

# PROPOSED AMENDMENT

## SB 281 # 4

### DIGEST

Data centers. Provides that data centers are not eligible for any of the following state income tax credit incentives: Research expense credit (IC 6-3.1-4). (2) Economic development for a growing economy credit (IC 6-3.1-13). (3) Community revitalization enhancement district credit (IC 6-3.1-19). (4) Venture capital investment tax credit (IC 6-3.1-24). (5) Hoosier business investment tax credit (IC 6-3.1-26). (6) Redevelopment tax credit (IC 6-3.1-34). Defines "data center" for purposes of the state income tax.

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1           Page 1, between the enacting clause and line 1, begin a new  
2 paragraph and insert:

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

12           SECTION 2. IC 6-3.1-4-9 IS ADDED TO THE INDIANA CODE  
13 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
14 JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 9. (a) This section**  
15 **applies for taxable years beginning after December 31, 2025.**

16           **(b) Notwithstanding any other provision of this chapter, an**  
17 **entity that is operated as a data center (as defined in IC 6-3-1-10.5)**  
18 **is not eligible for, shall not be awarded, and may not claim a credit**  
19 **against the entity's adjusted gross income tax liability under this**  
20 **chapter.**

21           SECTION 3. IC 6-3.1-13-30 IS ADDED TO THE INDIANA CODE  
22 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
23 JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 30. (a) This section**  
24 **applies for taxable years beginning after December 31, 2025.**

25           **(b) Notwithstanding any other provision of this chapter, and**

1 subject to subsection (c), an entity that is operated as a data center  
2 (as defined in IC 6-3-1-10.5) is not eligible for, shall not be  
3 awarded, and may not claim a credit against the entity's adjusted  
4 gross income tax liability under this chapter.

5 (c) This section shall not apply to an entity that has entered into  
6 an agreement with the Indiana economic development corporation  
7 under sections 14 and 15 of this chapter for an award of a tax  
8 credit under this chapter before January 1, 2026.

9 SECTION 4. IC 6-3.1-19-8 IS ADDED TO THE INDIANA CODE  
10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
11 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 8. (a) This section  
12 applies for taxable years beginning after December 31, 2025.

13 (b) Notwithstanding any other provision of this chapter, an  
14 entity that is operated as a data center (as defined in IC 6-3-1-10.5)  
15 is not eligible for, shall not be awarded, and may not claim a credit  
16 against the entity's adjusted gross income tax liability under this  
17 chapter.

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

26 SECTION 6. IC 6-3.1-24-16 IS ADDED TO THE INDIANA CODE  
27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
28 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 16. (a) This section  
29 applies for taxable years beginning after December 31, 2025.

30 (b) Notwithstanding any other provision of this chapter, an  
31 entity that is operated as a data center (as defined in IC 6-3-1-10.5)  
32 is not eligible for, shall not be awarded, and may not claim a credit  
33 against the entity's adjusted gross income tax liability under this  
34 chapter.

35 SECTION 7. IC 6-3.1-26-29 IS ADDED TO THE INDIANA CODE  
36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
37 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 29. (a) This section  
38 applies for taxable years beginning after December 31, 2025.

39 (b) Notwithstanding any other provision of this chapter, and  
40 subject to subsection (c), an entity that is operated as a data center

1 (as defined in IC 6-3-1-10.5) is not eligible for, shall not be  
 2 awarded, and may not claim a credit against the entity's adjusted  
 3 gross income tax liability under this chapter.

4 (c) This section shall not apply to an entity that has entered into  
 5 an agreement with the Indiana economic development corporation  
 6 under section 21 of this chapter for an award of a tax credit under  
 7 this chapter before January 1, 2026."

8 Page 2, between lines 36 and 37, begin a new paragraph and insert:

9 "SECTION 11. IC 6-3.1-34-6, AS AMENDED BY P.L.135-2022,  
 10 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2026]: Sec. 6. As used in this chapter, "qualified  
 12 redevelopment site" means a vacant or underutilized property in  
 13 Indiana as determined by the corporation. **The term does not include**  
 14 **land on which a data center (as defined in IC 6-3-1-10.5) is located.**

15 SECTION 12. IC 6-3.1-34-24 IS ADDED TO THE INDIANA  
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 17 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 24. (a)**  
 18 **This section applies for taxable years beginning after December 31,**  
 19 **2025.**

20 (b) Notwithstanding any other provision of this chapter, and  
 21 subject to subsection (c), an entity that is operated as a data center  
 22 (as defined in IC 6-3-1-10.5) is not eligible for, shall not be  
 23 awarded, and may not claim a credit against the entity's adjusted  
 24 gross income tax liability under this chapter.

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

29 Page 4, after line 37, begin a new paragraph and insert:

30 "SECTION 14. **An emergency is declared for this act.**"

31 Renumber all SECTIONS consecutively.

(Reference is to SB 281 as reprinted January 28, 2026.)