

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 6974
BILL NUMBER: SB 281

NOTE PREPARED: Jan 27, 2026
BILL AMENDED: Jan 27, 2026

SUBJECT: Income Tax Credits.

FIRST AUTHOR: Sen. Goode
FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Redevelopment Tax Credit*: The bill amends and adds provisions regarding the Redevelopment Tax Credit, including provisions concerning the promotion of regional collaboration and the use of development plans with respect to certain qualified investments.

Regional Development Advisory Council: It authorizes a regional development authority to establish a regional development advisory council.

Effective Date: July 1, 2026.

Explanation of State Expenditures: (Revised) *Redevelopment Tax Credit–Workload*: The Department of State Revenue (DOR) and the Indiana Economic Development Corporation (IEDC) will experience additional workload and expenses to implement the changes to the Redevelopment Tax Credit. The DOR and the IEDC should be able to make these changes within current resource levels.

Explanation of State Revenues: (Revised) *Redevelopment Tax Credit*: The proposal would have an indeterminate impact on state General Fund revenue. The \$50 M in annual Redevelopment Tax Credits required to go to development authorities must come from the \$300 M in total allowable credits that the IEDC may certify annually. So, the IEDC may reduce credit awards for other redevelopment projects or other tax credits. Under the bill, the tax credits awarded to development authorities would then be granted to taxpayers proposing qualified investment in a qualified redevelopment site.

Explanation of Local Expenditures: Regional development authorities would have additional workload to create development plans and to request awards for the Redevelopment Tax Credit from the IEDC for taxpayers proposing qualified investment in a qualified redevelopment site.

The bill allows development authorities to establish regional development advisory councils. A member appointed to a regional advisory council is not entitled to receive any compensation for performance of the member's duties.

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue; Indiana Economic Development Corporation.

Local Agencies Affected: Regional Development Authorities.

Information Sources:

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