



PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 281 be amended to read as follows:

- 1 Page 4, between lines 35 and 36, begin a new paragraph and insert:
- 2 "SECTION 3. IC 6-1.1-10-44, AS AMENDED BY P.L.256-2019,
- 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2026]: Sec. 44. (a) As used in this section, "designating body"
- 5 means the fiscal body of:
- 6 (1) a county that does not contain a consolidated city; or
- 7 (2) a municipality.
- 8 (b) As used in this section, "eligible business" means an entity that
- 9 meets the following requirements:
- 10 (1) The entity is engaged in a business that:
- 11 (A) operates; or
- 12 (B) leases qualified property for use in;
- 13 one (1) or more facilities or data centers dedicated to computing,
- 14 networking, or data storage activities.
- 15 (2) The entity's qualified property is located at a facility or data
- 16 center in Indiana.
- 17 (3) The entity, the lessor of qualified property (if the entity is a
- 18 lessee), and all lessees of qualified property invest in the
- 19 aggregate at least twenty-five million dollars (\$25,000,000) in
- 20 real and personal property at the facility or data center after June
- 21 30, 2012.

1 (4) The average wage of employees who are located in the county  
 2 or municipality and engaged in the operation of the facility or data  
 3 center is at least one hundred twenty-five percent (125%) of the  
 4 county average wage for the county in which the facility or data  
 5 center operates.

6 (c) As used in this section, "enterprise information technology  
 7 equipment" means the following:

8 (1) Hardware supporting computing, networking, or data storage  
 9 functions, including servers and routers.

10 (2) Networking systems having an industry designation as  
 11 equipment within the "enterprise" or "data center" class of  
 12 networking systems that support the computing, networking, or  
 13 data storage functions.

14 (3) Generators and other equipment used to ensure an  
 15 uninterrupted power supply to equipment described in subdivision  
 16 (1) or (2).

17 The term does not include computer hardware designed for single user,  
 18 workstation, or departmental level use.

19 (d) As used in this section, "fiscal body" has the meaning set forth  
 20 in IC 36-1-2-6.

21 (e) As used in this section, "municipality" has the meaning set forth  
 22 in IC 36-1-2-11.

23 (f) As used in this section, "qualified property" means enterprise  
 24 information technology equipment purchased after June 30, 2012, and  
 25 any additions to or replacements to such property.

26 (g) **Subject to subsection (i)**, a designating body may enter into an  
 27 agreement with an eligible business to grant the eligible business a  
 28 property tax exemption. In the case of a county, the exemption applies  
 29 only to qualified property that is located in unincorporated territory of  
 30 the county. In the case of a municipality, the exemption applies only to  
 31 qualified property that is located in the municipality. The property tax  
 32 exemption applies to the qualified property only if the designating body  
 33 and the eligible business enter into an agreement concerning the  
 34 property tax exemption. The agreement must specify the duration of the  
 35 property tax exemption. The agreement may specify that if the  
 36 ownership of qualified property is transferred by an eligible business,  
 37 the transferee is entitled to the property tax exemption on the same  
 38 terms as the transferor. If a designating body enters into an agreement  
 39 with an eligible business, the qualified property owned by the eligible  
 40 business is exempt from property taxation as provided in the resolution  
 41 and the agreement.

42 (h) If a designating body enters into an agreement under subsection  
 43 (g) to provide a property tax exemption, the property tax exemption  
 44 continues for the period specified in the agreement.

45 (i) **Notwithstanding any other law, after June 30, 2026, a**  
 46 **designating body may not enter into an agreement with an eligible**

1 **business to grant the eligible business a property tax exemption on**  
 2 **qualified property in an amount that exceeds fifteen percent (15%)**  
 3 **of the total net assessed value of the tangible property attributable**  
 4 **to the data center in the county. An agreement to grant a property**  
 5 **tax exemption on qualified property that was entered into before**  
 6 **July 1, 2026, may continue for the period specified and for the**  
 7 **amount specified in the agreement.**

8 SECTION 4. IC 6-1.1-12.1-1, AS AMENDED BY  
 9 P.L.178-2022(ts), SECTION 5, IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. For purposes of this  
 11 chapter:

12 (1) "Economic revitalization area" means an area which is within  
 13 the corporate limits of a city, town, or county which has become  
 14 undesirable for, or impossible of, normal development and  
 15 occupancy because of a lack of development, cessation of growth,  
 16 deterioration of improvements or character of occupancy, age,  
 17 obsolescence, substandard buildings, or other factors which have  
 18 impaired values or prevent a normal development of property or  
 19 use of property. The term "economic revitalization area" also  
 20 includes:

21 (A) any area where a facility or a group of facilities that are  
 22 technologically, economically, or energy obsolete are located  
 23 and where the obsolescence may lead to a decline in  
 24 employment and tax revenues;

25 (B) a residentially distressed area, except as otherwise  
 26 provided in this chapter; and

27 (C) an area of land classified as agricultural land for property  
 28 tax purposes that, as a condition of being designated an  
 29 economic revitalization area, will be predominately used for  
 30 agricultural purposes for a period specified by the designating  
 31 body.

32 (2) "City" means any city in this state, and "town" means any town  
 33 incorporated under IC 36-5-1.

34 (3) "New manufacturing equipment" means tangible personal  
 35 property that a deduction applicant:

36 (A) installs on or before the approval deadline determined  
 37 under section 9 of this chapter, in an area that is declared an  
 38 economic revitalization area in which a deduction for tangible  
 39 personal property is allowed;

40 (B) uses in the direct production, manufacture, fabrication,  
 41 assembly, extraction, mining, processing, refining, or finishing  
 42 of other tangible personal property, including but not limited to  
 43 to use to dispose of solid waste or hazardous waste by  
 44 converting the solid waste or hazardous waste into energy or  
 45 other useful products;

46 (C) acquires for use as described in clause (B):

- 1 (i) in an arms length transaction from an entity that is not an  
 2 affiliate of the deduction applicant, if the tangible personal  
 3 property has been previously used in Indiana before the  
 4 installation described in clause (A); or  
 5 (ii) in any manner, if the tangible personal property has  
 6 never been previously used in Indiana before the installation  
 7 described in clause (A); and  
 8 (D) has never used for any purpose in Indiana before the  
 9 installation described in clause (A).
- 10 (4) "Property" means a building or structure, but does not include  
 11 land.
- 12 (5) "Redevelopment" means the construction of new structures,  
 13 in economic revitalization areas, either:  
 14 (A) on unimproved real estate; or  
 15 (B) on real estate upon which a prior existing structure is  
 16 demolished to allow for a new construction.
- 17 (6) "Rehabilitation" means the remodeling, repair, or betterment  
 18 of property in any manner or any enlargement or extension of  
 19 property.
- 20 (7) "Designating body" means the following:  
 21 (A) For a county that does not contain a consolidated city, the  
 22 fiscal body of the county, city, or town.  
 23 (B) For a county containing a consolidated city, the  
 24 metropolitan development commission. The jurisdiction of the  
 25 designating body includes a rehabilitation or redevelopment  
 26 project under this chapter that falls within the boundaries of an  
 27 excluded city, as defined in IC 36-3-1-7.
- 28 (8) "Deduction application" means:  
 29 (A) the application filed in accordance with section 5 of this  
 30 chapter by a property owner who desires to obtain the  
 31 deduction provided by section 3 of this chapter;  
 32 (B) the application filed in accordance with section 5.4 of this  
 33 chapter by a person who desires to obtain the deduction  
 34 provided by section 4.5 of this chapter; or  
 35 (C) the application filed in accordance with section 5.3 of this  
 36 chapter by a property owner that desires to obtain the  
 37 deduction provided by section 4.8 of this chapter.
- 38 (9) "Designation application" means an application that is filed  
 39 with a designating body to assist that body in making a  
 40 determination about whether a particular area should be  
 41 designated as an economic revitalization area.
- 42 (10) "Hazardous waste" has the meaning set forth in  
 43 IC 13-11-2-99(a). The term includes waste determined to be a  
 44 hazardous waste under IC 13-22-2-3(b).
- 45 (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a).  
 46 However, the term does not include dead animals or any animal

- 1 solid or semisolid wastes.
- 2 (12) "New research and development equipment" means tangible  
3 personal property that:
- 4 (A) a deduction applicant installs on or before the approval  
5 deadline determined under section 9 of this chapter, in an  
6 economic revitalization area in which a deduction for tangible  
7 personal property is allowed;
- 8 (B) consists of:
- 9 (i) laboratory equipment;
- 10 (ii) research and development equipment;
- 11 (iii) computers and computer software;
- 12 (iv) telecommunications equipment; or
- 13 (v) testing equipment;
- 14 (C) the deduction applicant uses in research and development  
15 activities devoted directly and exclusively to experimental or  
16 laboratory research and development for new products, new  
17 uses of existing products, or improving or testing existing  
18 products;
- 19 (D) the deduction applicant acquires for purposes described in  
20 this subdivision:
- 21 (i) in an arms length transaction from an entity that is not an  
22 affiliate of the deduction applicant, if the tangible personal  
23 property has been previously used in Indiana before the  
24 installation described in clause (A); or
- 25 (ii) in any manner, if the tangible personal property has  
26 never been previously used in Indiana before the installation  
27 described in clause (A); and
- 28 (E) the deduction applicant has never used for any purpose in  
29 Indiana before the installation described in clause (A).
- 30 The term does not include equipment installed in facilities used  
31 for or in connection with efficiency surveys, management studies,  
32 consumer surveys, economic surveys, advertising or promotion,  
33 or research in connection with literacy, history, or similar  
34 projects.
- 35 (13) "New logistical distribution equipment" means tangible  
36 personal property that:
- 37 (A) a deduction applicant installs on or before the approval  
38 deadline determined under section 9 of this chapter, in an  
39 economic revitalization area in which a deduction for tangible  
40 personal property is allowed;
- 41 (B) consists of:
- 42 (i) racking equipment;
- 43 (ii) scanning or coding equipment;
- 44 (iii) separators;
- 45 (iv) conveyors;
- 46 (v) fork lifts or lifting equipment (including "walk

- 1 behinds");
- 2 (vi) transitional moving equipment;
- 3 (vii) packaging equipment;
- 4 (viii) sorting and picking equipment; or
- 5 (ix) software for technology used in logistical distribution;
- 6 (C) the deduction applicant acquires for the storage or
- 7 distribution of goods, services, or information:
- 8 (i) in an arms length transaction from an entity that is not an
- 9 affiliate of the deduction applicant, if the tangible personal
- 10 property has been previously used in Indiana before the
- 11 installation described in clause (A); and
- 12 (ii) in any manner, if the tangible personal property has
- 13 never been previously used in Indiana before the installation
- 14 described in clause (A); and
- 15 (D) the deduction applicant has never used for any purpose in
- 16 Indiana before the installation described in clause (A).
- 17 (14) "New farm equipment" means tangible personal property
- 18 that:
- 19 (A) a deduction applicant installs after June 30, 2022, and on
- 20 or before the approval deadline determined under section 9 of
- 21 this chapter, in an area that will be predominately used for
- 22 agricultural purposes for a period specified by the designating
- 23 body as a condition of being declared an economic
- 24 revitalization area;
- 25 (B) is used in the direct production, extraction, harvesting, or
- 26 processing of agricultural commodities for sale on land
- 27 classified as agricultural land for property tax purposes;
- 28 (C) was acquired for use as described in clause (B) in an arms
- 29 length transaction from an entity that is not an affiliate of the
- 30 deduction applicant; and
- 31 (D) the deduction applicant never used for any purpose in
- 32 Indiana before the installation described in clause (A).
- 33 (15) "New agricultural improvement" means any improvement
- 34 made to land classified as agricultural land for tax purposes that
- 35 is placed in service after December 31, 2022, and that will be
- 36 predominately used for agricultural purposes for a period
- 37 specified by the designating body as a condition of being declared
- 38 an economic revitalization area. The term includes a barn, grain
- 39 bin, or silo.
- 40 (16) "New information technology equipment" means tangible
- 41 personal property that:
- 42 (A) a deduction applicant installs on or before the approval
- 43 deadline determined under section 9 of this chapter, in an
- 44 economic revitalization area in which a deduction for tangible
- 45 personal property is allowed;
- 46 (B) consists of equipment, including software, used in the

- 1 fields of:
- 2 (i) information processing;
- 3 (ii) office automation;
- 4 (iii) telecommunication facilities and networks;
- 5 (iv) informatics;
- 6 (v) network administration;
- 7 (vi) software development; and
- 8 (vii) fiber optics;
- 9 (C) the deduction applicant acquires in an arms length
- 10 transaction from an entity that is not an affiliate of the
- 11 deduction applicant; and
- 12 (D) the deduction applicant never used for any purpose in
- 13 Indiana before the installation described in clause (A).
- 14 (17) "Deduction applicant" means an owner of tangible personal
- 15 property who makes a deduction application.
- 16 (18) "Affiliate" means an entity that effectively controls or is
- 17 controlled by a deduction applicant or is associated with a
- 18 deduction applicant under common ownership or control, whether
- 19 by shareholdings or other means.
- 20 (19) "Eligible vacant building" means a building that:
- 21 (A) is zoned for commercial or industrial purposes; and
- 22 (B) is unoccupied for at least one (1) year before the owner of
- 23 the building or a tenant of the owner occupies the building, as
- 24 evidenced by a valid certificate of occupancy, paid utility
- 25 receipts, executed lease agreements, or any other evidence of
- 26 occupation that the department of local government finance
- 27 requires.
- 28 **(20) "Data center" means one (1) or more buildings that are**
- 29 **rehabilitated or constructed to house a group of networked**
- 30 **server computers in one (1) physical location in order to**
- 31 **centralize the storage, management, and dissemination of data**
- 32 **and information pertaining to a particular business,**
- 33 **taxonomy, or body of knowledge.**
- 34 SECTION 5. IC 6-1.1-12.1-0.5 IS ADDED TO THE INDIANA
- 35 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 36 [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. Notwithstanding any other**
- 37 **law, after June 30, 2026, a deduction may not be allowed for the**
- 38 **first time under this chapter on the assessed value of tangible**
- 39 **property attributable to a data center, including:**
- 40 **(1) personal property located at the data center; or**
- 41 **(2) real property, including the land on which a data center is**
- 42 **located or is intended to be located;**
- 43 **in an amount that exceeds fifteen percent (15%) of the total net**
- 44 **assessed value of the tangible property attributable to the data**
- 45 **center in the county. A deduction that was allowed on the assessed**
- 46 **value of a particular property for the first time before July 1, 2026,**

1 may continue until the scheduled end of the abatement schedule  
2 established for the deduction under this chapter.

3 SECTION 6. IC 6-2.5-15-0.2 IS ADDED TO THE INDIANA  
4 CODE AS A NEW SECTION TO READ AS FOLLOWS  
5 [EFFECTIVE JULY 1, 2026]: **Sec. 0.2. (a) Notwithstanding any**  
6 **other provision in this chapter, the corporation may not issue a**  
7 **new specific transaction award certificate under this chapter after**  
8 **June 30, 2026, for transactions involving the purchase of data**  
9 **center equipment.**

10 (b) Subsection (a) may not be construed to affect the terms of a  
11 specific transaction award certificate issued under this chapter  
12 before July 1, 2026.

13 SECTION 7. IC 6-3-1-10.5 IS ADDED TO THE INDIANA CODE  
14 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
15 1, 2026]: **Sec. 10.5. The term "data center" means one (1) or more**  
16 **buildings that are rehabilitated or constructed to house a group of**  
17 **networked server computers in one (1) physical location in order**  
18 **to centralize the storage, management, and dissemination of data**  
19 **and information pertaining to a particular business, taxonomy, or**  
20 **body of knowledge.**

21 SECTION 8. IC 6-3.1-4-9 IS ADDED TO THE INDIANA CODE  
22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
23 1, 2026]: **Sec. 9. Notwithstanding any other provision of this**  
24 **chapter, after June 30, 2026, an entity that is operated as a data**  
25 **center (as defined in IC 6-3-1-10.5) is not eligible for, shall not be**  
26 **awarded, and may not claim a credit against the entity's adjusted**  
27 **gross income tax liability under this chapter.**

28 SECTION 9. IC 6-3.1-13-30 IS ADDED TO THE INDIANA CODE  
29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
30 1, 2026]: **Sec. 30. (a) Notwithstanding any other provision of this**  
31 **chapter, after June 30, 2026, an entity that is operated as a data**  
32 **center (as defined in IC 6-3-1-10.5) is not eligible for, shall not be**  
33 **awarded for the first time, and may not claim a credit against the**  
34 **entity's adjusted gross income tax liability under this chapter.**

35 (b) This section shall not apply to an entity that has entered into  
36 an agreement with the Indiana economic development corporation  
37 under sections 14 and 15 of this chapter for an award of a tax  
38 credit under this chapter before July 1, 2026.

39 SECTION 10. IC 6-3.1-19-8 IS ADDED TO THE INDIANA CODE  
40 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
41 1, 2026]: **Sec. 8. Notwithstanding any other provision of this**  
42 **chapter, after June 30, 2026, an entity that is operated as a data**  
43 **center (as defined in IC 6-3-1-10.5) is not eligible for, shall not be**  
44 **awarded, and may not claim a credit against the entity's adjusted**  
45 **gross income tax liability under this chapter.**

46 SECTION 11. IC 6-3.1-24-2, AS AMENDED BY P.L.4-2005,

1 SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2026]: Sec. 2. As used in this chapter, "qualified Indiana  
3 business" means an independently owned and operated business that  
4 is certified as a qualified Indiana business by the Indiana economic  
5 development corporation under section 7 of this chapter. **The term**  
6 **does not include a business operated as a data center (as defined in**  
7 **IC 6-3-1-10.5)."**

8 Page 7, between lines 32 and 33, begin a new paragraph and insert:

9 "SECTION 15. IC 6-3.1-24-16 IS ADDED TO THE INDIANA  
10 CODE AS A NEW SECTION TO READ AS FOLLOWS  
11 [EFFECTIVE JULY 1, 2026]: **Sec. 16. Notwithstanding any other**  
12 **provision of this chapter, after June 30, 2026, an entity that is**  
13 **operated as a data center (as defined in IC 6-3-1-10.5) is not**  
14 **eligible for, shall not be awarded, and may not claim a credit**  
15 **against the entity's adjusted gross income tax liability under this**  
16 **chapter.**

17 SECTION 16. IC 6-3.1-26-29 IS ADDED TO THE INDIANA  
18 CODE AS A NEW SECTION TO READ AS FOLLOWS  
19 [EFFECTIVE JULY 1, 2026]: **Sec. 29. (a) Notwithstanding any other**  
20 **provision of this chapter, after June 30, 2026, an entity that is**  
21 **operated as a data center (as defined in IC 6-3-1-10.5) is not**  
22 **eligible for, shall not be awarded for the first time, and may not**  
23 **claim a credit against the entity's adjusted gross income tax**  
24 **liability under this chapter.**

25 **(b) This section shall not apply to an entity that has entered into**  
26 **an agreement with the Indiana economic development corporation**  
27 **under section 21 of this chapter for an award of a tax credit under**  
28 **this chapter before July 1, 2026."**

29 Page 8, between lines 34 and 35, begin a new paragraph and insert:

30 "SECTION 20. IC 6-3.1-34-6, AS AMENDED BY P.L.135-2022,  
31 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
32 JULY 1, 2026]: Sec. 6. As used in this chapter, "qualified  
33 redevelopment site" means a vacant or underutilized property in  
34 Indiana as determined by the corporation. **The term does not include**  
35 **land on which a data center (as defined in IC 6-3-1-10.5) is located.**

36 SECTION 21. IC 6-3.1-34-23.5 IS ADDED TO THE INDIANA  
37 CODE AS A NEW SECTION TO READ AS FOLLOWS  
38 [EFFECTIVE JULY 1, 2026]: **Sec. 23.5. (a) Notwithstanding any**  
39 **other provision of this chapter, after June 30, 2026, an entity that**  
40 **is operated as a data center (as defined in IC 6-3-1-10.5) is not**  
41 **eligible for, shall not be awarded for the first time, and may not**  
42 **claim a credit against the entity's adjusted gross income tax**  
43 **liability under this chapter.**

44 **(b) This section shall not apply to an entity that has entered into**  
45 **an agreement with the Indiana economic development corporation**  
46 **under section 17 of this chapter for an award of a tax credit under**

1 **this chapter before July 1, 2026."**  
 2 Page 16, between lines 12 and 13, begin a new paragraph and insert:  
 3 "SECTION 26. [EFFECTIVE UPON PASSAGE] **(a) As used in**  
 4 **this SECTION, "data center" means one (1) or more buildings that**  
 5 **are rehabilitated or constructed to house a group of networked**  
 6 **server computers in one (1) physical location in order to centralize**  
 7 **the storage, management, and dissemination of data and**  
 8 **information pertaining to a particular business, taxonomy, or body**  
 9 **of knowledge.**  
 10 **(b) As used in this SECTION, "data center equipment" has the**  
 11 **meaning set forth in IC 6-2.5-15-2.**  
 12 **(c) The budget committee shall, with the assistance of the budget**  
 13 **agency, review and prepare a report evaluating:**  
 14 **(1) property tax incentives that may be granted by a local**  
 15 **unit;**  
 16 **(2) state adjusted gross income tax incentives;**  
 17 **(3) state gross retail and use tax incentives; and**  
 18 **(4) any other tax incentives;**  
 19 **that are available to data centers or are applicable to data center**  
 20 **equipment under current Indiana law, including the state and local**  
 21 **fiscal impact of the utilization of any of the tax incentives and**  
 22 **recommendations on whether the continued availability of each tax**  
 23 **incentive, with or without new statutory limitations on the amounts**  
 24 **of tax incentives that may be awarded, is beneficial to the state and**  
 25 **local economies and workforces. Not later than September 30,**  
 26 **2026, the budget committee shall provide the report in an**  
 27 **electronic format under IC 5-14-6 to the legislative council.**  
 28 **(d) This SECTION expires July 1, 2027."**  
 29 Renumber all SECTIONS consecutively.  
 (Reference is to ESB 281 as printed February 12, 2026.)

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Representative DeLaney