

PROPOSED AMENDMENT

SB 281 # 10

DIGEST

Income tax credits. Provides that the Indiana economic development corporation (IEDC) shall allocate \$35,000,000 in redevelopment tax credits each state fiscal year among development authorities, qualified nonprofit organizations, and certain local economic development organizations that may be granted to taxpayers for qualified investments. Requires the IEDC to present a report concerning the tax credits to the budget committee. Deletes provisions allowing a development authority to establish a regional development advisory council. Requires that \$15,000,000 of the \$300,000,000 of the IEDC's annual certifiable tax credit amount must be allocated to the small town opportunity initiative (initiative). Establishes the initiative. Provides that initiative projects are not subject to any statutory or administrative repayment obligation. Adds provisions amending the venture capital investment tax credit (tax credit) to specify: (1) that certain investment policies of funds that qualify as a "qualified Indiana investment fund" apply only to investable capital, excluding management fees, legal fees, and other expenses incurred in the operation of the fund; (2) that a taxpayer is not prevented from combining individual tax credits of less than \$10,000 for assignment; and (3) qualified business eligibility. Provides that if a Level 2 certified technology park (park): (1) has reached the limit of deposits for a Level 2 park; (2) maintains its certification; and (3) is located within a qualified military base enhancement area; the park shall become a Level 3 park and may receive an additional annual incremental income tax deposit of up to \$250,000 until July 1, 2029. Provides that the IEDC and an operating partner shall administer the federal Unmanned Aircraft System Test Site program in Indiana.

1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 5-28-6-9, AS AMENDED BY P.L.213-2025,
4 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2026]: Sec. 9. (a) Subject to subsection (c), the aggregate
6 amount of applicable tax credits that the corporation may certify:
7 (1) for each state fiscal year ending on or before June 30, 2025,
8 for all taxpayers is two hundred fifty million dollars
9 (\$250,000,000); and
10 (2) for each state fiscal year ending on or after July 1, 2025, for all
11 taxpayers is three hundred million dollars (\$300,000,000), **fifteen**
12 **million dollars (\$15,000,000) of which must be allocated to**
13 **fund qualified community projects within local government**
14 **units under IC 6-3.1-34-24.** Each certification under this
15 subdivision is subject to budget committee review.

1 (b) For purposes of determining the amount of applicable tax credits
2 that have been certified for a state fiscal year, the following apply:

3 (1) An applicable tax credit is considered awarded in the state
4 fiscal year in which the taxpayer can first claim the credit,
5 determined without regard to any carryforward period or
6 carryback period.

7 (2) An applicable tax credit awarded by the corporation before
8 July 1, 2022, shall be counted toward the aggregate credit
9 limitation under this section.

10 (3) If an accelerated credit is awarded under IC 6-3.1-26-15, the
11 amount counted toward the aggregate credit limitation under this
12 section for a state fiscal year shall be the amount of the credit for
13 the taxable year described in subdivision (1) prior to any discount.

14 (c) Notwithstanding subsection (a), if the corporation determines
15 that:

16 (1) an applicable tax credit should be certified in a state fiscal
17 year; and

18 (2) certification of the applicable tax credit will result in an
19 aggregate amount of applicable tax credits certified for that state
20 fiscal year that exceeds the maximum amount provided in
21 subsection (a);

22 the corporation may, after review by the budget committee, certify the
23 applicable tax credit to the taxpayer.

24 (d) This section expires December 31, 2032.

25 SECTION 2. IC 5-28-44 IS ADDED TO THE INDIANA CODE AS
26 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
27 PASSAGE]:

28 **Chapter 44. Unmanned Aircraft Systems Test Site**

29 **Sec. 1. In enacting this chapter, it is the intent of the general**
30 **assembly to advance the state's leadership position in technologies**
31 **related to unmanned aircraft systems to foster more opportunities**
32 **for citizens of the state with respect to unmanned aircraft system**
33 **technology and related industries and to support the federal**
34 **government in research, development, and testing in support of**
35 **commerce and national security. The general assembly finds the**
36 **following:**

37 (1) **The FAA announced on January 8, 2026, that Indiana is**
38 **designated as a test site for UAS.**

39 (2) **The FAA notes that test sites help the United States assess**
40 **emerging technologies to modernize methods for cargo**

1 **delivery, Beyond Visual Line of Sight operations, and multiple**
2 **UAS operations while informing safety and security, ushering**
3 **in the safe commercialization of UAS technologies and fully**
4 **integrating UAS into the national airspace system.**

5 **(3) Indiana's designation as a test site was the result of a**
6 **competitive process against other states and a joint**
7 **application between the corporation and the operating**
8 **partner. The proposal was developed under a contract**
9 **between the corporation and the operating partner to pursue**
10 **similar federal programs.**

11 **(4) The FAA test site will require substantial reporting and**
12 **compliance activities to comply with federal laws and**
13 **regulations governing the federal UAS Test Site Program and**
14 **ancillary activities and is desirable for efficiency, clarity, and**
15 **transparency to avoid duplicating regulatory schemes at the**
16 **federal and state levels.**

17 **Sec. 2. As used in this chapter, "FAA" means the Federal**
18 **Aviation Administration.**

19 **Sec. 3. As used in this chapter, "operating partner" means the**
20 **Indiana based nonprofit corporation that partners with the**
21 **corporation to operate and maintain the UAS test site under**
22 **supervision of the corporation.**

23 **Sec. 4. As used in this chapter, "test site" means the Indiana**
24 **UAS test site awarded to the corporation by the FAA.**

25 **Sec. 5. As used in this chapter, "UAS" means an unmanned**
26 **aircraft system, including counter UAS and other related entities.**

27 **Sec. 6. Notwithstanding any other law, during the period that**
28 **the test site remains subject to federal requirements as part of the**
29 **UAS Test Site Program operated by the FAA, the corporation and**
30 **operating partner are not subject to any state law concerning the**
31 **following for purposes of operating the test site:**

32 **(1) State procurement requirements.**

33 **(2) State contracting requirements.**

34 **(3) State fee setting requirements.**

35 **Sec. 7. (a) The operating partner shall establish a bank account**
36 **that is separate and segregated from any other bank account under**
37 **the operating partner's control and administer all funds for the test**
38 **site in the bank account.**

39 **(b) The operating partner may administer and deposit all**
40 **income, earnings, and other receipts accrued through operation of**

1 the test site in the bank account, including any state or federal
2 funding received through a contract, or as a grant or loan.

3 (c) The operating partner may expend money from the bank
4 account for operations of the test site, including costs for
5 administration, staffing, equipment, test site activities,
6 communications, and marketing. The operating partner may
7 transfer revenue from the bank account to the corporation or any
8 other state agency to be used for the following purposes:

9 (1) To procure UAS technology for use by the state.

10 (2) To pursue federal funding for activities related to UAS
11 that benefit the state.

12 (3) To support economic development activities related to
13 UAS research or manufacturing.

14 (d) The operating partner shall keep a full and complete record
15 of funds received and disbursed by the operating partner. The
16 report is subject to audit and must be submitted to the corporation
17 board not later than July 1 of each year, or more often as required
18 by the corporation.

19 Sec. 8. The state examiner, or deputy examiners, field
20 examiners, or private examiners, shall make a full and complete
21 report of the records and receipts of the test site.

22 Sec. 9. The operating partner shall do the following:

23 (1) Respond to requests from local, regional, or state
24 economic development organizations for assistance with
25 economic activities intended to attract companies, or to
26 develop clusters of activity, within the UAS sector.

27 (2) Respond to requests from state agencies for expertise
28 related to the procurement of UAS technology.

29 (3) Respond to requests from state agencies for assistance
30 with the development of new UAS test activities within
31 particular economic sectors.

32 Sec. 10. The operating partner is responsible for carrying out
33 the FAA's requirements and obligations for the safe operation and
34 maintenance of the test site and for managing the day to day
35 operations of the test site under supervision of the corporation.

36 Sec. 11. (a) Notwithstanding any other law, the corporation may
37 enter into an agreement with the operating partner to fulfill the
38 requirements of this chapter and any other applicable requirement
39 from the FAA or another federal agency.

40 (b) The corporation may dedicate resources as determined

1 **necessary and appropriate by the corporation to support the**
 2 **implementation and ongoing operation of the test site, including**
 3 **staff support, administrative support, and direct financial support.**

4 SECTION 3. IC 6-3.1-24-7, AS AMENDED BY P.L.172-2011,
 5 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2026]: Sec. 7. (a) The Indiana economic development
 7 corporation shall certify that a business is a qualified Indiana business
 8 if the corporation determines that the business:

- 9 (1) has its headquarters in Indiana;
 10 (2) is primarily focused on professional motor vehicle racing,
 11 commercialization of research and development, technology
 12 transfers, or the application of new technology, or is determined
 13 by the Indiana economic development corporation to have
 14 significant potential to:
 15 (A) bring substantial capital into Indiana;
 16 (B) create jobs;
 17 (C) diversify the business base of Indiana; or
 18 (D) significantly promote the purposes of this chapter in any
 19 other way;
 20 (3) has had average annual revenues of less than ten million
 21 dollars (\$10,000,000) in the two (2) years preceding the year in
 22 which the business received qualified investment capital from a
 23 taxpayer claiming a credit under this chapter;
 24 (4) has:
 25 (A) at least fifty percent (50%) of its employees residing in
 26 Indiana; or
 27 (B) at least seventy-five percent (75%) of its assets located in
 28 Indiana; and
 29 (5) is not engaged in a business involving:
 30 (A) real estate;
 31 (B) real estate development;
 32 (C) insurance;
 33 (D) professional services provided by an accountant, a lawyer,
 34 or a physician;
 35 (E) retail sales, except when:
 36 (i) the primary purpose of the business is the development
 37 or support of electronic commerce using the Internet; or
 38 (ii) **the business is engaged in retail sales as a method to**
 39 **sell a unique product that the business developed, for**
 40 **which the business holds patents, or of which the**

- 1 **business otherwise has ownership; or**
 2 (F) oil and gas exploration.
- 3 (b) A business shall apply to be certified as a qualified Indiana
 4 business on a form prescribed by the Indiana economic development
 5 corporation.
- 6 (c) If a business is certified as a qualified Indiana business under
 7 this section, the Indiana economic development corporation shall
 8 provide a copy of the certification to the investors in the qualified
 9 Indiana business for inclusion in tax filings.
- 10 (d) Except as provided in subsection (e), the Indiana economic
 11 development corporation may impose an application fee of not more
 12 than two hundred dollars (\$200).
- 13 (e) The Indiana economic development corporation may not impose
 14 the application fee authorized by subsection (d) for applications
 15 submitted during the period beginning July 1, 2011, and ending June
 16 30, 2013.
- 17 SECTION 4. IC 6-3.1-24-7.5, AS ADDED BY P.L.165-2021,
 18 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2026]: Sec. 7.5. (a) The Indiana economic development
 20 corporation may certify that an investment fund is a qualified Indiana
 21 investment fund if the corporation determines that the fund meets the
 22 definition in section 2.5 of this chapter and the requirements in
 23 subsection (b).
- 24 (b) The Indiana economic development corporation may only certify
 25 a fund as a qualified Indiana investment fund if the fund makes
 26 investments according to a policy that:
- 27 (1) requires eligible companies to be primarily focused on the
 28 commercialization of research and development, technology
 29 transfer, or application of new technology; and
- 30 (2) prioritizes investments in companies that:
- 31 (A) have received a grant, loan, or other investment funds
 32 provided by the Indiana twenty-first century research and
 33 technology fund established by IC 5-28-16-2; or
- 34 (B) maintain a substantial presence in Indiana.
- 35 **The policy referred to in this subsection shall apply only to**
 36 **investable capital in the fund, excluding management fees, legal**
 37 **fees, and other expenses incurred in the operation of the fund.**
- 38 (c) An investment fund must apply to be certified as a qualified
 39 Indiana investment fund on a form prescribed by the Indiana economic
 40 development corporation.

1 (d) If an investment fund is certified as a qualified Indiana
2 investment fund under this section, the Indiana economic development
3 corporation shall provide a copy of the certification to the investors in
4 the qualified Indiana investment fund for inclusion in tax filings.

5 SECTION 5. IC 6-3.1-24-12, AS AMENDED BY P.L.165-2021,
6 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2026]: Sec. 12. (a) If the amount of the credit determined
8 under section 8 or 8.5 of this chapter for a taxpayer in a taxable year
9 exceeds the taxpayer's state tax liability for that taxable year, the
10 taxpayer may carry the excess credit over for a period not to exceed the
11 taxpayer's following five (5) taxable years. The amount of the credit
12 carryover from a taxable year shall be reduced to the extent that the
13 carryover is used by the taxpayer to obtain a credit under this chapter
14 for any subsequent taxable year. A taxpayer is not entitled to a
15 carryback or a refund of any unused credit amount.

16 (b) If the corporation certifies a credit for an investment that is made
17 after June 30, 2020, and before July 1, 2029, the taxpayer may assign
18 all or part of the credit to which the taxpayer is entitled under this
19 chapter, subject to the limitations set forth in subsection (c).

20 (c) The following apply to the assignment of a credit under this
21 chapter:

22 (1) A taxpayer may not assign all or part of a credit or credits to
23 a particular person in amounts that are less than ten thousand
24 dollars (\$10,000).

25 (2) Before a credit may be assigned, the taxpayer must notify the
26 corporation of the assignment of the credit in the manner
27 prescribed by the corporation.

28 (3) An assignment of a credit must be in writing, and both the
29 taxpayer and assignee shall report the assignment on the
30 taxpayer's and assignee's state tax returns for the year in which the
31 assignment is made, in the manner prescribed by the department.

32 (4) Once a particular credit or credits are assigned, the assignee
33 may not assign all or part of the credit or credits to another
34 person.

35 (5) A taxpayer may not receive value in connection with an
36 assignment under this section that exceeds the value of that part
37 of the credit assigned.

38 **Nothing in this subsection shall prevent a taxpayer from combining**
39 **individual credits of less than ten thousand dollars (\$10,000) for**
40 **assignment.**

1 (d) The corporation shall collect and compile data on the
 2 assignments of tax credits under this chapter and determine the
 3 effectiveness of each assignment in getting projects completed. The
 4 corporation shall report its findings under this subsection to the
 5 legislative council in an electronic format under IC 5-14-6 before
 6 November 1, 2022. This subsection expires January 1, 2023."

7 Page 1, line 5, after "planning," insert "**the corporation shall**
 8 **commit thirty-five million dollars (\$35,000,000) in tax credits**
 9 **under this chapter each state fiscal year among:**

10 (1) **development authorities;**

11 (2) **qualified nonprofit organizations; and**

12 (3) **local economic development organizations that:**

13 (A) **represent a single unit or multiple units; and**

14 (B) **have an economically significant impact, as determined**
 15 **by the corporation;**

16 **which may subsequently be awarded by the corporation at the**
 17 **request of an entity described in subdivisions (1) through (3) to a**
 18 **taxpayer proposing a qualified investment in a qualified**
 19 **redevelopment site. The corporation shall consider the regional**
 20 **significance of a project when awarding the tax credits under this**
 21 **subsection.**

22 (b) **Not later than January 1, 2031, the corporation shall present**
 23 **a report to the budget committee concerning the tax credits**
 24 **awarded under this section, including the status of the projects for**
 25 **which tax credits were awarded under this section and the regional**
 26 **impact of the projects."**

27 Page 1, delete lines 6 through 17.

28 Page 2, line 3, delete "(a)".

29 Page 2, delete lines 7 through 36, begin a new paragraph and insert:

30 "SECTION 8. IC 6-3.1-34-5.5 IS ADDED TO THE INDIANA
 31 CODE AS A NEW SECTION TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2026]: **Sec. 5.5. As used in this chapter,**
 33 **"qualified nonprofit organization" means a nonprofit organization**
 34 **that:**

35 (1) **was established and obtained tax exempt status under**
 36 **Section 501 of the Internal Revenue Code before January 1,**
 37 **2016, and has since maintained tax exempt status under**
 38 **Section 501 of the Internal Revenue Code;**

39 (2) **was formed to support economic development across the**
 40 **region; and**

1 **(3) does not represent a single interest group or local unit or**
2 **units within a single county.**

3 SECTION 9. IC 6-3.1-34-24 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2026]: **Sec. 24. (a) As used in this section, "downtown area"**
6 **means:**

- 7 **(1) the central business district of a city or town; or**
- 8 **(2) any commercial or mixed use area within a neighborhood**
9 **of a city or town that has traditionally served, since the**
10 **founding of the community, as the retail service and**
11 **communal focal point within the community.**

12 **(b) As used in this section, "initiative" means the small town**
13 **opportunity initiative established by subsection (f).**

14 **(c) As used in this section, "nonprofit taxpayer" means a**
15 **taxpayer:**

- 16 **(1) that is tax exempt under Section 501 of the Internal**
17 **Revenue Code;**
- 18 **(2) for which some or all of its mission is to revitalize the**
19 **community it serves; and**
- 20 **(3) whose leadership includes primarily members of the**
21 **community it serves.**

22 **(d) As used in this section, "qualified community project"**
23 **means a project that:**

- 24 **(1) is located in the:**
 - 25 **(A) downtown area of a city or a town with a population of**
26 **less than thirty thousand (30,000);**
 - 27 **(B) downtown area of a city or a town that is located in a**
28 **county with a population of less than seventy-five thousand**
29 **(75,000); or**
 - 30 **(C) unincorporated territory of a county with a population**
31 **of less than seventy-five thousand (75,000) if the site of the**
32 **project is an area of the unincorporated territory that**
33 **serves as the retail service and communal focal point**
34 **within the unincorporated territory;**
- 35 **(2) involves the:**
 - 36 **(A) historic preservation;**
 - 37 **(B) redevelopment; or**
 - 38 **(C) rehabilitation;**
- 39 **of real property; and**
- 40 **(3) has a total project budget of at least fifteen million dollars**

- 1 **(\$15,000,000).**
- 2 **(e) As used in this section, "qualified investment" means the**
3 **amount of the taxpayer's expenditures that are:**
- 4 **(1) for the redevelopment or rehabilitation of real property as**
5 **part of a qualified community project; and**
- 6 **(2) approved by the corporation before the expenditure is**
7 **made.**
- 8 **(f) The small town opportunity initiative is established.**
- 9 **(g) The corporation shall administer the initiative.**
- 10 **(h) The purpose of the initiative is to undertake qualified**
11 **community projects within local government units to do the**
12 **following:**
- 13 **(1) Advance historic preservation.**
- 14 **(2) Redevelop or rehabilitate distressed buildings or**
15 **underutilized property.**
- 16 **(3) Redevelop or rehabilitate sites where distressed buildings**
17 **once stood.**
- 18 **(i) A for-profit taxpayer undertaking a qualified community**
19 **project under the initiative is entitled to a redevelopment tax credit**
20 **under this chapter equal to twenty percent (20%) of the taxpayer's**
21 **cost of the project.**
- 22 **(j) A nonprofit taxpayer undertaking a qualified community**
23 **project under the initiative is entitled to a redevelopment tax credit**
24 **under this chapter equal to thirty percent (30%) of the taxpayer's**
25 **cost of the project.**
- 26 **(k) Qualified community projects undertaken under this section**
27 **are not subject to any statutory or administrative repayment**
28 **obligation.**
- 29 **(l) Notwithstanding any other provision of this section, for a**
30 **nonprofit taxpayer undertaking a qualified community project**
31 **under this section, expenditures incurred to acquire, hold, or**
32 **prepare real property for redevelopment or rehabilitation before**
33 **the date the taxpayer's initial application or application for**
34 **certification is approved by the corporation shall be included in the**
35 **taxpayer's qualified investment if:**
- 36 **(1) the expenditures were incurred for the primary purpose**
37 **of future redevelopment consistent with subsection (h);**
- 38 **(2) the nonprofit taxpayer obtained site control in furtherance**
39 **of a locally supported redevelopment effort; and**

1 **(3) the corporation determines, as part of the application or**
2 **certification process, that inclusion of such expenditures is in**
3 **the public interest and supportive of early stage community**
4 **redevelopment efforts.**

5 **(m) For purposes of determining whether an expenditure is**
6 **included as part of a qualified investment under subsection (l), an**
7 **expenditure shall be treated as if it were approved by the**
8 **corporation as of the date the expenditure was originally incurred.**

9 SECTION 10. IC 36-7-32-8.5, AS AMENDED BY P.L.154-2020,
10 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2026]: Sec. 8.5. As used in this chapter, "income tax
12 incremental amount" means the following:

- 13 (1) Except as provided in subdivision (2), the remainder of:
 - 14 (A) the total amount of state adjusted gross income taxes and
 - 15 local income taxes paid by employees employed in the
 - 16 territory comprising the certified technology park with respect
 - 17 to wages and salary earned for work in the territory comprising
 - 18 the certified technology park for a particular state fiscal year;
 - 19 minus
 - 20 (B) the sum of the:
 - 21 (i) income tax base period amount as defined in section 8 of
 - 22 this chapter; and
 - 23 (ii) tax credits awarded by the Indiana economic
 - 24 development corporation under IC 6-3.1-13 to businesses
 - 25 operating in a certified technology park as the result of
 - 26 wages earned for work in the certified technology park for
 - 27 the state fiscal year;

28 as determined by the department of state revenue.

29 (2) In the case of a certified technology park for which the amount
30 limit under section 22(c), ~~or~~ 22(d), **or 22(e)** of this chapter has
31 been exceeded, the remainder of:

- 32 (A) the total amount of state adjusted gross income taxes and
- 33 local income taxes paid by employees employed in the
- 34 territory comprising the certified technology park with respect
- 35 to wages and salary earned for work in the territory comprising
- 36 the certified technology park for a particular state fiscal year;
- 37 minus
- 38 (B) the sum of the:
 - 39 (i) income tax base period amount as defined in section 8 of
 - 40 this chapter; and

1 (ii) tax credits awarded by the Indiana economic
 2 development corporation under IC 6-3.1-13 to businesses
 3 operating in a certified technology park as the result of
 4 wages earned for work in the certified technology park for
 5 the state fiscal year;

6 as determined by the department of state revenue.

7 SECTION 11. IC 36-7-32-22, AS AMENDED BY P.L.145-2025,
 8 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2026]: Sec. 22. (a) The treasurer of state shall establish an
 10 incremental tax financing fund for each certified technology park
 11 designated under this chapter. The fund shall be administered by the
 12 treasurer of state. Money in the fund does not revert to the state general
 13 fund at the end of a state fiscal year.

14 (b) Subject to subsection (c), the following amounts shall be
 15 deposited during each state fiscal year in the incremental tax financing
 16 fund established for a certified technology park under subsection (a):

17 (1) The aggregate amount of state gross retail and use taxes that
 18 are remitted under IC 6-2.5 by businesses operating in the
 19 certified technology park, until the amount of state gross retail
 20 and use taxes deposited equals the gross retail incremental
 21 amount for the certified technology park.

22 (2) Except as provided in subdivision (3), the aggregate amount
 23 of the following taxes paid by employees employed in the
 24 certified technology park with respect to wages earned for work
 25 in the certified technology park, until the amount deposited equals
 26 the income tax incremental amount as defined in section 8.5(1) of
 27 this chapter:

28 (A) The adjusted gross income tax.

29 (B) The local income tax (IC 6-3.6).

30 (3) In the case of a certified technology park to which subsection
 31 (e) **or (f)** applies, the amount determined under subsection (e) **or**
 32 **(f)**, if any **and as applicable**.

33 (c) Except as provided in subsections (d), ~~and (e)~~, **and (f)**, not more
 34 than a total of five million dollars (\$5,000,000) may be deposited in a
 35 particular incremental tax financing fund for a certified technology
 36 park over the life of the certified technology park.

37 (d) Except as provided in ~~subsection (e)~~, **subsections (e) and (f)**, in
 38 the case of a certified technology park that is operating under a written
 39 agreement entered into by two (2) or more redevelopment
 40 commissions, and subject to section 26(b)(4) of this chapter:

- 1 (1) not more than a total of five million dollars (\$5,000,000) may
2 be deposited over the life of the certified technology park in the
3 incremental tax financing fund of each redevelopment
4 commission participating in the operation of the certified
5 technology park; and
6 (2) the total amount that may be deposited in all incremental tax
7 financing funds, over the life of the certified technology park, in
8 aggregate, may not exceed the result of:
9 (A) five million dollars (\$5,000,000); multiplied by
10 (B) the number of redevelopment commissions that have
11 entered into a written agreement for the operation of the
12 certified technology park.
- 13 (e) If a certified technology park has reached the limit on deposits
14 under subsection (c) or (d) and maintains its certification under section
15 11(c) of this chapter, the certified technology park shall become a
16 Level 2 certified technology park and an additional annual deposit
17 amount shall be deposited in the incremental tax financing fund for the
18 certified technology park equal to the following:
19 (1) For a certified technology park to which subsection (c)
20 applies, the lesser of:
21 (A) the income tax incremental amount as defined in section
22 8.5(2) of this chapter; or
23 (B) two hundred fifty thousand dollars (\$250,000).
24 (2) For a certified technology park to which subsection (d)
25 applies, the lesser of:
26 (A) the aggregate income tax incremental amounts as defined
27 in section 8.5(2) of this chapter attributable to each
28 redevelopment commission that has entered into a written
29 agreement for the operation of the certified technology park;
30 or
31 (B) two hundred fifty thousand dollars (\$250,000) multiplied
32 by the number of redevelopment commissions that have
33 entered into a written agreement for the operation of the
34 certified technology park.
35 (3) The following apply to deposits under this subsection:
36 (A) If a certified technology park reached its limit on deposits
37 based on a state fiscal year ending before July 1, 2020, the
38 certified technology park shall receive deposits based on the
39 income tax incremental amount as defined in section 8.5(2) of

1 this chapter for each state fiscal year ending after June 30,
2 2019.

3 (B) If a certified technology park reached its limit on deposits
4 based on a state fiscal year ending after June 30, 2020, the
5 certified technology park shall receive deposits based on the
6 income tax incremental amount as defined in section 8.5(2) of
7 this chapter for the state fiscal year in which it reached its limit
8 on deposits under subsection (c) or (d) and each state fiscal
9 year thereafter.

10 (C) If a certified technology park is permitted to receive
11 deposits under this subsection during the state fiscal year in
12 which it reached its limit on deposits under subsection (c) or
13 (d), the income tax incremental amount for purposes of
14 subdivision (1)(A) or (1)(B) for that state fiscal year shall be
15 reduced by an amount equal to:

16 (i) the deposit amount for the state fiscal year under
17 subsection (b) required to reach the limit on deposits under
18 subsection (c) or (d); minus

19 (ii) the gross retail incremental amount determined under
20 section 6.5 of this chapter;

21 but not less than zero (0).

22 **(f) This subsection applies to a certified technology park that is**
23 **located within a qualified military base enhancement area under**
24 **IC 36-7-34. Subject to subsection (g), if a certified technology park**
25 **has reached the limit on deposits under subsection (e) and**
26 **maintains its certification under section 11(c) of this chapter, the**
27 **certified technology park shall become a Level 3 certified**
28 **technology park and an additional annual deposit amount shall be**
29 **deposited in the incremental tax financing fund for the certified**
30 **technology park equal to the lesser of:**

31 **(1) the aggregate income tax incremental amounts as defined**
32 **in section 8.5(2) of this chapter attributable to each**
33 **redevelopment commission that has entered into a written**
34 **agreement for the operation of the certified technology park;**
35 **or**

36 **(2) two hundred fifty thousand dollars (\$250,000) multiplied**
37 **by the number of redevelopment commissions that have**
38 **entered into a written agreement for the operation of the**
39 **certified technology park.**

1 **However, no amount of state gross retail and use taxes that are**
2 **remitted under IC 6-2.5 for transactions occurring after June 30,**
3 **2029, by businesses operating in the certified technology park and**
4 **no amount of adjusted gross income tax or local income tax paid by**
5 **employees employed in the certified technology park with respect**
6 **to wages and salary earned for work in the certified technology**
7 **park after June 30, 2029, may be deposited in the incremental tax**
8 **financing fund for the certified technology park, regardless of**
9 **whether the maximum annual amount under subdivision (1) or (2)**
10 **has been met.**

11 **(g) For purposes of calculating the income tax incremental**
12 **amount for the additional annual deposit amount under subsection**
13 **(f), only wages attributable to new employees hired on or after the**
14 **date the certified technology park becomes a Level 3 certified**
15 **technology park shall be included in the calculation. The**
16 **department of state revenue shall determine the incremental**
17 **amount based only on the net payroll increase over the base payroll**
18 **determined at the time of the Level 3 designation.**

19 **(h) Once a certified technology park meets the requirements of**
20 **designation as a Level 3 certified technology park, the department**
21 **of state revenue shall, not later than ninety (90) days after receipt**
22 **of all information necessary to make the determination, issue a**
23 **written determination establishing:**

- 24 **(1) the date on which the certified technology park became a**
25 **Level 3 certified technology park; and**
26 **(2) the base payroll amount to be used for purposes of**
27 **calculating the income tax incremental amount under section**
28 **8.5 of this chapter.**

29 **The department of state revenue may require the submission of**
30 **documentation reasonably necessary to make the determination**
31 **under this subsection.**

32 **(f) (i) This subsection applies to a Level 2 or Level 3 certified**
33 **technology park designated in subsection (e) or (f). When the office**
34 **recertifies a certified technology park as required under section 11 of**
35 **this chapter, the office shall make a determination of whether the**
36 **certified technology park shall continue to be designated as a Level 2**
37 **or Level 3 certified technology park.**

38 **(g) (j) On or before the twentieth day of each month, all amounts**
39 **held in the incremental tax financing fund established for a certified**
40 **technology park shall be distributed to the redevelopment commission**

1 for deposit in the certified technology park fund established under
2 section 23 of this chapter."

3 Page 3, delete lines 30 through 42, begin a new paragraph and
4 insert:

5 "SECTION 13. **An emergency is declared for this act.**"

6 Delete page 4.

7 Renumber all SECTIONS consecutively.

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