



Reprinted
January 28, 2026

SENATE BILL No. 281

DIGEST OF SB 281 (Updated January 27, 2026 4:41 pm - DI 120)

Citations Affected: IC 6-3.1; IC 36-7.6.

Synopsis: Income tax credits. Amends and adds provisions regarding the redevelopment tax credit, including provisions concerning the promotion of regional collaboration and the use of development plans with respect to certain qualified investments. Authorizes a regional development authority to establish a regional development advisory council.

Effective: July 1, 2026.

Goode, Mishler, Niezgodski

January 12, 2026, read first time and referred to Committee on Tax and Fiscal Policy.
January 20, 2026, amended, reported favorably — Do Pass.
January 27, 2026, read second time, amended, ordered engrossed.

SB 281—LS 6974/DI 120



Reprinted
January 28, 2026

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 6-3.1-34-0.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2026]: Sec. 0.5. (a) **In order to facilitate the**
4 **redevelopment and rehabilitation of property in Indiana that**
5 **promotes regional collaboration and long term strategic planning,**
6 **the corporation may commit a tax credit to a development**
7 **authority pursuant to a development plan approved by the**
8 **corporation, which may subsequently be awarded by the**
9 **corporation at the request of a development authority to a**
10 **taxpayer proposing a qualified investment in a qualified**
11 **redevelopment site that is included in the development authority's**
12 **development plan.**

13 (b) **The corporation shall award fifty million dollars**
14 **(\$50,000,000) to development authorities each fiscal year that may**
15 **be granted to taxpayers proposing qualified investment in a**
16 **qualified redevelopment site pursuant to a development plan**
17 **approved by the corporation.**

SB 281—LS 6974/DI 120



1 SECTION 2. IC 6-3.1-34-2.1 IS ADDED TO THE INDIANA
2 CODE AS A NEW SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2026]: Sec. 2.1. (a) As used in this chapter,
4 "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.

7 (b) For the period beginning July 1, 2026, and ending June 30,
8 2028, the term "development authority" includes a qualified
9 nonprofit organization formed to support economic development
10 across the region and which does not represent a single interest
11 group or local unit or units within a single county. This subsection
12 expires July 1, 2028.

13 SECTION 3. IC 6-3.1-34-2.2 IS ADDED TO THE INDIANA
14 CODE AS A NEW SECTION TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2026]: Sec. 2.2. (a) As used in this chapter,
16 "development plan" refers to a comprehensive strategic
17 development plan approved by the development authority for its
18 jurisdiction and which outlines its economic development strategy,
19 the anticipated local resource commitments, the proposed
20 regionally significant projects, the return on investment analysis
21 reflecting a positive state return for such projects, the requirement
22 that an equal or greater level of local public financial participation
23 in the aggregate across all projects, the requirement that projects
24 are reasonably expected to spur a total investment across all
25 projects that is four (4) times greater than the level of the state
26 resources provided on a present value basis, and that each project
27 supported would not occur but for the provision of the requested
28 state resources.

29 (b) The development plan shall also include specific, measurable
30 five (5) and ten (10) year objectives, and plans for achieving the
31 objectives, for the region, including targets for:

- 32 (1) per capita income;
- 33 (2) population;
- 34 (3) employment; and
- 35 (4) credential attainment among residents;

36 in the region.

37 SECTION 4. IC 36-7.6-2-3, AS AMENDED BY P.L.178-2015,
38 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2026]: Sec. 3. (a) A development authority may be established
40 by any of the following:

- 41 (1) One (1) or more counties and one (1) or more adjacent
42 counties.



5 (b) A county or qualified city may participate in the establishment
6 of a development authority under this section and become a member of
7 the development authority only if the fiscal body of the county or
8 qualified city adopts an ordinance authorizing the county or qualified
9 city to participate in the establishment of the development authority.
10 **For a county or city that is currently participating in a**
11 **development authority, the fiscal body of the county or qualified**
12 **city may adopt a subsequent ordinance authorizing the county or**
13 **qualified city to change membership and instead participate in a**
14 **new or different development authority.**

(d) Notwithstanding any other provision of this article, a county or municipality may be a member of only one (1) development authority.

22 (e) Notwithstanding any other provision of this article, a county or
23 municipality that is a member of the northwest Indiana regional
24 development authority under IC 36-7.5 may not be a member of a
25 development authority under this article.

26 (f) A development authority shall notify the Indiana economic
27 development corporation in writing promptly after the development
28 authority is established **or if membership of the development**
29 **authority changes.**

30 SECTION 5. IC 36-7.6-2-16 IS ADDED TO THE INDIANA CODE
31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
32 1, 2026]: **Sec. 16. (a) A development authority may establish a**
33 **regional development advisory council. The regional development**
34 **advisory council shall consist of members appointed according the**
35 **following:**

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

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



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

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

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

(1) A chair.

(2) A vice chair.

(3) A secretary-treasurer.

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

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

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



COMMITTEE REPORT

Mr. President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 281, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17.

Delete pages 2 through 5.

Page 6, delete lines 1 through 2.

Page 6, line 15, delete "two" and insert "**three**".

Page 6, line 16, delete "(\$250,000,000)" and insert "(\$350,000,000)".

Delete pages 7 through 18.

Page 19, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 2. IC 6-3.1-34-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 0.5. (a) In order to facilitate the redevelopment and rehabilitation of property in Indiana that promotes regional collaboration and long term strategic planning, the corporation may commit a tax credit to a development authority pursuant to a development plan approved by the corporation, which may subsequently be awarded by the corporation at the request of a development authority to a taxpayer proposing a qualified investment in a qualified redevelopment site that is included in the development authority's development plan.

(b) The corporation shall award fifty million dollars (\$50,000,000) to development authorities each fiscal year that may be granted to taxpayers proposing qualified investment in a qualified redevelopment site pursuant to a development plan approved by the corporation.

SECTION 3. 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. The term includes a qualified nonprofit organization formed to support economic development across the region and which does not represent a single interest group or local unit or units within a single county.

SECTION 4. 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. (a) As used in this chapter, "development plan" refers to a comprehensive strategic development plan approved by the development authority for its jurisdiction and which outlines its economic development strategy, the anticipated local resource commitments, the proposed regionally significant projects, the return on investment analysis reflecting a positive state return for such projects, the requirement that an equal or greater level of local public financial participation in the aggregate across all projects, the requirement that projects are reasonably expected to spur a total investment across all projects that is four (4) times greater than the level of the state resources provided on a present value basis, and that each project supported would not occur but for the provision of the requested state resources.

(b) The development plan shall also include specific, measurable five (5) and ten (10) year objectives, and plans for achieving the objectives, for the region, including targets for:

- (1) per capita income;
- (2) population;
- (3) employment; and
- (4) credential attainment among residents;

in the region.

SECTION 5. IC 36-7.6-2-3, AS AMENDED BY P.L.178-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) A development authority may be established by any of the following:

- (1) One (1) or more counties and one (1) or more adjacent counties.
- (2) One (1) or more counties and one (1) or more qualified cities in adjacent counties.
- (3) One (1) or more qualified cities and one (1) or more qualified cities in adjacent counties.

(b) A county or qualified city may participate in the establishment of a development authority under this section and become a member of the development authority only if the fiscal body of the county or qualified city adopts an ordinance authorizing the county or qualified city to participate in the establishment of the development authority. For a county or city that is currently participating in a development authority, the fiscal body of the county or qualified city may adopt a subsequent ordinance authorizing the county or qualified city to change membership and instead participate in a new or different development authority.



(c) When a county establishes a development authority with another unit as provided in this chapter, each qualified city and third class city 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) Notwithstanding any other provision of this article, a county or municipality may be a member of only one (1) development authority.

(e) 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) A development authority shall notify the Indiana economic development corporation in writing promptly after the development authority is established **or if membership of the development authority changes.**".

Page 20, delete lines 25 through 29, begin a new paragraph and insert:

"SECTION 7. [EFFECTIVE JULY 1, 2026] (a) Notwithstanding any other provision, after review by the budget committee, the appropriation for the deal closing fund in P.L.213-2025 (HEA 1001-2025) may be augmented by the budget agency. The terms in P.L.213-2025 (HEA 1001-2025) for the deal closing fund limiting augmentation by the budget agency to any economic development project located within an innovation development district are repealed.

(b) This SECTION expires July 1, 2027."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 281 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 12, Nays 1.

SENATE MOTION

Mr. President: I move that Senate Bill 281 be amended to read as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 23.

SB 281—LS 6974/DI 120



Page 2, delete lines 41 through 42.

Page 3, delete lines 1 through 7, begin a new paragraph and insert:

"SECTION 3. 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. (a) 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.

(b) For the period beginning July 1, 2026, and ending June 30, 2028, the term "development authority" includes a qualified nonprofit organization formed to support economic development across the region and which does not represent a single interest group or local unit or units within a single county. This subsection expires July 1, 2028."

Page 5, delete lines 33 through 41.

Renumber all SECTIONS consecutively.

(Reference is to SB 281 as printed January 21, 2026.)

MISHLER

