-1) shall submit the report to the interim study committee on fiscal policy.

(d) This SECTION expires July 1, 2027.

SECTION 28. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding any provision to the contrary in SECTION 6 of P.L.213-2025 (HEA 1001-2025) or any other law, the budget agency may, subject to budget committee review, augment the amount appropriated in SECTION 6 of P.L.213-2025 (HEA



1001-2025) to the grain buyers and warehouse licensing agency for the state fiscal year beginning July 1, 2026, and ending June 30, 2027, from the grain buyers and warehouse licensing agency license fee fund (established by IC 26-3-7-6.3), in an amount that may not exceed three hundred thousand dollars (\$300,000) for the purposes of implementation and administration of IC 26-3-7 and IC 26-3-7.5.

(b) This SECTION expires July 1, 2027.

SECTION 29. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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