



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WITHDRAWN	Noes _____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 10, between lines 35 and 36, begin a new paragraph and insert:
- 2 "SECTION 10. IC 6-3.1-49 IS ADDED TO THE INDIANA CODE
- 3 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 4 JANUARY 1, 2026 (RETROACTIVE)];
- 5 **Chapter 49. Dolly Parton Imagination Library Contribution**
- 6 **Tax Credit**
- 7 **Sec. 1. As used in this chapter, "credit" refers to a credit**
- 8 **granted under this chapter.**
- 9 **Sec. 2. As used in this chapter, "imagination library program"**
- 10 **refers to the Dolly Parton Imagination Library program operated**
- 11 **by the Dollywood Foundation.**
- 12 **Sec. 3. As used in this chapter, "pass through entity" has the**
- 13 **meaning set forth in IC 6-3-1-35.**
- 14 **Sec. 4. As used in this chapter, "state tax liability" means a**
- 15 **taxpayer's total tax liability that is incurred under:**
- 16 **(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);**
- 17 **(2) IC 6-5.5 (the financial institutions tax); and**
- 18 **(3) IC 27-1-18-2 (the insurance premiums tax) or IC 6-8-15**
- 19 **(the nonprofit agricultural organization health coverage tax);**
- 20 **as computed after the application of the credits that under**
- 21 **IC 6-3.1-1-2 are to be applied before the credit provided by this**
- 22 **chapter.**

1 **Sec. 5.** As used in this chapter, "taxpayer" means an individual
2 or entity that has any state tax liability.

3 **Sec. 6.** A taxpayer that makes a contribution to the imagination
4 library program for use in providing books to children at no cost
5 is entitled to a credit against the taxpayer's state tax liability in the
6 taxable year in which the taxpayer makes the contribution.

7 **Sec. 7.** The amount of a taxpayer's credit is equal to fifty percent
8 (50%) of the amount of the contribution made to the imagination
9 library program.

10 **Sec. 8. (a)** If the credit provided by this chapter exceeds the
11 taxpayer's state tax liability for the taxable year for which the
12 credit is first claimed, the excess may be carried forward to
13 succeeding taxable years and used as a credit against the
14 taxpayer's state tax liability during those taxable years. Each time
15 the credit is carried forward to a succeeding taxable year, the
16 credit is reduced by the amount that was used as a credit during
17 the immediately preceding taxable year. The credit provided by
18 this chapter may be carried forward and applied to succeeding
19 taxable years for nine (9) taxable years following the unused credit
20 year.

21 **(b)** A taxpayer is not entitled to a carryback or refund of any
22 unused credit.

23 **Sec. 9.** If a pass through entity is entitled to a credit under
24 section 6 of this chapter but does not have state tax liability against
25 which the tax credit may be applied, a shareholder, partner, or
26 member of the pass through entity is entitled to a tax credit equal
27 to:

- 28 (1) the tax credit determined for the pass through entity for
29 the taxable year; multiplied by
30 (2) the percentage of the pass through entity's distributive
31 income to which the shareholder, partner, or member is
32 entitled.

33 **Sec. 10.** To apply a credit against the taxpayer's state tax
34 liability, a taxpayer must claim the credit on the taxpayer's annual
35 state tax return or returns in the manner prescribed by the
36 department. The taxpayer shall submit to the department the
37 information that the department determines is necessary for the
38 department to determine whether the taxpayer is eligible for the
39 credit.

40 **Sec. 11.** The total amount of tax credits awarded under this
41 chapter may not exceed six million dollars (\$6,000,000) in each
42 state fiscal year.

43 **Sec. 12.** The department, on a website used by the department
44 to provide information to the public, shall provide the following
45 information:

- 46 (1) The application for the credit provided in this chapter.
47 (2) A timeline for receiving the credit provided in this chapter.

- 1 **(3) The total amount of credits awarded under this chapter**
- 2 **during the current state fiscal year."**
- 3 Renumber all SECTIONS consecutively.
(Reference is to ESB 281 as printed February 12, 2026.)

Representative Porter