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# SENATE BILL No. 161

AM016104 has been incorporated into introduced printing.

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**Synopsis:** Education matters.

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2026

IN 161—LS 6719/DI 143



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Introduced

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.

## SENATE BILL No. 161

A BILL FOR AN ACT to amend the Indiana Code concerning education.

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

1 SECTION 1. IC 6-3.1-30.5-3, AS AMENDED BY P.L.92-2011,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2027]: Sec. 3. As used in this chapter, "scholarship  
4 granting organization" refers to:

5 (1) an organization that:  
6     (1) (A) is exempt from federal income taxation under  
7         Section 501(c)(3) of the Internal Revenue Code; and  
8     (2) (B) conducts a school scholarship program without  
9         limiting the availability of scholarships to students of only  
10         one (1) participating school (as defined in IC 20-51-1-6); or  
11 (2) an organization that:  
12         (A) meets the requirements described in subdivision (1);  
13         and  
14         (B) is included on the list submitted to the Secretary of  
15         the Treasury of the United States for the taxable year

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1 under IC 20-53-1.

2 SECTION 2. IC 6-3.1-30.5-11, AS ADDED BY P.L.182-2009(ss),  
3 SECTION 205, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JANUARY 1, 2027]: Sec. 11. **(a)** To apply a credit  
5 against the taxpayer's state tax liability, a taxpayer must claim the credit  
6 on the taxpayer's annual state tax return or returns in the manner  
7 prescribed by the department. The taxpayer shall submit to the  
8 department the information that the department determines is necessary  
9 for the department to determine whether the taxpayer is eligible for the  
10 credit.

- (1) Each scholarship granting organization to which a qualified contribution was made.
- (2) The total amount of the taxpayer's qualified contributions for the taxable year.
- (3) The amount of the credit claimed for those qualified contributions under this chapter for the taxable year.

24 The department may prescribe any forms necessary for purposes  
25 of this subsection. The department's state tax return instruction  
26 shall include notice to a taxpayer that a credit amount identified in  
27 this subsection that is claimed under this chapter may  
28 correspondingly reduce the taxpayer's allowable federal tax credit  
29 under Section 25F(b)(2) of the Internal Revenue Code.

30 SECTION 3. IC 20-53 IS ADDED TO THE INDIANA CODE AS  
31 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON  
32 PASSAGE]:

## **ARTICLE 53. STATE PARTICIPATION IN FEDERAL TAX CREDIT SCHOLARSHIP PROGRAM**

## Chapter 1. State List of Scholarship Granting Organizations

**Sec. 1. The department is authorized to and shall as early as practicable elect to participate as a covered state in the federal tax credit scholarship program for elementary and secondary education under Section 25F of the Internal Revenue Code.**

**Sec. 2. (a) The department shall identify qualified scholarship granting organizations located in Indiana that meet the requirements set forth in section 4 of this chapter.**



5 Sec. 3. (a) Not later than the first day of January each year, the  
6 department shall submit to the Secretary of the Treasury of the  
7 United States the list of qualified scholarship granting  
8 organizations identified under section 2(a) of this chapter that are  
9 located in Indiana and publish the list submitted under this  
10 subsection on its website.

14 Sec. 4. (a) A scholarship granting organization shall be  
15 included on the list of qualified scholarship granting organizations  
16 submitted by the department to the Secretary of the Treasury of  
17 the United States under this chapter, if the organization:

22 (b) A scholarship granting organization (as defined in  
23 IC 6-3.1-30.5-3(1)) for purposes of the tax credit under  
24 IC 6-3.1-30.5 is eligible to be included on the list of qualified  
25 scholarship granting organizations under this chapter, if the  
26 scholarship granting organization meets the requirements under  
27 subsection (a). Each year the department shall provide to the  
28 department of state revenue a list of the scholarship granting  
29 organizations (as defined in IC 6-3.1-30.5-3(1)) that are also  
30 included on the list of qualified scholarship granting organizations  
31 submitted by the department to the Secretary of the Treasury of  
32 the United States under this chapter.

33 SECTION 4. IC 22-4.1-4-16 IS ADDED TO THE INDIANA  
34 CODE AS A NEW SECTION TO READ AS FOLLOWS  
35 [EFFECTIVE JULY 1, 2026]: **Sec. 16.** **(a)** As used in this section,  
36 "High skill, high wage, or in demand industry sectors or  
37 occupations" means sectors or occupations identified by the state  
38 pursuant to the Carl D. Perkins Career and Technical Education  
39 Act of 2006 (20 U.S.C. 2301 et seq.) and applicable state and local  
40 workforce development processes.

41 (b) The department, in consultation with the commission for  
42 higher education (established under IC 21-18-2-1) shall do the

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1       **following:**

2       **(1) Establish a process to identify and approve eligible**  
3       **workforce training programs that prepare students for high**  
4       **skill, high wage, or in demand industry sectors or**  
5       **occupations for workforce Pell grants.**

6       **(2) Establish a process for institutions and programs to:**  
7           **(A) apply for recognition as an eligible workforce**  
8           **training program;**  
9           **(B) be approved for workforce Pell grants; and**  
10           **(C) appeal denials of workforce Pell grants.**

11       **(3) Coordinate certification and oversight of eligible**  
12       **workforce training programs with:**  
13           **(A) workforce focused agencies;**  
14           **(B) workforce related programs; and**  
15           **(C) state and federal programs.**

16       **(4) Require eligible workforce training programs to provide**  
17       **data required under applicable federal workforce Pell grant**  
18       **regulations, including:**  
19           **(A) program completion rates;**  
20           **(B) job placement rates; and**  
21           **(C) graduate earnings.**

22       **(c) The department shall ensure that the implementation of**  
23       **this section does not impose requirements more restrictive than, or**  
24       **inconsistent with, any applicable federal rules governing the**  
25       **workforce Pell grant program.**

26       **SECTION 5. An emergency is declared for this act.**

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