

SENATE BILL No. 281

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.

Goode

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



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

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



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

4 (3) "Development authority" refers to a regional development
5 authority established under IC 36-7.5-2-1, IC 36-7.6-2-3, or
6 IC 36-7.7-3-1 that is designated by the secretary of commerce
7 as the lead economic development agency for the jurisdiction
8 for which that regional development authority operates.

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

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

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

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

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

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

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

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

38 (f) The agreement entered into under subsection (e) shall
39 provide for the distribution of the applicable allocation of the
40 investment earnings to the development authority account and for
41 the conditions, local funding match requirements, and uses for the
42 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



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

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

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

(B) a monthly report showing:

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

(ii) the performance and composition of the endowment pool.

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

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

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

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

(1) The treasurer of state.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

38 (3) Not less than one hundred percent (100%) of funds in a
 39 development authority operating account, and fifty percent
 40 (50%) of funds in a development authority capital account,
 41 shall be deposited in banks qualified to hold deposits for such
 42 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.



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

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

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

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

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

- (1) an individual filing a single return;**
- (2) a married couple filing a joint return; or**
- (3) a married individual filing a separate return.**

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

- (1) Twenty percent (20%) multiplied by the amount of the total qualifying contributions that are made by the taxpayer to a Trump account or accounts during the taxable year.**
- (2) One thousand five hundred dollars (\$1,500), or seven hundred fifty dollars (\$750) in the case of a married individual filing a separate return.**
- (3) The amount of the taxpayer's adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.**

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

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



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

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

9 SECTION 5. IC 6-3.1-34-2.1 IS ADDED TO THE INDIANA
10 CODE AS A NEW SECTION TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2026]: Sec. 2.1. As used in this chapter,
12 "development authority" refers to a regional development
13 authority established under IC 36-7.5-2-1, IC 36-7.6-2-3, or
14 IC 36-7.7-3-1 that is designated by the secretary of commerce as
15 the lead economic development agency for the jurisdiction that
16 includes the qualified redevelopment site.

17 SECTION 6. IC 6-3.1-34-2.2 IS ADDED TO THE INDIANA
18 CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2026]: Sec. 2.2. As used in this chapter,
20 "development plan" refers to a comprehensive strategic
21 development plan under section 22.3 of this chapter that is
22 approved by the corporation and the fiscal oversight committee.

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

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

34 SECTION 9. IC 6-3.1-34-11, AS AMENDED BY P.L.213-2025,
35 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2026]: Sec. 11. (a) ~~Subject to IC 5-28-6-9,~~ A taxpayer may
37 claim a credit against the taxpayer's state tax liability for a taxable year
38 only if **an award is made consistent with section 15 of this chapter**
39 **and the corporation awards a credit to the taxpayer and enters into an**
40 **agreement with the taxpayer as set forth under this chapter. The**
41 **corporation may shall** establish an application period for applying for
42 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.

(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



- 1 the agreement or the provisions of this chapter, to bring the
 2 taxpayer into compliance or to protect the interests of the state.
- 3 (3) The corporation shall specify the taxpayer's expenditures that
 4 will be considered a qualified investment.
- 5 (4) The corporation shall determine the applicable credit
 6 percentage under subsections (b) and (c).
- 7 **(5) The agreement must require that any repayment**
 8 **obligation be secured in a manner consistent with the fiscal**
 9 **oversight committee's recommendation.**
- 10 **(6) The agreement may require that the taxpayer reimburse**
 11 **the treasurer of state for the state's costs associated with**
 12 **reviewing the application, confirming the agreement's**
 13 **compliance with this chapter, and enforcing the agreement.**
- 14 (b) If the corporation determines that a credit should be awarded
 15 under this chapter, the corporation shall determine the applicable credit
 16 percentage for a qualified investment certified by the corporation.
 17 However, and except as provided in subsection (c), the applicable
 18 credit percentage may not exceed thirty percent (30%).
- 19 (c) The corporation may increase the credit amount by not more
 20 than an additional five percent (5%) if:
- 21 (1) the qualified redevelopment site is located in a federally
 22 designated qualified opportunity zone (Section 1400Z-1 and
 23 1400Z-2 of the Internal Revenue Code); ~~or~~
- 24 (2) the project qualifies for federal new markets tax credits under
 25 Section 45D of the Internal Revenue Code; **or**
- 26 **(3) the qualified redevelopment site is a rural development**
 27 **site.**
- 28 (d) To be eligible for the credit for a qualified investment, a
 29 taxpayer's expenditures that are considered a qualified investment must
 30 be certified by the corporation not later than two (2) taxable years after
 31 the end of the calendar year in which the taxpayer's expenditures are
 32 made.
- 33 **(e) An award in excess of twenty million dollars (\$20,000,000)**
 34 **shall require the approval of the budget committee.**
- 35 SECTION 13. IC 6-3.1-34-18, AS AMENDED BY P.L.201-2023,
 36 SECTION 102, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2026]: Sec. 18. (a) Except as provided in
 38 subsection (b), ~~if the corporation awards a tax credit to a taxpayer~~
 39 ~~under this chapter that exceeds twenty million dollars (\$20,000,000);~~
 40 the corporation shall include in an agreement entered into under section
 41 17 of this chapter a provision that requires the taxpayer to repay **the**
 42 **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.



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

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

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

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

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

23 SECTION 17. IC 6-3.1-34-24 IS ADDED TO THE INDIANA
24 CODE AS A NEW SECTION TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2026]: Sec. 24. (a) As used in this section,
26 "gross retail base period amount" means the aggregate amount of
27 state gross retail and use taxes remitted under IC 6-2.5:

- 28 (1) by the businesses operating within the qualified
29 redevelopment site; and
30 (2) that is, in the case of the:

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

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

36 (C) state gross retail and use tax incurred and paid by a
37 contractor with regard to tangible personal property
38 incorporated into real property that is located in the
39 qualified redevelopment site, if the contractor can
40 determine the amount of state gross retail or use tax
41 incurred and paid on the tangible personal property
42 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.

11 (b) As used in this section, "gross retail incremental amount"
 12 means the remainder of:

13 (1) the aggregate amount of state gross retail and use taxes
 14 that are remitted under IC 6-2.5:

15 (A) by businesses operating within the qualified
 16 redevelopment site; and

17 (B) that is:

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

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

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

30 (2) the gross retail base period amount;
 31 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.

39 (d) As used in this section, "income tax incremental amount"
 40 means the remainder of:

41 (1) the total amount of state adjusted gross income taxes and
 42 local income taxes paid by employees employed in the



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

(2) the sum of the:

(A) income tax base period amount; plus

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

as determined by the department of state revenue.

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

(1) the gross retail increment amount; plus

(2) the income tax incremental amount;

as determined by the department of state revenue.

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

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



without further action by the qualified city, ~~the~~ third class city, or the development authority.

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

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

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

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

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

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

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

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

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

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

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

(d) A majority of the appointed members of a regional 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.

