

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

**LS 7096**  
**BILL NUMBER: SB 264**

**NOTE PREPARED: Jan 5, 2026**  
**BILL AMENDED:**

**SUBJECT:** Economic Development Tax Credits.

**FIRST AUTHOR:** Sen. Buchanan  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill amends the Economic Development for a Growing Economy (EDGE) tax credit to:

- (1) authorize the Indiana Economic Development Corporation (IEDC) to increase the value of an EDGE credit to a company for new job creation based on the amount of expenses of the company to relocate an individual to Indiana to fill the position; and
- (2) explicitly permit the IEDC to provide EDGE credits to a company that is retaining an employee through a minimum of a 25% increase in hourly wages paid to the individual.

**Effective Date:** July 1, 2026.

**Explanation of State Expenditures:** The Department of State Revenue (DOR) and the IEDC will experience additional workload and expenses to put the bill's changes in place. The DOR and the IEDC should be able to make these changes within current resource levels.

**Explanation of State Revenues:** The proposal would have an indeterminate impact on state General Fund revenue. EDGE tax credits are subject to the \$300 M cap on the amount of tax credits that the IEDC may certify annually. So, any increase in EDGE tax credits may result in the IEDC reducing credit awards for other tax credits.

The bill would allow an EDGE credit for new job creation to include up to \$10,000 for a full-time position filled by an employee who is new to Indiana. Under current law, EDGE credits are equal to the incremental income tax withholdings attributable to the position. Employers who receive a larger EDGE credit under the bill are required to implement or maintain a program to reimburse relocation expenses for new employees relocating to Indiana.

The bill would also expand EDGE credits to companies who increase employee wages by at least 25% in order to retain employees.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Economic Development Corporation; Department of State Revenue.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Camille Tesch, 317-232-5293.