
SENATE BILL No. 212

AM021201 has been incorporated into introduced printing.

Synopsis: State income tax conformity.

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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. 212

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

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

1 SECTION 1. IC 6-1.1-10-54, AS AMENDED BY THE
2 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
3 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 54. (a) As used in this section, "designating
5 body" means the fiscal body of:
6 (1) a county that does not contain a consolidated city; or
7 (2) a municipality.
8 (b) As used in this section, "eligible business" means an entity that
9 meets the following requirements:
10 (1) The entity is engaged in a business that:
11 (A) operates; or
12 (B) leases qualified property for use in;
13 one (1) or more facilities.
14 (2) The entity's qualified property is located at a facility in
15 Indiana.

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6 (4) The average wage of employees who are located in the
7 county or municipality and engaged in the operation of the
8 facility is at least one hundred twenty-five percent (125%) of the
9 county average wage for the county in which the facility
10 operates.

11 (c) As used in this section, "facility" has the meaning set forth in
12 IC 6-2.5-15-5.

13 (d) As used in this section, "fiscal body" has the meaning set forth
14 in IC 36-1-2-6.

15 (e) As used in this section, "municipality" has the meaning set
16 forth in IC 36-1-2-11.

(f) As used in this section, "qualified property" means quantum safe fiber network equipment purchased after January 1, 2026, and any additions to or replacements to of such property.

20 (g) As used in this section, "quantum safe fiber network
21 equipment" has the meaning set forth in IE 6-2.5-15-13.3. means
22 optical gear, transmission equipment, fiber, computer equipment,
23 software, or any other equipment or software of any type
24 purchased or leased for the processing, storage, retrieval,
25 communication, or transmission of data over a quantum safe fiber
26 network that is preapproved by the Indiana economic development
27 corporation, adheres to all compliance standards of the federal
28 Trade Agreements Act of 1979 (Public Law 96-39, 93 Stat. 144, as
29 amended) throughout the entire network, including all access
30 physical intermediate access points (nodes), has a manufacturing
31 origin point in North America, uses only coherent optics with FIPS
32 140-3 certified encryption technology, and supports quantum safe
33 algorithms that are compliant with National Institute of Standards
34 and Technology of the United States Department of Commerce
35 requirements, including post-quantum cryptography and other
36 post quantum resistant cryptography implementations. The term
37 includes the following:

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1 hardware, regardless of whether the property is affixed to or
2 incorporated into real property.

3 (3) Equipment used in the operation of computer equipment
4 or software or for the benefit of a quantum computing
5 research, advanced computing, and defense infrastructure
6 network, including component parts, installations,
7 refreshments, replacements, and upgrades, regardless of
8 whether the property is affixed to or incorporated into real
9 property.

10 (4) All equipment necessary for the transformation,
11 generation, distribution, or management of electricity that is
12 required to operate advanced computer or quantum
13 computer server equipment, including substations,
14 generators, uninterruptible energy equipment, supplies,
15 conduit, fuel piping and storage, cabling, duct banks,
16 switches, switchboards, batteries, testing equipment, and
17 backup generators.

18 (5) All equipment necessary to cool and maintain a
19 controlled environment for the operation of the computer
20 servers and other components of a quantum fiber network,
21 including chillers, mechanical equipment, refrigerant piping,
22 fuel piping and storage, adiabatic and free cooling systems,
23 cooling towers, water softeners, air handling units, indoor
24 direct exchange units, fans, ducting, and filters.

25 (6) All water conservation systems, including facilities or
26 mechanisms that are designed to collect, conserve, and reuse
27 water required for the infrastructure of a quantum fiber
28 network.

29 (7) All computer server equipment, chassis, networking
30 equipment, switches, racks, fiber optic and copper cabling,
31 trays, and conduit required for a quantum fiber network.

32 (8) All conduit, ducting, and fiber optic and copper cabling
33 required for a quantum fiber network.

34 (9) All monitoring equipment and security systems.

35 (10) All software required for the operation, development,
36 and maintenance of a quantum fiber network.

37 (11) All intangible rights to use conduit or existing fibers
38 directly related to a quantum fiber network.

39 (12) All tangible and intangible personal property that is
40 required for operation of each intermediate access point
41 (node) connected to a quantum fiber network, excluding
42 property used in the administration of the facility.

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(13) Other tangible and intangible personal property that is essential to the operations of a quantum fiber network, excluding property used in the administration of the facility.

(14) All electricity used by qualified quantum fiber network equipment, excluding electricity used in the administration of the facility.

7 (h) A designating body may enter into an agreement with an
8 eligible business to grant the eligible business a property tax
9 exemption. In the case of a county, the exemption applies only to
10 qualified property that is located in unincorporated territory of the
11 county. In the case of a municipality, the exemption applies only to
12 qualified property that is located in the municipality. The property tax
13 exemption applies to the qualified property only if the designating body
14 and the eligible business enter into an agreement concerning the
15 property tax exemption. The agreement must specify the duration of the
16 property tax exemption. The agreement may specify that if the
17 ownership of qualified property is transferred by an eligible business,
18 the transferee is entitled to the property tax exemption on the same
19 terms as the transferor. If a designating body enters into an agreement
20 with an eligible business, the qualified property owned by the eligible
21 business is exempt from property taxation as provided in the resolution
22 and the agreement.

(i) If a designating body enters into an agreement under subsection (h) to provide a property tax exemption, the property tax exemption continues for the period specified in the agreement.

SECTION 2. IC 6-2.5-15-0.5 IS REPEALED [EFFECTIVE UPON PASSAGE]. See. 0.5. As used in this chapter, "advanced computing" means a computational method or technology, including hardware, software, and quantum safe fiber network equipment, that is designed, engineered, and installed to solve large, complex problems or process large data sets, including quantum computing, artificial intelligence, edge computing, and computational sets that use entanglement nodes that are beyond the capability of classical digital computational computing.

SECTION 3. IC 6-2.5-15-3, AS AMENDED BY P.L.213-2025, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter, "eligible costs" means expenditures made



1 equipment acquisition and permitting, lease payments, site
2 characterization and assessment, engineering, and design used
3 directly and exclusively in a qualified data center. or
4 (2) after January 1, 2026, for the development, acquisition,
5 construction, and operation of a facility to be used as part of a
6 quantum computing research, advanced computing, and defense
7 infrastructure network that is connected by quantum safe fiber
8 network equipment and used for quantum research or advanced
9 computing at, or related to, a qualified military installation in
10 Indiana or the I-Light network, including costs of all quantum
11 safe fiber network equipment, rights-of-way, conduit, other
12 required access, land, buildings, site improvements, modular
13 data centers, computer data center equipment acquisition and
14 permitting, lease payments, site characterization and assessment,
15 engineering, and design used directly and exclusively as part of
16 a quantum computing research, advanced computing, and
17 defense infrastructure network.

18 SECTION 4. IC 6-2.5-15-5, AS AMENDED BY P.L.178-2025,
19 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 UPON PASSAGE]: Sec. 5. As used in this chapter, "facility" means
21 one (1) or more tracts of land in Indiana and

22 (1) a structure or building contained on the land used specifically
23 for:

- 24 (A) quantum research or commercialization;
- 25 (B) quantum safe fiber network equipment;
- 26 (C) advanced computing;
- 27 (D) quantum research or advanced computing for the
28 defense industry;
- 29 (E) the qualified equipment that is placed in the structure or
30 building; or
- 31 (F) one (1) or more quantum safe fiber networks;

32 including any structures and personal property contained on the
33 land that is required to operate a quantum safe fiber network;
34 and

35 (2) any structures and personal property contained on the land
36 for the operation of a data center

37 in either a single location or multiple distributed locations.

38 SECTION 5. IC 6-2.5-15-5.7 IS REPEALED [EFFECTIVE UPON
39 PASSAGE]. See. 5.7. As used in this chapter, "I-Light" has the
40 meaning set forth in IC 8-1-32.7-3.

41 SECTION 6. IC 6-2.5-15-6.5 IS REPEALED [EFFECTIVE UPON



1 PASSAGE]. Sec. 6.5. As used in this chapter, "interest in a quantum
 2 computing research, advanced computing, and defense infrastructure
 3 network" means an entity that is the owner of, the operator of, or a
 4 qualified colocation tenant in, any element of a quantum safe fiber
 5 network or a quantum computing, advanced computing, and defense
 6 infrastructure network.

7 (b) The term includes an interest in a portion of a quantum
 8 computing research, advanced computing, and defense infrastructure
 9 network.

10 SECTION 7. IC 6-2.5-15-7, AS AMENDED BY P.L.178-2025,
 11 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 7. As used in this chapter, "operator" means
 13 an entity, other than an owner or a qualified colocation tenant,
 14 operating a data center or a quantum computing research, advanced
 15 computing, and defense infrastructure network pursuant to a lease or
 16 other contract with the owner or a lessor. The term includes a licensed
 17 property management company, a property lessor, or any other
 18 individual or entity responsible for the control, oversight, or
 19 maintenance of a facility. The term also includes an affiliate of an
 20 operator.

21 SECTION 8. IC 6-2.5-15-9, AS AMENDED BY P.L.178-2025,
 22 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]: Sec. 9. As used in this chapter, "qualified
 24 colocation tenant" means an entity that contracts with the owner or
 25 operator of a

26 (1) qualified data center or
 27 (2) quantum computing, advanced computing, and defense
 28 infrastructure network;

29 that is certified under this chapter to use or occupy all or part of the
 30 data center or quantum computing, advanced computing, and defense
 31 infrastructure network for a period of two (2) or more years.

32 SECTION 9. IC 6-2.5-15-11, AS AMENDED BY P.L.178-2025,
 33 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: Sec. 11. As used in this chapter, "qualified
 35 equipment" means data center equipment or quantum computing
 36 research, advanced computing, and defense infrastructure network
 37 equipment in located at a qualified data center. or a quantum
 38 computing research, advanced computing, and defense infrastructure
 39 network.

40 SECTION 10. IC 6-2.5-15-13, AS AMENDED BY P.L.178-2025,
 41 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: Sec. 13. As used in this chapter, "qualified
 2 investment" means, with respect to a

3 (1) qualified data center, the aggregate nonduplicative eligible
 4 **data center** costs expended by any entity with an interest in the
 5 qualified data center. or

6 (2) quantum computing research; advanced computing; and
 7 defense infrastructure network; the aggregate nonduplicative
 8 eligible costs expended by any entity with an interest in the
 9 quantum computing research; advanced computing; and defense
 10 infrastructure network.

11 SECTION 11. IC 6-2.5-15-13.2 IS REPEALED [EFFECTIVE
 12 UPON PASSAGE]. See. 13.2. As used in this chapter, "quantum safe
 13 fiber network" means a fiber network that includes each of the
 14 following attributes:

15 (1) A deployed fiber infrastructure comprised of:

16 (A) standard single mode optical fibers (G.652.D) that are
 17 compliant with the federal Trade Agreements Act of 1979
 18 (Public Law 96-39, 93 Stat. 144, as amended);

19 (B) flexgrid reconfigurable photonic layer; and

20 (C) only coherent optical transponders with FIPS 140-3
 21 certified L1 encryption (OTNsec) with support for external
 22 key from quantum key distribution servers that are
 23 compliant with the federal Trade Agreements Act of 1979
 24 (Public Law 96-39, 93 Stat. 144, as amended);

25 on electronics and glass.

26 (2) A fiber infrastructure that is connected to:

27 (A) a military installation of the United States of America;
 28 (B) the Indiana National Guard;
 29 (C) another military outlet or I-Light; or

30 (D) an institution of higher learning conducting quantum
 31 computing research or advanced computing research.

32 (3) A network engineered with physical intermediate access
 33 points (nodes) not more than sixty (60) miles apart.

34 (4) A network with physical intermediate access points (nodes)
 35 equipped with physical access control and remote monitoring.

36 (5) A network with quantum key distribution (QKD) servers
 37 deployed on every fiber span.

38 (6) A network that is not used for residential broadband and
 39 limited in use to less fifteen percent (15%) for commercial
 40 broadband (ISP) applications.

41 (7) A network that complies with the federal Trade Agreements



Act of 1979 (Public Law 96-39, 93 Stat. 144) as amended.

SECTION 12. IC 6-2.5-15-13.3 IS REPEALED [EFFECTIVE UPON PASSAGE]. See: 13.3. (a) As used in this chapter, "quantum safe fiber network equipment" means optical gear, transmission equipment, fiber, computer equipment, software, or any other equipment or software of any type purchased or leased for the processing, storage, retrieval, communication, or transmission of data over a quantum safe fiber network that:

- (1) is preapproved by the corporation;
- (2) adheres to all compliance standards of the federal Trade Agreements Act of 1979 (Public Law 96-39, 93 Stat. 144, as amended) throughout the entire network, including all access physical intermediate access points (nodes);
- (3) has a manufacturing origin point in North America;
- (4) uses only coherent optics with FIPS 140-3 certified encryption technology; and
- (5) supports quantum safe algorithms that are compliant with National Institute of Standards and Technology of the United States Department of Commerce requirements, including post-quantum cryptography and other post quantum resistant cryptography implementations.

b) The term includes the following:

- (1) Installed quantum-safe optical gear and federal Trade Agreements Act of 1979 (Public Law 96-39, 93 Stat. 144, as amended) compliant American-made fiber optic cable;
- (2) Servers, routers, connections, monitoring and security systems, and other enabling machinery, equipment, and hardware, regardless of whether the property is affixed to or incorporated into real property;
- (3) Equipment used in the operation of computer equipment or software or for the benefit of a quantum computing research, advanced computing, and defense infrastructure network, including component parts, installations, refreshments, replacements, and upgrades, regardless of whether the property is affixed to or incorporated into real property;
- (4) All equipment necessary for the transformation, generation, distribution, or management of electricity that is required to operate advanced computer or quantum computer server equipment, including substations, generators, uninterruptible energy equipment, supplies, conduit, fuel piping and storage, cabling, duct banks, switches, switchboards, batteries, testing

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equipment, and backup generators.

(5) All equipment necessary to cool and maintain a controlled environment for the operation of the computer servers and other components of a quantum fiber network, including chillers, mechanical equipment, refrigerant piping, fuel piping and storage, adiabatic and free cooling systems, cooling towers, water softeners, air handling units, indoor direct exchange units, fans, ducting, and filters.

(6) All water conservation systems, including facilities or mechanisms that are designed to collect, conserve, and reuse water required for the infrastructure of a quantum fiber network.

(7) All computer server equipment, chassis, networking equipment, switches, racks, fiber optic and copper cabling, trays, and conduit required for a quantum fiber network.

(8) All conduit, ducting, and fiber optic and copper cabling required for a quantum fiber network.

(9) All monitoring equipment and security systems.

(10) All software required for the operation, development, and maintenance of a quantum fiber network.

(11) All intangible rights to use conduit or existing fibers directly related to a quantum fiber network.

(12) All tangible and intangible personal property that is required for operation of each intermediate access point (node) connected to a quantum fiber network, excluding property used in the administration of the facility.

(13) Other tangible and intangible personal property that is essential to the operations of a quantum fiber network, excluding property used in the administration of the facility.

(14) All electricity used by qualified quantum fiber network equipment, excluding electricity used in the administration of the facility.

SECTION 13. IC 6-2.5-15-13.4 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 13.4. As used in this chapter, "quantum computing research, advanced computing, and defense infrastructure network" means the quantum safe fiber network between two (2) or more facilities using qualified equipment to create and connect qualified facilities to a quantum safe fiber network that create a minimum qualified investment of at least fifty million dollars (\$50,000,000) on or before the fifth anniversary of the issuance of the specific transaction award certificate by the corporation. The term includes the land, buildings, site improvements, permitting, lease

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1 payments; site characterization and assessment; engineering and
 2 design; quantum safe fiber network equipment; rights-of-way; and any
 3 other required access; used directly to be a part of:

4 (1) a qualified advanced computing or a qualified quantum
 5 computing research initiative within Indiana;

6 (2) the deployment or expansion of advanced computing, within
 7 Indiana;

8 (3) the expansion of the defense industry within Indiana; or

9 (4) the quantum computing research; advanced computing and
 10 defense infrastructure network connected to and used for:

11 (A) quantum research (including computing,
 12 communication; and networking);

13 (B) advanced computing; or

14 (C) defense infrastructure network;

15 at or related to the federal or state of Indiana military
 16 installations; research universities; I-Light; or any other
 17 Department of Defense or Indiana National Guard installation
 18 within Indiana.

19 SECTION 14. IC 6-2.5-15-14, AS AMENDED BY P.L.178-2025,

20 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 UPON PASSAGE]: Sec. 14. (a) A qualified data center user or a
 22 quantum computing research; advanced computing; and defense
 23 infrastructure network operator that holds an interest in a qualified data
 24 center or an interest in a quantum computing research; advanced
 25 computing; and defense infrastructure network may apply to the
 26 corporation for a specific transaction award certificate to make
 27 purchases, other than the purchase of utilities described in IC 6-2.5-4-5,
 28 that are exempt under this chapter. The request must be on a form
 29 prescribed by the corporation.

30 (b) The corporation has exclusive authority over issues related to
 31 issuing a specific transaction award certificate.

32 (c) If the corporation issues a specific transaction award certificate
 33 under this chapter, the certificate must state that the facility is a
 34 qualified data center. or a quantum computing research; advanced
 35 computing; and defense infrastructure network; as applicable.

36 (d) A specific transaction award certificate issued by the
 37 corporation shall expire not later than:

38 (1) twenty-five (25) years after the date of issuance; or

39 (2) in the case of a qualified data center user; fifty (50) years
 40 after the date of issuance if the qualified investment is seven
 41 hundred fifty million dollars (\$750,000,000) or greater. or



(3) in the case of a quantum computing research, advanced computing, and defense infrastructure network operator, fifty (50) years after the date of issuance if the qualified investment is fifty million dollars (\$50,000,000) or greater within three (3) years of the issuance of the transaction award certificate.

SECTION 15. IC 6-2.5-15-15, AS AMENDED BY P.L.178-2025, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. The following apply if the corporation approves an application for a specific transaction award certificate:

(1) The corporation shall require the qualified data center user or quantum computing research, advanced computing, and defense infrastructure network operator, as applicable, to enter into an agreement with the corporation as a condition of receiving a specific transaction award certificate under this chapter.

(2) The agreement with the corporation must include:

(A) a detailed description of the project that is the subject of the agreement; that includes documentation of compliance with the requirement that the investment be specific to infrastructure for the Indiana defense industry or quantum computing research or advanced computing;

quantum computing research or advanced computing; (B) the duration of the specific transaction award certificate and the first taxable year for which the award provided by this chapter may be used; and

(C) a requirement that the qualified data center user or quantum computing research, advanced computing, and defense infrastructure network operator, as applicable, annually report to the corporation on the amount of taxes that were not paid by the qualified data center user or quantum computing research, advanced computing, and defense infrastructure network operator in connection with the purchase of data center equipment, or quantum computing research, advanced computing, and defense infrastructure network equipment, as applicable.

SECTION 16. IC 6-2.5-15-16, AS AMENDED BY P.L.178-2025, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. The sale of qualified data center or quantum computing research, advanced computing, and defense infrastructure network equipment is exempt from the state gross retail tax if the qualified data center equipment: or quantum computing research, advanced computing, and defense infrastructure network

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1 equipment, as applicable:

2 (1) is sold to a qualified data center user ~~or a quantum~~
 3 ~~computing research, advanced computing, and defense~~
 4 ~~infrastructure network~~ approved by the corporation under this
 5 chapter; and
 6 (2) will be located in a qualified data center, ~~or is a part of a~~
 7 ~~quantum safe fiber network or is a part of a quantum computing~~
 8 ~~research, advanced computing, and defense infrastructure~~
 9 ~~network~~.

10 SECTION 17. IC 6-2.5-15-17, AS AMENDED BY P.L.178-2025,
 11 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 17. A qualified data center user ~~or a quantum~~
 13 ~~computing research, advanced computing, and defense infrastructure~~
 14 ~~network operator~~ is not entitled to the exemption provided by section
 15 16 of this chapter unless the qualified data center user ~~or the quantum~~
 16 ~~computing research, advanced computing, and defense infrastructure~~
 17 ~~network operator~~ provides the seller with an exemption certificate on
 18 a form prescribed by the department and a copy of the specific
 19 transaction award certificate issued by the corporation. In the case of
 20 utilities described in IC 6-2.5-4-5, the qualified data center user may
 21 issue an exemption certificate on a form prescribed by the department
 22 and a copy of the specific transaction award certificate issued by the
 23 corporation to cover all utility purchases from that seller. However, for
 24 the corporation to issue a specific transaction award certificate for
 25 utilities described in IC 6-2.5-4-5, the qualified data center user must
 26 agree to report and remit use tax under this article to the department on
 27 the part of the utility purchases used for administration of the facility.

28 SECTION 18. IC 6-2.5-15-18, AS AMENDED BY P.L.178-2025,
 29 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 UPON PASSAGE]: Sec. 18. **(a) This section does not apply to a**
 31 **qualified data center user that is a qualified colocation tenant.**

32 **(a) (b)** If the corporation determines that a qualified data center
 33 user ~~or a quantum computing research, advanced computing, and~~
 34 ~~defense infrastructure network operator that~~ did not pay taxes as a
 35 result of the award provided under this chapter ~~and~~ is not entitled to the
 36 award because of the qualified data center user's noncompliance with
 37 the requirements of the sales tax award certificate agreement or this
 38 chapter, the corporation shall, after giving the qualified data center user
 39 ~~or the operator~~ an opportunity to explain the noncompliance:
 40 (1) notify the department of the noncompliance; and
 41 (2) request the department to impose an assessment on the



qualified data center user or the quantum computing research, advanced computing, and defense infrastructure network operator in an amount that may not exceed the sum of the taxes not paid as a result of the exemption provided under this chapter together with interest and penalties required or permitted by law.

(b) (c) Notwithstanding the provisions of IC 6-8.1-5-2, an assessment under subsection (a) (b) is considered timely if the department issues a proposed assessment:

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

whichever is later.

SECTION 19. IC 6-2.5-15-19, AS AMENDED BY P.L.178-2025, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. Except as provided in section 18 of this chapter, if the corporation approves a qualified data center user's or a quantum computing research, advanced computing, and defense infrastructure network operator's application to receive a specific transaction award certificate and enters into an agreement with the qualified data center user or the quantum computing research, advanced computing, and defense infrastructure network operator for a specific transaction award certificate, the corporation's certification of the qualified data center or the quantum computing research, advanced computing, and defense infrastructure network remains in effect, even if there is a future transfer, sale, or disposition, directly or indirectly, of the qualified data center. or the quantum computing research, advanced computing, and defense infrastructure network. A subsequent owner shall enter into an agreement with the corporation before the subsequent owner is entitled to receive a specific transaction award certificate for the remainder of the eligibility period.

SECTION 20. IC 6-2.5-15-20, AS AMENDED BY P.L.178-2025, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. Beginning in 2030, and every ten (10) years thereafter, the corporation shall submit to the legislative council in an electronic format under IC 5-14-6 an economic and fiscal impact study evaluating the statewide impact of data center ~~investments~~ and quantum computing research, advanced computing, and defense infrastructure ~~network~~ investments in Indiana.

SECTION 21. IC 6-3-1-11, AS AMENDED BY P.L.194-2023, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 11. (a) **Except as**
 2 **provided in subsection (e)**, the term "Internal Revenue Code" means
 3 the Internal Revenue Code of 1986 of the United States as amended
 4 and in effect on January 1, 2023.

5 (b) Whenever the Internal Revenue Code is mentioned in this
 6 article, or in another provision of the Indiana Code that cites the
 7 definition of "Internal Revenue Code" provided in this section, the
 8 particular provisions that are referred to, together with all the other
 9 provisions of the Internal Revenue Code in effect on January 1, 2023,
 10 that pertain to the provisions specifically mentioned, shall be regarded
 11 as incorporated in this article by reference and have the same force and
 12 effect as though fully set forth in this article. To the extent that a
 13 federal statute in the United States Code is enacted or amended in a
 14 title other than the Internal Revenue Code on or before January 1,
 15 2023, and affects federal adjusted gross income, federal taxable
 16 income, federal tax credits, or other federal tax attributes, the federal
 17 statute shall be considered to be part of the Internal Revenue Code as
 18 amended and in effect on January 1, 2023. To the extent:

19 (1) the provisions of the Internal Revenue Code apply to this
 20 article, regulations adopted under Section 7805(a) of the Internal
 21 Revenue Code, and in effect on January 1, 2023; and

22 (2) a federal statute in the United States Code that is enacted or
 23 amended in a title other than the Internal Revenue Code on or
 24 before January 1, 2023, and affects federal adjusted gross
 25 income, federal taxable income, federal tax credits, or other
 26 federal tax attributes applies to this article, regulations adopted
 27 under the federal statute of the United States Code and in effect
 28 on January 1, 2023;

29 shall be regarded as rules adopted by the department under this article,
 30 unless the department adopts specific rules that supersede the
 31 regulation.

32 (c) An amendment to the Internal Revenue Code made by an act
 33 passed by Congress before January 1, 2023, other than the federal 21st
 34 Century Cures Act (P.L. 114-255) and the federal Disaster Tax Relief
 35 and Airport and Airway Extension Act of 2017 (P.L. 115-63), that is
 36 effective for any taxable year that began before January 1, 2023, and
 37 that affects:

38 (1) individual adjusted gross income (as defined in Section 62 of
 39 the Internal Revenue Code);

40 (2) corporate taxable income (as defined in Section 63 of the
 41 Internal Revenue Code);



9 is also effective for that same taxable year for purposes of determining
10 adjusted gross income under section 3.5 of this chapter and
11 IC 6-5.5-1-2.

19 (1) Section 1367(a)(2) of the Internal Revenue Code pertaining
20 to an adjustment of basis of the stock of shareholders.

24 (3) Section 897(h)(4)(A)(ii) of the Internal Revenue Code
25 pertaining to regulated investment companies qualified entity
26 treatment.

27 (4) Section 512(b)(13)(E)(iv) of the Internal Revenue Code
28 pertaining to the modification of tax treatment of certain
29 payments to controlling exempt organizations.

30 (5) Section 613A(c)(6)(H)(ii) of the Internal Revenue Code
31 pertaining to the limitations on percentage depletion in the case
32 of oil and gas wells.

(6) Section 451(i)(3) of the Internal Revenue Code pertaining to special rule for sales or dispositions to implement Federal Energy Regulatory Commission or state electric restructuring policy for qualified electric utilities.

(7) Section 954(c)(6) of the Internal Revenue Code pertaining to the look-through treatment of payments between related controlled foreign corporation under foreign personal holding company rules.

41 The department shall develop forms and adopt any necessary rules

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1 under IC 4-22-2 to implement this subsection.

2 **(e) Solely for purposes of the provisions specified in subsection**
3 **(f), the term "Internal Revenue Code" shall mean the Internal**
4 **Revenue Code as in effect on July 4, 2025, and any reference to**
5 **January 1, 2023, in this section shall be applied as if the reference**
6 **is to July 4, 2025.**

7 **(f) The provisions to which subsection (e) is to be applied are**
8 **as follows:**

9 **(1) Section 23 of the Internal Revenue Code.**
10 **(2) Section 168(e)(3)(B)(vi) of the Internal Revenue Code.**
11 **(3) Section 223(c)(2)(E) of the Internal Revenue Code.**

12 **SECTION 22. An emergency is declared for this act.**

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