



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WITHDRAWN	Noes _____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

- 1 30, 2012.
- 2 (4) The average wage of employees who are located in the county
- 3 or municipality and engaged in the operation of the facility or data
- 4 center is at least one hundred twenty-five percent (125%) of the
- 5 county average wage for the county in which the facility or data
- 6 center operates.
- 7 (c) As used in this section, "enterprise information technology
- 8 equipment" means the following:
- 9 (1) Hardware supporting computing, networking, or data storage
- 10 functions, including servers and routers.
- 11 (2) Networking systems having an industry designation as
- 12 equipment within the "enterprise" or "data center" class of
- 13 networking systems that support the computing, networking, or
- 14 data storage functions.
- 15 (3) Generators and other equipment used to ensure an
- 16 uninterrupted power supply to equipment described in subdivision
- 17 (1) or (2).
- 18 The term does not include computer hardware designed for single user,
- 19 workstation, or departmental level use.
- 20 (d) As used in this section, "fiscal body" has the meaning set forth
- 21 in IC 36-1-2-6.
- 22 (e) As used in this section, "municipality" has the meaning set forth
- 23 in IC 36-1-2-11.
- 24 (f) As used in this section, "qualified property" means enterprise
- 25 information technology equipment purchased after June 30, 2012, and
- 26 any additions to or replacements to such property.
- 27 (g) **Subject to subsection (i)**, a designating body may enter into an
- 28 agreement with an eligible business to grant the eligible business a
- 29 property tax exemption. In the case of a county, the exemption applies
- 30 only to qualified property that is located in unincorporated territory of
- 31 the county. In the case of a municipality, the exemption applies only to
- 32 qualified property that is located in the municipality. The property tax
- 33 exemption applies to the qualified property only if the designating body
- 34 and the eligible business enter into an agreement concerning the
- 35 property tax exemption. The agreement must specify the duration of the
- 36 property tax exemption. The agreement may specify that if the
- 37 ownership of qualified property is transferred by an eligible business,
- 38 the transferee is entitled to the property tax exemption on the same
- 39 terms as the transferor. If a designating body enters into an agreement
- 40 with an eligible business, the qualified property owned by the eligible
- 41 business is exempt from property taxation as provided in the resolution
- 42 and the agreement.
- 43 (h) If a designating body enters into an agreement under subsection
- 44 (g) to provide a property tax exemption, the property tax exemption
- 45 continues for the period specified in the agreement.
- 46 (i) **Notwithstanding any other law, after June 30, 2026, and**

1 **before May 1, 2027, a designating body may not enter into an**
 2 **agreement with an eligible business to grant the eligible business a**
 3 **property tax exemption on qualified property in an amount that**
 4 **exceeds fifteen percent (15%) of the total net assessed value of the**
 5 **tangible property attributable to the data center in the county. An**
 6 **agreement to grant a property tax exemption on qualified property**
 7 **that was entered into before July 1, 2026, may continue for the**
 8 **period specified and for the amount specified in the agreement.**

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

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

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

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

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

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

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

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

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

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

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

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

- 1 (B) consists of equipment, including software, used in the
2 fields of:
- 3 (i) information processing;
 - 4 (ii) office automation;
 - 5 (iii) telecommunication facilities and networks;
 - 6 (iv) informatics;
 - 7 (v) network administration;
 - 8 (vi) software development; and
 - 9 (vii) fiber optics;
- 10 (C) the deduction applicant acquires in an arms length
11 transaction from an entity that is not an affiliate of the
12 deduction applicant; and
- 13 (D) the deduction applicant never used for any purpose in
14 Indiana before the installation described in clause (A).
- 15 (17) "Deduction applicant" means an owner of tangible personal
16 property who makes a deduction application.
- 17 (18) "Affiliate" means an entity that effectively controls or is
18 controlled by a deduction applicant or is associated with a
19 deduction applicant under common ownership or control, whether
20 by shareholdings or other means.
- 21 (19) "Eligible vacant building" means a building that:
- 22 (A) is zoned for commercial or industrial purposes; and
 - 23 (B) is unoccupied for at least one (1) year before the owner of
24 the building or a tenant of the owner occupies the building, as
25 evidenced by a valid certificate of occupancy, paid utility
26 receipts, executed lease agreements, or any other evidence of
27 occupation that the department of local government finance
28 requires.
- 29 **(20) "Data center" means one (1) or more buildings that are**
30 **rehabilitated or constructed to house a group of networked**
31 **server computers in one (1) physical location in order to**
32 **centralize the storage, management, and dissemination of data**
33 **and information pertaining to a particular business,**
34 **taxonomy, or body of knowledge.**
- 35 SECTION 5. IC 6-1.1-12.1-0.5 IS ADDED TO THE INDIANA
36 CODE AS A NEW SECTION TO READ AS FOLLOWS
37 [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. Notwithstanding any other**
38 **law, after June 30, 2026, and before May 1, 2027, a deduction may**
39 **not be allowed for the first time under this chapter on the assessed**
40 **value of tangible property attributable to a data center, including:**
41 **(1) personal property located at the data center; or**
42 **(2) real property, including the land on which a data center is**
43 **located or is intended to be located;**
44 **in an amount that exceeds fifteen percent (15%) of the total net**
45 **assessed value of the tangible property attributable to the data**
46 **center in the county. A deduction that was allowed on the assessed**

1 value of a particular property for the first time before July 1, 2026,
2 may continue until the scheduled end of the abatement schedule
3 established for the deduction under this chapter.

4 SECTION 6. IC 6-2.5-15-0.2 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2026]: **Sec. 0.2. (a) Notwithstanding any**
7 **other provision in this chapter, the corporation may not issue a**
8 **new specific transaction award certificate under this chapter after**
9 **June 30, 2026, and before May 1, 2027, for transactions involving**
10 **the purchase of data center equipment.**

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

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

22 SECTION 8. IC 6-3.1-4-9 IS ADDED TO THE INDIANA CODE
23 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
24 1, 2026]: **Sec. 9. Notwithstanding any other provision of this**
25 **chapter, after June 30, 2026, and before May 1, 2027, an entity that**
26 **is operated as a data center (as defined in IC 6-3-1-10.5) is not**
27 **eligible for, shall not be awarded, and may not claim a credit**
28 **against the entity's adjusted gross income tax liability under this**
29 **chapter.**

30 SECTION 9. IC 6-3.1-13-30 IS ADDED TO THE INDIANA CODE
31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
32 1, 2026]: **Sec. 30. (a) Notwithstanding any other provision of this**
33 **chapter, after June 30, 2026, and before May 1, 2027, an entity that**
34 **is operated as a data center (as defined in IC 6-3-1-10.5) is not**
35 **eligible for, shall not be awarded for the first time, and may not**
36 **claim a credit against the entity's adjusted gross income tax**
37 **liability under this chapter.**

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

42 SECTION 10. IC 6-3.1-19-8 IS ADDED TO THE INDIANA CODE
43 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
44 1, 2026]: **Sec. 8. Notwithstanding any other provision of this**
45 **chapter, after June 30, 2026, and before May 1, 2027, an entity that**
46 **is operated as a data center (as defined in IC 6-3-1-10.5) is not**

1 eligible for, shall not be awarded, and may not claim a credit
2 against the entity's adjusted gross income tax liability under this
3 chapter.

4 SECTION 11. IC 6-3.1-24-2, AS AMENDED BY P.L.4-2005,
5 SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2026]: Sec. 2. As used in this chapter, "qualified Indiana
7 business" means an independently owned and operated business that
8 is certified as a qualified Indiana business by the Indiana economic
9 development corporation under section 7 of this chapter. **The term
10 does not include a business operated as a data center (as defined in
11 IC 6-3-1-10.5).**"

12 Page 7, between lines 32 and 33, begin a new paragraph and insert:
13 "SECTION 15. IC 6-3.1-24-16 IS ADDED TO THE INDIANA
14 CODE AS A NEW SECTION TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2026]: **Sec. 16. Notwithstanding any other
16 provision of this chapter, after June 30, 2026, and before May 1,
17 2027, an entity that is operated as a data center (as defined in
18 IC 6-3-1-10.5) is not eligible for, shall not be awarded, and may not
19 claim a credit against the entity's adjusted gross income tax
20 liability under this chapter.**

21 SECTION 16. IC 6-3.1-26-29 IS ADDED TO THE INDIANA
22 CODE AS A NEW SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2026]: **Sec. 29. (a) Notwithstanding any other
24 provision of this chapter, after June 30, 2026, and before May 1,
25 2027, an entity that is operated as a data center (as defined in
26 IC 6-3-1-10.5) is not eligible for, shall not be awarded for the first
27 time, and may not claim a credit against the entity's adjusted gross
28 income tax liability under this chapter.**

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

33 Page 8, between lines 34 and 35, begin a new paragraph and insert:
34 "SECTION 20. IC 6-3.1-34-6, AS AMENDED BY P.L.135-2022,
35 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2026]: Sec. 6. As used in this chapter, "qualified
37 redevelopment site" means a vacant or underutilized property in
38 Indiana as determined by the corporation. **The term does not include
39 land on which a data center (as defined in IC 6-3-1-10.5) is located.**

40 SECTION 21. IC 6-3.1-34-23.5 IS ADDED TO THE INDIANA
41 CODE AS A NEW SECTION TO READ AS FOLLOWS
42 [EFFECTIVE JULY 1, 2026]: **Sec. 23.5. (a) Notwithstanding any
43 other provision of this chapter, after June 30, 2026, and before
44 May 1, 2027, an entity that is operated as a data center (as defined
45 in IC 6-3-1-10.5) is not eligible for, shall not be awarded for the
46 first time, and may not claim a credit against the entity's adjusted**

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gross income tax liability under this chapter.

(b) This section shall not apply to an entity that has entered into an agreement with the Indiana economic development corporation under section 17 of this chapter for an award of a tax credit under this chapter before July 1, 2026."

Page 16, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 26. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "data center" means one (1) or more buildings that are rehabilitated or constructed to house a group of networked server computers in one (1) physical location in order to centralize the storage, management, and dissemination of data and information pertaining to a particular business, taxonomy, or body of knowledge.

(b) As used in this SECTION, "data center equipment" has the meaning set forth in IC 6-2.5-15-2.

(c) The budget committee shall, with the assistance of the budget agency, review and prepare a report evaluating:

- (1) property tax incentives that may be granted by a local unit;**
- (2) state adjusted gross income tax incentives;**
- (3) state gross retail and use tax incentives; and**
- (4) any other tax incentives;**

that are available to data centers or are applicable to data center equipment under current Indiana law, including the state and local fiscal impact of the utilization of any of the tax incentives and recommendations on whether the continued availability of each tax incentive, with or without new statutory limitations on the amounts of tax incentives that may be awarded, is beneficial to the state and local economies and workforces. Not later than September 30, 2026, the budget committee shall provide the report in an electronic format under IC 5-14-6 to the legislative council.

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

Renumber all SECTIONS consecutively.

(Reference is to ESB 281 as printed February 12, 2026.)

Representative DeLaney