

## SENATE BILL No. 281

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-13-9; IC 5-28-6-9; IC 6-3-3-16; IC 6-3.1; IC 36-7.6-2.

**Synopsis:** Income tax credits. Establishes a regional economic development initiative endowment pool (endowment pool). Authorizes regional development authorities to enter into an agreement with the treasurer of state to establish an operating account or a capital account within the endowment pool. Specifies the provisions that apply to endowment pool funds and account distributions. Establishes the Indiana regional economic development investment pool board (board). Requires the board to establish policies regarding the administration and investment of funds in the endowment pool. Amends and adds provisions regarding the regional development tax credit. Amends provisions that limit the aggregate amount of applicable tax credits that the Indiana economic development corporation may certify each state fiscal year. Authorizes a regional development authority to establish a regional development advisory council. Establishes a state income tax credit for qualified contributions to a Trump account. Defines "qualified contribution" for purposes of the credit. Specifies the amount of the credit.

**Effective:** January 1, 2026 (retroactive); July 1, 2026.

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**Goode**

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January 12, 2026, read first time and referred to Committee on Tax and Fiscal Policy.

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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. 281

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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 5-13-9-13 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2026]: Sec. 13. (a) **The following definitions apply throughout**  
4 **this section:**

5 (1) "Applicable development authority ratio" means:  
6 (A) for **unrestrictive funds**, the population of all of the  
7 **jurisdictions participating in the development authority**  
8 **divided by the population of all jurisdictions participating**  
9 **in all development authorities**; and  
10 (B) for **restrictive funds**, the development authority ratio  
11 **determined by the board consistent with any grant**  
12 **restrictions applicable to restricted funds to ensure that a**  
13 **development authority receives its intended proportionate**  
14 **portion of such restricted funds and its applicable**  
15 **investment earnings**.  
16 (2) "Applicable portion of the investment earnings" means the  
17 **investment returns from the endowment pool determined by**

2026

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the board to be distributed to all development authority accounts multiplied by the applicable development authority ratio.

**(3) "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 that is designated by the secretary of commerce as the lead economic development agency for the jurisdiction for which that regional development authority operates.**

(4) "Operating account" refers to a development authority operating account established under subsection (e).

(5) "Capital account" refers to a development authority capital account established under subsection (g).

(6) "Endowment pool" means the regional economic development initiative endowment pool established by subsection (b).

(7) "Board" refers to the Indiana regional economic development investment pool board established by section 14 of this chapter.

(b) The regional economic development initiative endowment pool is established within the office and custody of the treasurer of state.

(c) An officer designated in section 1 of this chapter may pay any funds held by the officer into the endowment pool for the purpose of deposit, investment, and reinvestment of the funds by the treasurer of state on behalf of each development authority that has authorized the establishment of a development authority operating account or a development authority capital account.

(d) The treasurer of state may enter into agreements or otherwise accept gifts, bequests, donations, and devises of personal and real property for the endowment pool (including any account established under this section) or deposit any appropriations designated for such purposes in the endowment pool (including any account established under this section).

(e) The treasurer of state shall establish an operating account in the endowment pool for each development authority that enters into an agreement with the treasurer of state governing such account.

(f) The agreement entered into under subsection (e) shall provide for the distribution of the applicable allocation of the investment earnings to the development authority account and for the conditions, local funding match requirements, and uses for the distribution of such development authority operating account



1       **funding to the development authority. Any funding distributed to**  
2       **a development authority shall be used to support regional**  
3       **economic development administrative and programming activities.**

4       (g) The treasurer of state shall establish a capital account in the  
5       endowment pool for each development authority that enters into  
6       an agreement with the treasurer of state governing such capital  
7       account.

8       (h) The agreement entered into under subsection (g) shall  
9       provide for distributions of funds in the capital account to the  
10       development authority in the form of a grant or loans and shall set  
11       forth the conditions, local funding match requirements, and uses  
12       for the distribution of such development authority capital account  
13       funding. Consistent with such account agreement, any funding  
14       from the development authority capital account shall be  
15       distributed to a development authority for projects approved by  
16       the development authority and the Indiana economic development  
17       corporation pursuant to specific terms and related documentation  
18       approved by the board.

19       (i) The treasurer of state shall invest the funds in the endowment  
20       pool in the same manner, in the same type of instruments, and  
21       subject to the same limitations provided for the deposit and  
22       investment of state funds by the treasurer of state under  
23       IC 5-13-10.5, with such exceptions as may be determined by the  
24       board.

25       (j) The treasurer of state:

26           (1) shall administer the endowment pool in accordance with  
27           the policies of the board; and

28           (2) with the permission of the board, may contract with  
29           accountants, attorneys, regulated investment advisors, money  
30           managers, consultants, and other finance and investment  
31           professionals to make investments or distributions to  
32           development authorities and provide for the public  
33           accounting and legal compliance necessary to ensure and  
34           maintain the safety, liquidity, and yield of the endowment  
35           pool.

36       (k) The treasurer of state shall follow the policies established by  
37       the board. The treasurer of state must ensure the following:

38           (1) The administrative expenses of the endowment pool shall  
39           be accounted for by the treasurer of state and shall be paid  
40           from the earnings of the endowment pool.

41           (2) The earnings of the endowment pool in excess of the  
42           administrative expenses of the endowment pool shall be



1                   **reinvested in the endowment pool subject to any distributions**  
2                   **under subsection (f).**

3                   **(3) Each development authority with an account shall receive**  
4                   **electronic or paper reports, including:**

5                   **(A) a daily transaction confirmation, reflecting any activity**  
6                   **in the development authority's account; and**

7                   **(B) a monthly report showing:**

8                   **(i) the development authority's investment activity in the**  
9                   **endowment pool; and**

10                   **(ii) the performance and composition of the endowment**  
11                   **pool.**

12                   **SECTION 2. IC 5-13-9-14 IS ADDED TO THE INDIANA CODE**  
13                   **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**  
14                   **1, 2026]: Sec. 14. (a) As used in this section, "board" refers to the**  
15                   **Indiana regional economic development investment pool board**  
16                   **established by subsection (c).**

17                   **(b) As used in this section, "endowment pool" refers to the**  
18                   **regional economic development initiative endowment pool**  
19                   **established by section 13(b) of this chapter.**

20                   **(c) The Indiana regional economic development investment pool**  
21                   **board is established. The purpose of the board is to establish**  
22                   **policies for the investment of funds contributed to the endowment**  
23                   **pool.**

24                   **(d) The board consists of the following seven (7) members:**

25                   **(1) The treasurer of state.**

26                   **(2) The director of the Indiana department of financial**  
27                   **institutions.**

28                   **(3) Two (2) members with practical experience with financial**  
29                   **institutions, philanthropy and endowment management, or**  
30                   **financial investments domiciled in Indiana, appointed by the**  
31                   **president pro tempore of the senate.**

32                   **(4) Two (2) members with practical experience with financial**  
33                   **institutions, philanthropy and endowment management, or**  
34                   **financial investments domiciled in Indiana, appointed by the**  
35                   **speaker of the house of representatives.**

36                   **(5) One (1) member with practical experience with financial**  
37                   **institutions, philanthropy and endowment management, or**  
38                   **financial investments domiciled in Indiana, appointed by**  
39                   **governor.**

40                   **(e) A member appointed under subsection (d)(3), (d)(4), or (d)(5)**  
41                   **serves a term of four (4) years and may be reappointed by the**  
42                   **appointing authority.**



(f) A member under subsection (d)(1) or (d)(2) who ceases to hold the office or qualification described in subsection (d)(1) or (d)(2) ceases to be a member of the board.

(g) The governor shall designate one (1) of the members as chairperson. The chairperson has one (1) vote on all matters voted on by the members.

(h) A member of the board who is appointed under subsection (d)(3), (d)(4), or (d)(5) serves a term that ends June 30 of the odd-numbered year four (4) years after the appointment.

**(i) The board shall meet at least four (4) times a year and at the call of the chairperson.**

(j) Five (5) members of the board constitute a quorum. The affirmative votes of four (4) members are required to take any action.

(k) Each member of the board who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b) for each day that the member is engaged in the official business of the board. The member is also entitled to reimbursement for mileage, traveling expenses, and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

**(l) The expenses of the board shall be paid from the endowment pool.**

(m) The board shall establish policies regarding how the treasurer of state shall administer and invest the funds in the endowment pool. The policies must provide the following:

**(1) There is not a minimum time for which funds paid into a development authority operating account must be retained in such development authority operating account.**

**(2) The endowment pool shall be audited at least annually by an independent auditing firm, with an electronic or paper copy of the audit provided to each development authority that has a development authority operating account or a development authority capital account established under section 13 of this chapter.**

**(3) Not less than one hundred percent (100%) of funds in a development authority operating account, and fifty percent (50%) of funds in a development authority capital account, shall be deposited in banks qualified to hold deposits for such development authority and have a presence in (or otherwise**



1                   **serve, if no bank has a presence in) the jurisdiction in which**  
 2                   **such development authority operates.**

3                   SECTION 3. IC 5-28-6-9, AS AMENDED BY P.L.213-2025,  
 4                   SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5                   JULY 1, 2026]: Sec. 9. (a) Subject to subsection (c), the aggregate  
 6                   amount of applicable tax credits that the corporation may certify:

7                   (1) for each state fiscal year ending on or before June 30, 2025,  
 8                   for all taxpayers is two hundred fifty million dollars  
 9                   (\$250,000,000); **and**

10                  (2) for each state fiscal year **beginning after June 30, 2025, and**  
 11                  **ending on or after before July 1, 2025, 2026**, for all taxpayers is  
 12                  three hundred million dollars (\$300,000,000). Each certification  
 13                  under this subdivision is subject to budget committee review; **and**  
 14                  **(3) for each state fiscal year beginning after June 30, 2026,**  
 15                  **and each state fiscal year thereafter, for all taxpayers is two**  
 16                  **hundred fifty million dollars (\$250,000,000). Each**  
 17                  **certification under this subdivision is subject to budget**  
 18                  **committee review.**

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

21                  (1) An applicable tax credit is considered awarded in the state  
 22                  fiscal year in which the taxpayer can first claim the credit,  
 23                  determined without regard to any carryforward period or  
 24                  carryback period.

25                  (2) An applicable tax credit awarded by the corporation before  
 26                  July 1, 2022, shall be counted toward the aggregate credit  
 27                  limitation under this section.

28                  (3) If an accelerated credit is awarded under IC 6-3.1-26-15, the  
 29                  amount counted toward the aggregate credit limitation under this  
 30                  section for a state fiscal year shall be the amount of the credit for  
 31                  the taxable year described in subdivision (1) prior to any discount.

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

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

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

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

42                  (d) This section expires December 31, 2032.



1           SECTION 4. IC 6-3-3-16 IS ADDED TO THE INDIANA CODE  
2           AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
3           JANUARY 1, 2026 (RETROACTIVE)]: Sec. 16. (a) As used in this  
4           section, "Trump account" refers to a Trump account established  
5           under Section 530A of the Internal Revenue Code for the exclusive  
6           benefit of an eligible individual.

7           (b) As used in this section, "eligible individual" has the same  
8           meaning set forth in Section 530A(b)(2) of the Internal Revenue  
9           Code.

10           (c) As used in this section, "qualifying contribution" means the  
11           amount of money contributed to a Trump account by a taxpayer  
12           in a taxable year that does not exceed the contribution limitation  
13           in Section 530A(c)(2)(A) of the Internal Revenue Code. The term  
14           does not include:

15           (1) an exempt contribution as defined in Section 530A(c)(2)(B)  
16           of the Internal Revenue Code; or  
17           (2) an employer contribution under Section 128 of the  
18           Internal Revenue Code.

19           (d) As used in this section, "taxpayer" means:

20           (1) an individual filing a single return;  
21           (2) a married couple filing a joint return; or  
22           (3) a married individual filing a separate return.

23           (e) A taxpayer that makes a qualifying contribution to a Trump  
24           account is entitled to a credit against the taxpayer's adjusted gross  
25           income tax imposed by IC 6-3-1 through IC 6-3-7 for a taxable  
26           year equal to the least of the following:

27           (1) Twenty percent (20%) multiplied by the amount of the  
28           total qualifying contributions that are made by the taxpayer  
29           to a Trump account or accounts during the taxable year.

30           (2) One thousand five hundred dollars (\$1,500), or seven  
31           hundred fifty dollars (\$750) in the case of a married  
32           individual filing a separate return.

33           (3) The amount of the taxpayer's adjusted gross income tax  
34           imposed by IC 6-3-1 through IC 6-3-7 for the taxable year,  
35           reduced by the sum of all credits (as determined without  
36           regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

37           (f) A taxpayer who makes a qualifying contribution to a Trump  
38           account is considered to have made the contribution on the date  
39           that the qualifying contribution amount is deposited in the Trump  
40           account.

41           (g) A taxpayer is not entitled to a carryback, carryover, or  
42           refund of an unused credit.



**(h) A taxpayer may not sell, assign, convey, or otherwise transfer the credit provided by this section.**

(i) To receive the credit provided by this section, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department all information that the department determines is necessary for the calculation of the credit provided by this section.

SECTION 5. 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.** 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 that is designated by the secretary of commerce as the lead economic development agency for the jurisdiction that includes the qualified redevelopment site.

SECTION 6. 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. As used in this chapter, "development plan" refers to a comprehensive strategic development plan under section 22.3 of this chapter that is approved by the corporation and the fiscal oversight committee.**

SECTION 7. IC 6-3.1-34-2.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 2.3. As used in this chapter, "fiscal oversight committee" refers to the fiscal oversight committee established by section 22.5 of this chapter.**

SECTION 8. IC 6-3.1-34-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 8.5.** As used in this chapter, "rural development site" means a qualified redevelopment site that is located in a county that does not contain a municipality with population of more than twenty-five thousand (25,000).

SECTION 9. IC 6-3.1-34-11, AS AMENDED BY P.L.213-2025, SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 11. (a) ~~Subject to IC 5-28-6-9~~, A taxpayer may claim a credit against the taxpayer's state tax liability for a taxable year only if **an award is made consistent with section 15 of this chapter and the corporation awards a credit to the taxpayer and enters into an agreement with the taxpayer as set forth under this chapter. The corporation ~~may~~ shall establish an application period for applying for awards based upon a state fiscal year basis and shall seek to**



1       **equitably make awards among development authorities based upon**  
2       **population, with at least thirty percent (30%) of all awards to**  
3       **development authorities being allocated to one (1) or more rural**  
4       **development sites. If an application period is established, The**  
5       **corporation shall establish policies and procedures necessary to**  
6       **administer the application period. The corporation may deny An**  
7       **application for a credit may be denied under this chapter in its by a**  
8       **development authority, the fiscal oversight committee, or the**  
9       **corporation in their sole discretion. A taxpayer may not seek judicial**  
10      **review of a decision by the corporation to deny a taxpayer's application**  
11      **for a credit.**

12      (b) The amount of the credit that a taxpayer may claim is equal to:  
13        (1) the qualified investment made by the taxpayer and certified  
14        and approved by the corporation in accordance with an agreement  
15        entered into under section 17 of this chapter for a taxable year;  
16        multiplied by  
17        (2) the applicable credit percentage determined by the corporation  
18        under section 17(b) and 17(c) of this chapter.

19      (c) If a pass through entity may claim a credit under this section but  
20      does not have state tax liability against which the tax credit may be  
21      applied, a shareholder, partner, beneficiary, or member of the pass  
22      through entity may claim a credit equal to:

23        (1) the credit determined for the pass through entity for the  
24        taxable year; multiplied by  
25        (2) the percentage of the pass through entity's distributive income  
26        that the shareholder, partner, beneficiary, or member may claim.

27      The credit provided under this subsection is in addition to a credit that  
28      a shareholder, partner, beneficiary, or member of a pass through entity  
29      may claim. However, a pass through entity and a shareholder, partner,  
30      beneficiary, or member of a pass through entity may not claim more  
31      than one (1) credit for the qualified investment.

32      (d) Notwithstanding subsections (a), (b), and (c), a pass through  
33      entity (other than an entity described in IC 6-3-1-35(1)) and its  
34      partners, beneficiaries, or members may allocate the credit among its  
35      partners, beneficiaries, or members of the pass through entity as  
36      provided by written agreement without regard to their sharing of other  
37      tax or economic attributes. Such agreements shall be filed with the  
38      corporation not later than fifteen (15) days after execution. The pass  
39      through entity shall also provide a copy of such agreements, a list of  
40      partners, beneficiaries, or members of the pass through entity, and their  
41      respective shares of the credit resulting from such agreements in the  
42      manner prescribed by the department of state revenue.



1        SECTION 10. IC 6-3.1-34-15, AS ADDED BY P.L.158-2019,  
 2        SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3        JULY 1, 2026]: Sec. 15. **(a)** To be awarded a credit under this chapter,  
 4        a taxpayer must file an application with the corporation and enter into  
 5        an agreement with the corporation as set forth under this chapter, as set  
 6        forth in subsection (b).

7        **(b)** To apply for a credit award, an application must be filed  
 8        with the development authority for a qualified redevelopment site.  
 9        The development authority may then recommend an award and  
 10       forward the application to the corporation for consideration. The  
 11       corporation shall review each proposed award and may  
 12       recommend an award and forward the application to the fiscal  
 13       oversight committee. Upon receiving an award recommendation  
 14       from the development authority and the corporation, the fiscal  
 15       oversight committee may review the proposed award, and upon  
 16       determining that:

17        **(1)** the award would be in the best interest of the state of  
 18        Indiana;  
 19        **(2)** the award would be consistent with purposes of this  
 20        chapter;  
 21        **(3)** the rehabilitation and reuse of the qualified redevelopment  
 22        site would not occur but for the award; and  
 23        **(4)** rehabilitation and reuse of the qualified redevelopment  
 24        site would have a positive fiscal impact of the state of Indiana;  
 25        the fiscal oversight committee may approve an award with such  
 26        conditions as the fiscal oversight committee determines  
 27        appropriate.

28        **(c)** The corporation may award a credit to a taxpayer only after  
 29        receiving the approval of a credit award from the fiscal oversight  
 30        committee under subsection (b) and may enter into an agreement  
 31        with the taxpayer as set forth under this chapter, which must be  
 32        consistent with the fiscal oversight committee's approval of the  
 33        credit award.

34        SECTION 11. IC 6-3.1-34-16, AS AMENDED BY P.L.135-2022,  
 35        SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36        JULY 1, 2026]: Sec. 16. A **development authority, the fiscal  
 37        oversight committee, and** the corporation shall consider the following  
 38        factors in deciding whether to **recommend or** award, as applicable, a  
 39        credit under this chapter for a proposed qualified investment:

40        **(1)** Evidence that the project aligns with the **community's  
 41        development plans. plan.**  
 42        **(2)** The economic development potential for the project for which



the taxpayer proposes to make the qualified investment.

(3) Evidence of barriers preventing the development or redevelopment of the qualified redevelopment site in which the qualified investment is made, such as significant environmental contamination requiring remediation.

(4) The level of commitment by the public sector and local government to assist in the financing of improvements or redevelopment activities benefiting the qualified redevelopment site in which the qualified investment is made.

(5) Evidence of support by residents, businesses, and private organizations in the surrounding community for the project for which the taxpayer proposes to make the qualified investment.

(6) The level of economic distress in the surrounding community and the extent to which the project for which the taxpayer proposes to make the qualified investment mitigates the economic distress.

(7) The extent to which the project is estimated to enhance the economic opportunity, health, safety, aesthetics, or amenities of the community in a manner that:

(A) improves quality of life factors for residents of the region; and

(B) increases the ability of the region to attract and retain a talented workforce.

(8) The extent to which the rehabilitation or reuse of the qualified redevelopment site would otherwise proceed but for the proposed award.

(8) (9) Any other factors as determined by the **development authority, the fiscal oversight committee, or the corporation, as applicable.**

SECTION 12. IC 6-3.1-34-17, AS AMENDED BY P.L.135-2022, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 17. (a) The following apply if the corporation determines that a credit should be awarded under this chapter:

(1) The corporation shall require the taxpayer to enter into an agreement with the corporation as a condition of receiving a credit under this chapter.

(2) The agreement with the corporation must:

(A) prescribe the method of certifying the taxpayer's qualified investment; and

(B) include provisions that authorize the corporation to work with the department and the taxpayer, if the corporation determines that the taxpayer is noncompliant with the terms of



the agreement or the provisions of this chapter, to bring the taxpayer into compliance or to protect the interests of the state.

(3) The corporation shall specify the taxpayer's expenditures that will be considered a qualified investment.

(4) The corporation shall determine the applicable credit percentage under subsections (b) and (c).

(5) The agreement must require that any repayment obligation be secured in a manner consistent with the fiscal oversight committee's recommendation.

(6) The agreement may require that the taxpayer reimburse the treasurer of state for the state's costs associated with reviewing the application, confirming the agreement's compliance with this chapter, and enforcing the agreement.

(b) If the corporation determines that a credit should be awarded under this chapter, the corporation shall determine the applicable credit percentage for a qualified investment certified by the corporation. However, and except as provided in subsection (c), the applicable credit percentage may not exceed thirty percent (30%).

(c) The corporation may increase the credit amount by not more than an additional five percent (5%) if:

(1) the qualified redevelopment site is located in a federally designated qualified opportunity zone (Section 1400Z-1 and 1400Z-2 of the Internal Revenue Code); or

(2) the project qualifies for federal new markets tax credits under Section 45D of the Internal Revenue Code; **or**

(3) the qualified redevelopment site is a rural development site.

(d) To be eligible for the credit for a qualified investment, a taxpayer's expenditures that are considered a qualified investment must be certified by the corporation not later than two (2) taxable years after the end of the calendar year in which the taxpayer's expenditures are made.

(e) An award in excess of twenty million dollars (\$20,000,000) shall require the approval of the budget committee.

SECTION 13. IC 6-3.1-34-18, AS AMENDED BY P.L.201-2023, SECTION 102, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 18. (a) Except as provided in subsection (b), if the corporation awards a tax credit to a taxpayer under this chapter that exceeds twenty million dollars (\$20,000,000), the corporation shall include in an agreement entered into under section 17 of this chapter a provision that requires the taxpayer to repay the credit amount received under this chapter to the corporation the



1 portion of the credit that exceeds twenty million dollars (\$20,000,000)  
 2 with interest, **unless the budget committee approves a waiver in**  
 3 **whole or in part of such requirement for the taxpayer.**  
 4 Notwithstanding the date on which a tax credit is awarded under this  
 5 chapter, any repayment of any part of a credit awarded under this  
 6 chapter shall be deposited in the state general fund.

7 (b) Notwithstanding subsection (a), the corporation may exclude  
 8 from its agreement entered into under section 17 of this chapter a  
 9 repayment provision for **any an applicable** portion of the credit if:

- 10 (1) **taking into consideration the nonpayment portion of an**  
 11 **award,** the award is for a qualified redevelopment site subject to  
 12 a proposal that **still** will result in a **qualified investment of at least**  
 13 **one hundred million dollars (\$100,000,000), positive fiscal**  
 14 **impact as determined by the fiscal oversight committee;**
- 15 (2) **the portion of the award not subject to repayment is less**  
 16 **than seven million dollars (\$7,000,000); and**
- 17 (3) **the aggregate awards made by the corporation for the**  
 18 **state fiscal year under this chapter that are not subject to**  
 19 **repayment under this subsection do not exceed fifty million**  
 20 **dollars (\$50,000,000).**

21 (c) If the corporation enters into an agreement with a taxpayer under  
 22 section 17 of this chapter that includes a repayment provision under  
 23 subsection (a), the corporation shall include in the repayment provision  
 24 a provision establishing the interest rate that will be applied. The  
 25 interest rate shall be determined by the **board fiscal oversight**  
 26 **committee** and approved by the budget agency.

27 (d) This subsection applies to an active multi-phased project  
 28 occurring on a defined footprint for which the taxpayer has received  
 29 approval for at least the first phase of the active multi-phased project  
 30 from the corporation's board before July 1, 2018, for a tax credit under  
 31 IC 6-3.1-11 (industrial recovery tax credit) before its expiration. The  
 32 following apply to a project described in this subsection:

- 33 (1) Only qualified investments that are made after June 30, 2021,  
 34 are eligible for a credit award under this chapter.
- 35 (2) The annual amount of credits awarded under this chapter for  
 36 the project may not exceed five million dollars (\$5,000,000).
- 37 (3) The corporation may not include a repayment provision as part  
 38 of an agreement entered into under section 17 of this chapter for  
 39 the credits awarded for the project.

40 (e) **The part of any credit that is subject to a repayment provision**  
 41 **under this section Any credit awarded before July 1, 2026, under**  
 42 **this chapter** must be included in the calculation of the aggregate



1       amount of applicable tax credits that the corporation may certify for a  
 2       state fiscal year under IC 5-28-6-9.

3       SECTION 14. IC 6-3.1-34-22.3 IS ADDED TO THE INDIANA  
 4       CODE AS A NEW SECTION TO READ AS FOLLOWS  
 5       [EFFECTIVE JULY 1, 2026]: Sec. 22.3. **A development authority**  
 6       **shall develop a comprehensive strategic development plan for its**  
 7       **jurisdiction, which shall also be approved by its regional**  
 8       **development advisory council, if established. The development**  
 9       **authority shall submit the development plan to the corporation and**  
 10       **the fiscal oversight committee for approval. The development plan**  
 11       **must contain:**

- 12       (1) **the development authority's economic development**  
 13       **strategy;**
- 14       (2) **the anticipated local resource commitments;**
- 15       (3) **the development authority's proposed regionally**  
 16       **significant projects;**
- 17       (4) **a return on investment analysis reflecting a positive state**  
 18       **return for such projects; and**
- 19       (5) **a requirement:**
  - 20       (A) **for an equal or greater level of local public financial**  
 21       **participation in the aggregate across all projects;**
  - 22       (B) **that the projects are reasonably expected to spur a**  
 23       **total investment across all projects that is in excess of four**  
 24       **(4) times the level of the state resources provided on a**  
 25       **present value basis; and**
  - 26       (C) **that each project supported would not occur but for**  
 27       **the provision of the requested state resources.**

28       SECTION 15. IC 6-3.1-34-22.5 IS ADDED TO THE INDIANA  
 29       CODE AS A NEW SECTION TO READ AS FOLLOWS  
 30       [EFFECTIVE JULY 1, 2026]: Sec. 22.5. **(a) The fiscal oversight**  
 31       **committee is established for the purposes of this chapter. The**  
 32       **committee consists of the following members:**

- 33       (1) **Four (4) members appointed by the budget committee.**
- 34       (2) **The director of the office of management and budget, or**  
 35       **the director's designee.**
- 36       (3) **The president of the corporation, or the president's**  
 37       **designee.**
- 38       (4) **The treasurer of state.**
- 39       **(b) A member appointed under subsection (a)(1) serves at the**  
 40       **pleasure of the appointing authority.**
- 41       **(c) The members shall elect a chairperson.**
- 42       **(d) The committee shall meet at the call of the chairperson.**



**(e) Five (5) members of the committee constitute a quorum.**

(f) Each member of the committee who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b) for each day that the member is engaged in the official business of the committee. The member is also entitled to reimbursement for mileage, traveling expenses, and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) The treasurer of state shall staff the committee. Expenses of the committee shall be paid from money appropriated to the treasurer of state or collected as reimbursements or other fees received from taxpayers under an agreement entered into under section 17 of this chapter.

**(h) The treasurer of state may engage a third party to review, facilitate, and monitor the awards.**

SECTION 16. IC 6-3.1-34-23, AS ADDED BY P.L.213-2025, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 23. A tax credit awarded under this chapter **before July 1, 2026**, is subject to the limitations set forth in IC 5-28-6-9.

SECTION 17. 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, "gross retail base period amount" means the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5;

**(1) by the businesses operating within the qualified redevelopment site; and**

(2) that is, in the case of the:

(A) state gross retail tax, collected by a business for sales occurring at a physical location of the business in the qualified redevelopment site;

(B) state use tax, incurred with regard to property used in the qualified redevelopment site; and

(C) state gross retail and use tax incurred and paid by a contractor with regard to tangible personal property incorporated into real property that is located in the qualified redevelopment site, if the contractor can determine the amount of state gross retail or use tax incurred and paid on the tangible personal property incorporated into real property that is located in the



**1 qualified redevelopment site based on records maintained**  
**2 by the contractor;**

3 for the state fiscal year that precedes the date on which the  
4 qualified redevelopment site was designated under this chapter. A  
5 contractor that provides tangible personal property incorporated  
6 into real property in a project located in a qualified redevelopment  
7 site shall maintain records of all state gross retail and use tax paid  
8 or collected during a state fiscal year for the tangible personal  
9 property incorporated into the real property in projects located in  
10 a qualified redevelopment site.

(i) in the case of the state gross retail tax, collected by a business for sales occurring at a physical location of the business within the qualified redevelopment site;

(ii) in the case of the state use tax, incurred with regard to property used in the qualified redevelopment site; and

(iii) in the case of the state gross retail and use tax incurred and paid by a contractor with regard to tangible personal property incorporated into real property that is located in a qualified redevelopment site, if the contractor can determine the amount of state gross retail or use tax incurred and paid based on records maintained by the contractor; minus

30 (2) the gross retail base period amount;

**as determined by the department of state revenue.**

32 (c) As used in this section, "income tax base period amount"  
33 means the aggregate amount of adjusted gross income taxes paid  
34 by employees employed in the territory comprising a qualified  
35 redevelopment site with respect to wages and salary earned for  
36 work in the qualified redevelopment site for the state fiscal year  
37 that precedes the date on which the qualified redevelopment site  
38 was designated under section 6 of this chapter.



1                   territory comprising the qualified redevelopment site with  
2                   respect to wages and salary earned for work in the territory  
3                   comprising the qualified redevelopment site for a particular  
4                   state fiscal year; minus

5                   (2) the sum of the:

6                   (A) income tax base period amount; plus

7                   (B) tax credits awarded by the corporation under  
8                   IC 6-3.1-13 to businesses operating within a qualified  
9                   redevelopment site as the result of wages earned for work  
10                  within the qualified redevelopment site for the state fiscal  
11                  year;

12                  as determined by the department of state revenue.

13                  (e) As used in this section, "net increment" means the sum of:

14                  (1) the gross retail increment amount; plus

15                  (2) the income tax incremental amount;

16                  as determined by the department of state revenue.

17                  (f) To the extent that an agreement entered into under section  
18                  17 of this chapter includes a repayment provision, the fiscal  
19                  oversight committee may recommend that net increment be  
20                  pledged to the repayment of the tax credits. To the extent  
21                  recommended by the fiscal oversight committee, approved by the  
22                  corporation and the budget committee, and pledged to bonds or to  
23                  otherwise secure the repayment of obligations under this chapter,  
24                  the department of state revenue shall determine the net increment  
25                  generated at the qualified redevelopment site for the preceding  
26                  state fiscal year by October 1 of each year and provide such  
27                  information to the treasurer of state. The treasurer of state shall  
28                  transfer such funds to an account established for such project and,  
29                  to the extent provided for in a pledge agreement related to the net  
30                  increment entered into in conjunction with an agreement entered  
31                  into under section 17 of this chapter, transfer such funds as  
32                  required to secure or make a payment related to such repayment  
33                  obligation.

34                  (g) To the extent that net increment is pledged as a repayment  
35                  source, all taxpayers operating within the qualified redevelopment  
36                  site shall report annually, in the manner and form prescribed by  
37                  the department of state revenue, information that the department  
38                  of state revenue determines necessary to calculate the net  
39                  increment. A taxpayer operating in a qualified redevelopment site  
40                  that files a consolidated tax return with the department of state  
41                  revenue shall also file annually an information return with the  
42                  department of state revenue for each business location of the



1                   **taxpayer within the qualified redevelopment site. If a taxpayer fails**  
 2                   **to report the information required by this section, the department**  
 3                   **of state revenue shall use the best information available in**  
 4                   **calculating the income tax incremental amount and gross retail**  
 5                   **incremental amount.**

6                   **(h) A pledge of net increment from a qualified redevelopment**  
 7                   **site under this section shall be effective notwithstanding a pledge**  
 8                   **or allocation of such net increment made pursuant to IC 5-1-17.5,**  
 9                   **IC 36-7-13, IC 36-7-31, IC 36-7-31.3, IC 36-7-31.5, IC 36-7-32, and**  
 10                  **IC 36-7.5-4.5, subject to the following:**

11                  **(1) For net increment allocated or pledged under IC 5-1-17.5,**  
 12                  **IC 36-7-31, IC 36-7-31.3, IC 36-7-31.5, or IC 36-7.5-4.5,**  
 13                  **provided that the treasurer of state receives a finding from**  
 14                  **the Indiana finance authority that no bonds issued in**  
 15                  **accordance with such provisions will be adversely affected by**  
 16                  **the pledge of net increment from the qualified redevelopment**  
 17                  **site.**

18                  **(2) For net increment allocated or pledged under IC 36-7-13**  
 19                  **and IC 36-7-32, provided that the treasurer of state receives**  
 20                  **a resolution from the legislative body of the unit designating**  
 21                  **such districts consenting to the pledge of the net increment**  
 22                  **and finding that no bonds issued in accordance with such**  
 23                  **provision will be adversely affected by the pledge of net**  
 24                  **increment from the qualified redevelopment site.**

25                  SECTION 18. IC 36-7.6-2-3, AS AMENDED BY P.L.178-2015,  
 26                  SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27                  JULY 1, 2026]: Sec. 3. (a) A development authority may be established  
 28                  by any of the following:

29                  (1) One (1) or more counties and one (1) or more adjacent  
 30                  counties.  
 31                  (2) One (1) or more counties and one (1) or more qualified cities  
 32                  in adjacent counties.  
 33                  (3) One (1) or more qualified cities and one (1) or more qualified  
 34                  cities in adjacent counties.

35                  (b) A county or qualified city may participate in the establishment  
 36                  of a development authority under this section and become a member of  
 37                  the development authority only if the fiscal body of the county or  
 38                  qualified city adopts an ordinance authorizing the county or qualified  
 39                  city to participate in the establishment of the development authority.

40                  (c) When a county establishes a development authority with another  
 41                  unit as provided in this chapter, each qualified city and third class city  
 42                  in the county also becomes a member of the development authority,



1 without further action by the qualified city, **the** third class city, or the  
 2 development authority.

3 (d) **This subsection applies before January 1, 2026.**  
 4 Notwithstanding any other provision of this article, a county or  
 5 municipality may be a member of only one (1) development authority.

6 (e) **This subsection applies before January 1, 2026.**  
 7 Notwithstanding any other provision of this article, a county or  
 8 municipality that is a member of the northwest Indiana regional  
 9 development authority under IC 36-7.5 may not be a member of a  
 10 development authority under this article.

11 (f) **This subsection applies on or after January 1, 2026.** A  
 12 development authority shall **first be approved by the secretary of**  
 13 **commerce prior to its formation and the development authority**  
 14 **shall further** notify the Indiana economic development corporation  
 15 **and secretary of commerce** in writing promptly after the development  
 16 authority is established.

17 SECTION 19. IC 36-7.6-2-16 IS ADDED TO THE INDIANA  
 18 CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
 19 [EFFECTIVE JULY 1, 2026]: Sec. 16. (a) **A development authority**  
 20 **may establish a regional development advisory council.** The  
 21 **regional development advisory council shall consist of members**  
 22 **appointed according the following:**

23 (1) **One (1) member appointed by the county executive of each**  
 24 **county that is a member of the development authority.**

25 (2) **One (1) member appointed by the governor.**

26 (3) **Two (2) members appointed by the speaker of the house of**  
 27 **representatives.**

28 (4) **Two (2) members appointed by the president pro tempore**  
 29 **of the senate.**

30 (5) **At least three (3) members appointed by the development**  
 31 **authority that are mayors in the development area, with at**  
 32 **least (1) appointee residing in a county located in the**  
 33 **development area that does not contain a municipality with a**  
 34 **population of twenty-five thousand (25,000) or more, if one**  
 35 **exists in the development area.**

36 (b) **A member appointed to the regional development advisory**  
 37 **council serves a two (2) year term. A member may be reappointed**  
 38 **to subsequent terms.**

39 (c) **Each member must reside within the development area, but**  
 40 **not more than four (4) members may reside in the same county.**

41 (d) **A majority of the appointed members of a regional**  
 42 **development advisory council constitutes a quorum. The**



1       **affirmative votes of at least a majority of the appointed members**  
2       **of a regional development advisory council are necessary to**  
3       **authorize any action of the regional development advisory council.**

4       (e) A member appointed to a regional development advisory  
5       council is not entitled to receive any compensation for performance  
6       of the member's duties.

7       (f) Not later than October 1 each year, the regional development  
8       advisory council shall hold an organizational meeting at which the  
9       regional development advisory council shall elect the following  
10      officers from the members of the regional development advisory  
11      council:

12       (1) A chair.  
13       (2) A vice chair.  
14       (3) A secretary-treasurer.

15       The affirmative vote of at least a majority of the appointed  
16      members of a regional development advisory council is necessary  
17      to elect an officer under this subsection. An officer elected under  
18      this subsection serves from the date of the officer's election until  
19      the officer's successor is elected and qualified.

20       (g) The regional development advisory council shall meet at the  
21      call of the chair.

22       (h) This section shall not apply to a development authority  
23      established under this article that includes a county listed in  
24      IC 36-7-39-2 as a member.

25       SECTION 20. [EFFECTIVE JANUARY 1, 2026  
26      (RETROACTIVE)] (a) IC 6-3-3-16, as added by this act, applies to  
27      taxable years beginning after December 31, 2025.

28       (b) This SECTION expires January 1, 2029.

29       SECTION 21. An emergency is declared for this act.

