

# PROPOSED AMENDMENT

## SB 264 # 1

### DIGEST

Venture capital investment tax credit. Adds provisions amending the venture capital investment tax credit (tax credit) to specify that: (1) certain investment policies of funds that qualify as a "qualified Indiana investment fund" apply only to investable capital, excluding management fees, legal fees, and other expenses incurred in the operation of the fund; and (2) a taxpayer is not prevented from combining individual tax credits of less than \$10,000 for assignment.

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1       Page 6, after line 23, begin a new paragraph and insert:  
2       "SECTION 8. IC 6-3.1-24-7.5, AS ADDED BY P.L.165-2021,  
3       SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4       JULY 1, 2026]: Sec. 7.5. (a) The Indiana economic development  
5       corporation may certify that an investment fund is a qualified Indiana  
6       investment fund if the corporation determines that the fund meets the  
7       definition in section 2.5 of this chapter and the requirements in  
8       subsection (b).  
9       (b) The Indiana economic development corporation may only certify  
10      a fund as a qualified Indiana investment fund if the fund makes  
11      investments according to a policy that:  
12       (1) requires eligible companies to be primarily focused on the  
13       commercialization of research and development, technology  
14       transfer, or application of new technology; and  
15       (2) prioritizes investments in companies that:  
16       (A) have received a grant, loan, or other investment funds  
17       provided by the Indiana twenty-first century research and  
18       technology fund established by IC 5-28-16-2; or  
19       (B) maintain a substantial presence in Indiana.  
20       **The policy referred to in this subsection shall apply only to  
21       investable capital in the fund, excluding management fees, legal  
22       fees, and other expenses incurred in the operation of the fund.**  
23       (c) An investment fund must apply to be certified as a qualified  
24       Indiana investment fund on a form prescribed by the Indiana economic  
25       development corporation.

5 SECTION 9. IC 6-3.1-24-12, AS AMENDED BY P.L.165-2021,  
6 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 JULY 1, 2026]: Sec. 12. (a) If the amount of the credit determined  
8 under section 8 or 8.5 of this chapter for a taxpayer in a taxable year  
9 exceeds the taxpayer's state tax liability for that taxable year, the  
10 taxpayer may carry the excess credit over for a period not to exceed the  
11 taxpayer's following five (5) taxable years. The amount of the credit  
12 carryover from a taxable year shall be reduced to the extent that the  
13 carryover is used by the taxpayer to obtain a credit under this chapter  
14 for any subsequent taxable year. A taxpayer is not entitled to a  
15 carryback or a refund of any unused credit amount.

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

20 (c) The following apply to the assignment of a credit under this  
21 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).

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

28 (3) An assignment of a credit must be in writing, and both the  
29 taxpayer and assignee shall report the assignment on the  
30 taxpayer's and assignee's state tax returns for the year in which the  
31 assignment is made, in the manner prescribed by the department.  
32 (4) Once a particular credit or credits are assigned, the assignee  
33 may not assign all or part of the credit or credits to another  
34 person.

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

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

7 Renumber all **SECTIONS** consecutively.

(Reference is to SB 264 as introduced.)