



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WITHDRAWN	Noes _____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) **Before January 1, 2027, and subject to subsection (i),** a
27 designating body may enter into an agreement with an eligible business
28 to grant the eligible business a property tax exemption. In the case of
29 a county, the exemption applies only to qualified property that is
30 located in unincorporated territory of the county. In the case of a
31 municipality, the exemption applies only to qualified property that is
32 located in the municipality. The property tax exemption applies to the
33 qualified property only if the designating body and the eligible business
34 enter into an agreement concerning the property tax exemption. The
35 agreement must specify the duration of the property tax exemption. The
36 agreement may specify that if the ownership of qualified property is
37 transferred by an eligible business, the transferee is entitled to the
38 property tax exemption on the same terms as the transferor. If a
39 designating body enters into an agreement with an eligible business,
40 the qualified property owned by the eligible business is exempt from
41 property taxation as provided in the resolution 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 December 31, 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. An agreement to grant a property tax**
3 **exemption on qualified property that was entered into before**
4 **January 1, 2027, may continue for the period specified and for the**
5 **amount specified in the agreement.**

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

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

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

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

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

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

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

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

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

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

45 (i) in an arms length transaction from an entity that is not an
46 affiliate of the deduction applicant, if the tangible personal

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

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

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

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

- 1 **the deduction under this chapter."**
- 2 Renumber all SECTIONS consecutively.
(Reference is to ESB 281 as printed February 12, 2026.)

Representative Porter