
SENATE BILL No. 281

AM028106 has been incorporated into January 28, 2026 printing.

Synopsis: Income tax credits.

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SB 281—LS 6974/DI 120



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

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SENATE BILL No. 281

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-3-1-10.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 10.5. The term "data**
4 **center" means one (1) or more buildings that are rehabilitated or**
5 **constructed to house a group of networked server computers in one**
6 **(1) physical location in order to centralize the storage,**
7 **management, and dissemination of data and information**
8 **pertaining to a particular business, taxonomy, or body of**
9 **knowledge.**
- 10 SECTION 2. IC 6-3.1-34-0.5 IS ADDED TO THE INDIANA
11 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. (a) In order to facilitate the**
13 **redevelopment and rehabilitation of property in Indiana that**
14 **promotes regional collaboration and long term strategic planning,**
15 **the corporation may commit a tax credit to a development**
16 **authority pursuant to a development plan approved by the**
17 **corporation, which may subsequently be awarded by the**

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1 corporation at the request of a development authority to a
2 taxpayer proposing a qualified investment in a qualified
3 redevelopment site that is included in the development authority's
4 development plan.

5 (b) The corporation shall award fifty million dollars
6 (\$50,000,000) to development authorities each fiscal year that may
7 be granted to taxpayers proposing qualified investment in a
8 qualified redevelopment site pursuant to a development plan
9 approved by the corporation.

10 SECTION 3. IC 6-3.1-34-2.1 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2026]: Sec. 2.1. (a) As used in this chapter,
13 "development authority" refers to a regional development
14 authority established under IC 36-7.5-2-1, IC 36-7.6-2-3, or
15 IC 36-7.7-3-1.

16 (b) For the period beginning July 1, 2026, and ending June 30,
17 2028, the term "development authority" includes a qualified
18 nonprofit organization formed to support economic development
19 across the region and which does not represent a single interest
20 group or local unit or units within a single county. This subsection
21 expires July 1, 2028.

22 SECTION 4. IC 6-3.1-34-2.2 IS ADDED TO THE INDIANA
23 CODE AS A NEW SECTION TO READ AS FOLLOWS
24 [EFFECTIVE JULY 1, 2026]: Sec. 2.2. (a) As used in this chapter,
25 "development plan" refers to a comprehensive strategic
26 development plan approved by the development authority for its
27 jurisdiction and which outlines its economic development strategy,
28 the anticipated local resource commitments, the proposed
29 regionally significant projects, the return on investment analysis
30 reflecting a positive state return for such projects, the requirement
31 that an equal or greater level of local public financial participation
32 in the aggregate across all projects, the requirement that projects
33 are reasonably expected to spur a total investment across all
34 projects that is four (4) times greater than the level of the state
35 resources provided on a present value basis, and that each project
36 supported would not occur but for the provision of the requested
37 state resources.

38 (b) The development plan shall also include specific,
39 measurable five (5) and ten (10) year objectives, and plans for
40 achieving the objectives, for the region, including targets for:

- 41 (1) per capita income;
- 42 (2) population;



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- 1 **(3) employment; and**
- 2 **(4) credential attainment among residents;**
- 3 **in the region.**

4 SECTION 5. IC 6-3.1-34-6, AS AMENDED BY P.L.135-2022,
 5 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2026]: Sec. 6. As used in this chapter, "qualified
 7 redevelopment site" means a vacant or underutilized property in
 8 Indiana as determined by the corporation. **The term does not include**
 9 **land on which a data center (as defined in IC 6-3-1-10.5) is located.**

10 SECTION 6. IC 6-3.1-34-24 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 24. (a)**
 13 **This section applies for taxable years beginning after December 31,**
 14 **2025.**

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

20 **(c) This section shall not apply to an entity that has entered**
 21 **into an agreement with the Indiana economic development**
 22 **corporation under section 17 of this chapter for an award of a tax**
 23 **credit under this chapter before January 1, 2026.**

24 SECTION 7. IC 36-7.6-2-3, AS AMENDED BY P.L.178-2015,
 25 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2026]: Sec. 3. (a) A development authority may be established
 27 by any of the following:

- 28 (1) One (1) or more counties and one (1) or more adjacent
- 29 counties.
- 30 (2) One (1) or more counties and one (1) or more qualified cities
- 31 in adjacent counties.
- 32 (3) One (1) or more qualified cities and one (1) or more qualified
- 33 cities in adjacent counties.

34 (b) A county or qualified city may participate in the establishment
 35 of a development authority under this section and become a member of
 36 the development authority only if the fiscal body of the county or
 37 qualified city adopts an ordinance authorizing the county or qualified
 38 city to participate in the establishment of the development authority.
 39 **For a county or city that is currently participating in a**
 40 **development authority, the fiscal body of the county or qualified**
 41 **city may adopt a subsequent ordinance authorizing the county or**
 42 **qualified city to change membership and instead participate in a**

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1 **new or different development authority.**

2 (c) When a county establishes a development authority with
3 another unit as provided in this chapter, each qualified city and third
4 class city in the county also becomes a member of the development
5 authority, without further action by the qualified city, **the** third class
6 city, or the development authority.

7 (d) Notwithstanding any other provision of this article, a county or
8 municipality may be a member of only one (1) development authority.

9 (e) Notwithstanding any other provision of this article, a county or
10 municipality that is a member of the northwest Indiana regional
11 development authority under IC 36-7.5 may not be a member of a
12 development authority under this article.

13 (f) A development authority shall notify the Indiana economic
14 development corporation in writing promptly after the development
15 authority is established **or if membership of the development**
16 **authority changes.**

17 SECTION 8. IC 36-7.6-2-16 IS ADDED TO THE INDIANA
18 CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2026]: **Sec. 16. (a) A development authority**
20 **may establish a regional development advisory council. The**
21 **regional development advisory council shall consist of members**
22 **appointed according the following:**

23 (1) **One (1) member appointed by the county executive of**
24 **each county that is a member of the development authority.**

25 (2) **One (1) member appointed by the governor.**

26 (3) **Two (2) members appointed by the speaker of the house**
27 **of representatives.**

28 (4) **Two (2) members appointed by the president pro tempore**
29 **of the senate.**

30 (5) **At least three (3) members appointed by the development**
31 **authority that are mayors in the development area, with at**
32 **least (1) appointee residing in a county located in the**
33 **development area that does not contain a municipality with**
34 **a population of twenty-five thousand (25,000) or more, if one**
35 **exists in the development area.**

36 (b) **A member appointed to the regional development advisory**
37 **council serves a two (2) year term. A member may be reappointed**
38 **to subsequent terms.**

39 (c) **Each member must reside within the development area, but**
40 **not more than four (4) members may reside in the same county.**

41 (d) **A majority of the appointed members of a regional**
42 **development advisory council constitutes a quorum. The**

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1 affirmative votes of at least a majority of the appointed members
 2 of a regional development advisory council are necessary to
 3 authorize any action of the regional development advisory council.
 4 (e) A member appointed to a regional development advisory
 5 council is not entitled to receive any compensation for performance
 6 of the member's duties.
 7 (f) Not later than October 1 each year, the regional
 8 development advisory council shall hold an organizational meeting
 9 at which the regional development advisory council shall elect the
 10 following officers from the members of the regional development
 11 advisory council:
 12 (1) A chair.
 13 (2) A vice chair.
 14 (3) A secretary-treasurer.
 15 The affirmative vote of at least a majority of the appointed
 16 members of a regional development advisory council is necessary
 17 to elect an officer under this subsection. An officer elected under
 18 this subsection serves from the date of the officer's election until
 19 the officer's successor is elected and qualified.
 20 (g) The regional development advisory council shall meet at
 21 the call of the chair.
 22 (h) This section shall not apply to a development authority
 23 established under this article that includes a county listed in
 24 IC 36-7-39-2 as a member.
 25 SECTION 9. An emergency is declared for this act.

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