
SENATE BILL No. 281

AM028110 has been incorporated into January 28, 2026 printing.

Synopsis: Income tax credits.

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

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- 1 fiscal year in which the taxpayer can first claim the credit,
 2 determined without regard to any carryforward period or
 3 carryback period.
- 4 (2) An applicable tax credit awarded by the corporation before
 5 July 1, 2022, shall be counted toward the aggregate credit
 6 limitation under this section.
- 7 (3) If an accelerated credit is awarded under IC 6-3.1-26-15, the
 8 amount counted toward the aggregate credit limitation under this
 9 section for a state fiscal year shall be the amount of the credit for
 10 the taxable year described in subdivision (1) prior to any
 11 discount.
- 12 (c) Notwithstanding subsection (a), if the corporation determines
 13 that:
- 14 (1) an applicable tax credit should be certified in a state fiscal
 15 year; and
- 16 (2) certification of the applicable tax credit will result in an
 17 aggregate amount of applicable tax credits certified for that state
 18 fiscal year that exceeds the maximum amount provided in
 19 subsection (a);
- 20 the corporation may, after review by the budget committee, certify the
 21 applicable tax credit to the taxpayer.
- 22 (d) This section expires December 31, 2032.
- 23 SECTION 2. IC 5-28-44 IS ADDED TO THE INDIANA CODE
 24 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 25 UPON PASSAGE]:
- 26 **Chapter 44. Unmanned Aircraft Systems Test Site**
- 27 **Sec. 1. In enacting this chapter, it is the intent of the general**
 28 **assembly to advance the state's leadership position in technologies**
 29 **related to unmanned aircraft systems to foster more opportunities**
 30 **for citizens of the state with respect to unmanned aircraft system**
 31 **technology and related industries and to support the federal**
 32 **government in research, development, and testing in support of**
 33 **commerce and national security. The general assembly finds the**
 34 **following:**
- 35 (1) The FAA announced on January 8, 2026, that Indiana is
 36 designated as a test site for UAS.
- 37 (2) The FAA notes that test sites help the United States assess
 38 emerging technologies to modernize methods for cargo
 39 delivery, Beyond Visual Line of Sight operations, and
 40 multiple UAS operations while informing safety and security,
 41 ushering in the safe commercialization of UAS technologies
 42 and fully integrating UAS into the national airspace system.

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

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

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

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

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

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

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

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

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

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

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

35 **(b) The operating partner may administer and deposit all**
 36 **income, earnings, and other receipts accrued through operation of**
 37 **the test site in the bank account, including any state or federal**
 38 **funding received through a contract, or as a grant or loan.**

39 **(c) The operating partner may expend money from the bank**
 40 **account for operations of the test site, including costs for**
 41 **administration, staffing, equipment, test site activities,**
 42 **communications, and marketing. The operating partner may**

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1 transfer revenue from the bank account to the corporation or any
 2 other state agency to be used for the following purposes:
 3 (1) To procure UAS technology for use by the state.
 4 (2) To pursue federal funding for activities related to UAS
 5 that benefit the state.
 6 (3) To support economic development activities related to
 7 UAS research or manufacturing.
 8 (d) The operating partner shall keep a full and complete
 9 record of funds received and disbursed by the operating partner.
 10 The report is subject to audit and must be submitted to the
 11 corporation board not later than July 1 of each year, or more often
 12 as required by the corporation.

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

16 Sec. 9. The operating partner shall do the following:
 17 (1) Respond to requests from local, regional, or state
 18 economic development organizations for assistance with
 19 economic activities intended to attract companies, or to
 20 develop clusters of activity, within the UAS sector.
 21 (2) Respond to requests from state agencies for expertise
 22 related to the procurement of UAS technology.
 23 (3) Respond to requests from state agencies for assistance
 24 with the development of new UAS test activities within
 25 particular economic sectors.

26 Sec. 10. The operating partner is responsible for carrying out
 27 the FAA's requirements and obligations for the safe operation and
 28 maintenance of the test site and for managing the day to day
 29 operations of the test site under supervision of the corporation.

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

34 (b) The corporation may dedicate resources as determined
 35 necessary and appropriate by the corporation to support the
 36 implementation and ongoing operation of the test site, including
 37 staff support, administrative support, and direct financial support.

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

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

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1 (d) Except as provided in subsection (e), the Indiana economic
2 development corporation may impose an application fee of not more
3 than two hundred dollars (\$200).

4 (e) The Indiana economic development corporation may not
5 impose the application fee authorized by subsection (d) for applications
6 submitted during the period beginning July 1, 2011, and ending June
7 30, 2013.

8 SECTION 4. IC 6-3.1-24-7.5, AS ADDED BY P.L.165-2021,
9 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2026]: Sec. 7.5. (a) The Indiana economic development
11 corporation may certify that an investment fund is a qualified Indiana
12 investment fund if the corporation determines that the fund meets the
13 definition in section 2.5 of this chapter and the requirements in
14 subsection (b).

15 (b) The Indiana economic development corporation may only
16 certify a fund as a qualified Indiana investment fund if the fund makes
17 investments according to a policy that:

18 (1) requires eligible companies to be primarily focused on the
19 commercialization of research and development, technology
20 transfer, or application of new technology; and

21 (2) prioritizes investments in companies that:

22 (A) have received a grant, loan, or other investment funds
23 provided by the Indiana twenty-first century research and
24 technology fund established by IC 5-28-16-2; or

25 (B) maintain a substantial presence in Indiana.

26 **The policy referred to in this subsection shall apply only to**
27 **investable capital in the fund, excluding management fees, legal**
28 **fees, and other expenses incurred in the operation of the fund.**

29 (c) An investment fund must apply to be certified as a qualified
30 Indiana investment fund on a form prescribed by the Indiana economic
31 development corporation.

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

36 SECTION 5. IC 6-3.1-24-12, AS AMENDED BY P.L.165-2021,
37 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2026]: Sec. 12. (a) If the amount of the credit determined
39 under section 8 or 8.5 of this chapter for a taxpayer in a taxable year
40 exceeds the taxpayer's state tax liability for that taxable year, the
41 taxpayer may carry the excess credit over for a period not to exceed the
42 taxpayer's following five (5) taxable years. The amount of the credit

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1 carryover from a taxable year shall be reduced to the extent that the
 2 carryover is used by the taxpayer to obtain a credit under this chapter
 3 for any subsequent taxable year. A taxpayer is not entitled to a
 4 carryback or a refund of any unused credit amount.

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

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

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

14 (2) Before a credit may be assigned, the taxpayer must notify the
 15 corporation of the assignment of the credit in the manner
 16 prescribed by the corporation.

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

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

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

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

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

37 SECTION 6. IC 6-3.1-34-0.5 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. (a) In order to facilitate the**
 40 **redevelopment and rehabilitation of property in Indiana that**
 41 **promotes regional collaboration and long term strategic planning,**
 42 **the corporation shall commit thirty-five million dollars**

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1 (\$35,000,000) in tax credits under this chapter each state fiscal year
2 among:

- 3 (1) development authorities;
4 (2) qualified nonprofit organizations; and
5 (3) local economic development organizations that:
6 (A) represent a single unit or multiple units; and
7 (B) have an economically significant impact, as
8 determined by the corporation;

9 which may subsequently be awarded by the corporation at the
10 request of an entity described in subdivisions (1) through (3) to a
11 taxpayer proposing a qualified investment in a qualified
12 redevelopment site. The corporation shall consider the regional
13 significance of a project when awarding the tax credits under this
14 subsection.

15 (b) Not later than January 1, 2031, the corporation shall
16 present a report to the budget committee concerning the tax credits
17 awarded under this section, including the status of the projects for
18 which tax credits were awarded under this section and the regional
19 impact of the projects.

20 SECTION 7. IC 6-3.1-34-2.1 IS ADDED TO THE INDIANA
21 CODE AS A NEW SECTION TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2026]: Sec. 2.1. As used in this chapter,
23 "development authority" refers to a regional development
24 authority established under IC 36-7.5-2-1, IC 36-7.6-2-3, or
25 IC 36-7.7-3-1.

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

- 31 (1) was established and obtained tax exempt status under
32 Section 501 of the Internal Revenue Code before January 1,
33 2016, and has since maintained tax exempt status under
34 Section 501 of the Internal Revenue Code;
35 (2) was formed to support economic development across the
36 region; and
37 (3) does not represent a single interest group or local unit or
38 units within a single county.

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

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- 1 **(1) the central business district of a city or town; or**
- 2 **(2) any commercial or mixed use area within a neighborhood**
- 3 **of a city or town that has traditionally served, since the**
- 4 **founding of the community, as the retail service and**
- 5 **communal focal point within the community.**
- 6 **(b) As used in this section, "initiative" means the small town**
- 7 **opportunity initiative established by subsection (f).**
- 8 **(c) As used in this section, "nonprofit taxpayer" means a**
- 9 **taxpayer:**
 - 10 **(1) that is tax exempt under Section 501 of the Internal**
 - 11 **Revenue Code;**
 - 12 **(2) for which some or all of its mission is to revitalize the**
 - 13 **community it serves; and**
 - 14 **(3) whose leadership includes primarily members of the**
 - 15 **community it serves.**
 - 16 **(d) As used in this section, "qualified community project"**
 - 17 **means a project that:**
 - 18 **(1) is located in the:**
 - 19 **(A) downtown area of a city or a town with a population**
 - 20 **of less than thirty thousand (30,000);**
 - 21 **(B) downtown area of a city or a town that is located in**
 - 22 **a county with a population of less than seventy-five**
 - 23 **thousand (75,000); or**
 - 24 **(C) unincorporated territory of a county with a**
 - 25 **population of less than seventy-five thousand (75,000) if**
 - 26 **the site of the project is an area of the unincorporated**
 - 27 **territory that serves as the retail service and communal**
 - 28 **focal point within the unincorporated territory;**
 - 29 **(2) involves the:**
 - 30 **(A) historic preservation;**
 - 31 **(B) redevelopment; or**
 - 32 **(C) rehabilitation;**
 - 33 **of real property; and**
 - 34 **(3) has a total project budget of at least fifteen million dollars**
 - 35 **(\$15,000,000).**
 - 36 **(e) As used in this section, "qualified investment" means the**
 - 37 **amount of the taxpayer's expenditures that are:**
 - 38 **(1) for the redevelopment or rehabilitation of real property**
 - 39 **as part of a qualified community project; and**
 - 40 **(2) approved by the corporation before the expenditure is**
 - 41 **made.**
 - 42 **(f) The small town opportunity initiative is established.**

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- 1 (g) The corporation shall administer the initiative.
- 2 (h) The purpose of the initiative is to undertake qualified
- 3 community projects within local government units to do the
- 4 following:
- 5 (1) Advance historic preservation.
- 6 (2) Redevelop or rehabilitate distressed buildings or
- 7 underutilized property.
- 8 (3) Redevelop or rehabilitate sites where distressed buildings
- 9 once stood.
- 10 (i) A for-profit taxpayer undertaking a qualified community
- 11 project under the initiative is entitled to a redevelopment tax credit
- 12 under this chapter equal to twenty percent (20%) of the taxpayer's
- 13 cost of the project.
- 14 (j) A nonprofit taxpayer undertaking a qualified community
- 15 project under the initiative is entitled to a redevelopment tax credit
- 16 under this chapter equal to thirty percent (30%) of the taxpayer's
- 17 cost of the project.
- 18 (k) Qualified community projects undertaken under this
- 19 section are not subject to any statutory or administrative
- 20 repayment obligation.
- 21 (l) Notwithstanding any other provision of this section, for a
- 22 nonprofit taxpayer undertaking a qualified community project
- 23 under this section, expenditures incurred to acquire, hold, or
- 24 prepare real property for redevelopment or rehabilitation before
- 25 the date the taxpayer's initial application or application for
- 26 certification is approved by the corporation shall be included in the
- 27 taxpayer's qualified investment if:
- 28 (1) the expenditures were incurred for the primary purpose
- 29 of future redevelopment consistent with subsection (h);
- 30 (2) the nonprofit taxpayer obtained site control in
- 31 furtherance of a locally supported redevelopment effort; and
- 32 (3) the corporation determines, as part of the application or
- 33 certification process, that inclusion of such expenditures is in
- 34 the public interest and supportive of early stage community
- 35 redevelopment efforts.
- 36 (m) For purposes of determining whether an expenditure is
- 37 included as part of a qualified investment under subsection (l), an
- 38 expenditure shall be treated as if it were approved by the
- 39 corporation as of the date the expenditure was originally incurred.
- 40 SECTION 10. IC 36-7-32-8.5, AS AMENDED BY P.L.154-2020,
- 41 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2026]: Sec. 8.5. As used in this chapter, "income tax
 2 incremental amount" means the following:
 3 (1) Except as provided in subdivision (2), the remainder of:
 4 (A) the total amount of state adjusted gross income taxes
 5 and local income taxes paid by employees employed in the
 6 territory comprising the certified technology park with
 7 respect to wages and salary earned for work in the territory
 8 comprising the certified technology park for a particular
 9 state fiscal year; minus
 10 (B) the sum of the:
 11 (i) income tax base period amount as defined in section
 12 8 of this chapter; and
 13 (ii) tax credits awarded by the Indiana economic
 14 development corporation under IC 6-3.1-13 to
 15 businesses operating in a certified technology park as
 16 the result of wages earned for work in the certified
 17 technology park for the state fiscal year;
 18 as determined by the department of state revenue.
 19 (2) In the case of a certified technology park for which the
 20 amount limit under section 22(c), ~~or 22(d)~~, **or 22(e)** of this
 21 chapter has been exceeded, the remainder of:
 22 (A) the total amount of state adjusted gross income taxes
 23 and local income taxes paid by employees employed in the
 24 territory comprising the certified technology park with
 25 respect to wages and salary earned for work in the territory
 26 comprising the certified technology park for a particular
 27 state fiscal year; minus
 28 (B) the sum of the:
 29 (i) income tax base period amount as defined in section
 30 8 of this chapter; and
 31 (ii) tax credits awarded by the Indiana economic
 32 development corporation under IC 6-3.1-13 to
 33 businesses operating in a certified technology park as
 34 the result of wages earned for work in the certified
 35 technology park for the state fiscal year;
 36 as determined by the department of state revenue.
 37 SECTION 11. IC 36-7-32-22, AS AMENDED BY P.L.145-2025,
 38 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2026]: Sec. 22. (a) The treasurer of state shall establish an
 40 incremental tax financing fund for each certified technology park
 41 designated under this chapter. The fund shall be administered by the

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1 treasurer of state. Money in the fund does not revert to the state general
2 fund at the end of a state fiscal year.

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

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

11 (2) Except as provided in subdivision (3), the aggregate amount
12 of the following taxes paid by employees employed in the
13 certified technology park with respect to wages earned for work
14 in the certified technology park, until the amount deposited
15 equals the income tax incremental amount as defined in section
16 8.5(1) of this chapter:

17 (A) The adjusted gross income tax.

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

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

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

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

30 (1) not more than a total of five million dollars (\$5,000,000) may
31 be deposited over the life of the certified technology park in the
32 incremental tax financing fund of each redevelopment
33 commission participating in the operation of the certified
34 technology park; and

35 (2) the total amount that may be deposited in all incremental tax
36 financing funds, over the life of the certified technology park, in
37 aggregate, may not exceed the result of:

38 (A) five million dollars (\$5,000,000); multiplied by

39 (B) the number of redevelopment commissions that have
40 entered into a written agreement for the operation of the
41 certified technology park.

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1 (e) If a certified technology park has reached the limit on deposits
2 under subsection (c) or (d) and maintains its certification under section
3 11(c) of this chapter, the certified technology park shall become a
4 Level 2 certified technology park and an additional annual deposit
5 amount shall be deposited in the incremental tax financing fund for the
6 certified technology park equal to the following:

7 (1) For a certified technology park to which subsection (c)
8 applies, the lesser of:

9 (A) the income tax incremental amount as defined in
10 section 8.5(2) of this chapter; or

11 (B) two hundred fifty thousand dollars (\$250,000).

12 (2) For a certified technology park to which subsection (d)
13 applies, the lesser of:

14 (A) the aggregate income tax incremental amounts as
15 defined in section 8.5(2) of this chapter attributable to each
16 redevelopment commission that has entered into a written
17 agreement for the operation of the certified technology park;
18 or

19 (B) two hundred fifty thousand dollars (\$250,000)
20 multiplied by the number of redevelopment commissions
21 that have entered into a written agreement for the operation
22 of the certified technology park.

23 (3) The following apply to deposits under this subsection:

24 (A) If a certified technology park reached its limit on
25 deposits based on a state fiscal year ending before July 1,
26 2020, the certified technology park shall receive deposits
27 based on the income tax incremental amount as defined in
28 section 8.5(2) of this chapter for each state fiscal year
29 ending after June 30, 2019.

30 (B) If a certified technology park reached its limit on
31 deposits based on a state fiscal year ending after June 30,
32 2020, the certified technology park shall receive deposits
33 based on the income tax incremental amount as defined in
34 section 8.5(2) of this chapter for the state fiscal year in
35 which it reached its limit on deposits under subsection (c)
36 or (d) and each state fiscal year thereafter.

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

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- 1 (i) the deposit amount for the state fiscal year under
- 2 subsection (b) required to reach the limit on deposits
- 3 under subsection (c) or (d); minus
- 4 (ii) the gross retail incremental amount determined
- 5 under section 6.5 of this chapter;
- 6 but not less than zero (0).

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

- 16 **(1) the aggregate income tax incremental amounts as defined**
- 17 **in section 8.5(2) of this chapter attributable to each**
- 18 **redevelopment commission that has entered into a written**
- 19 **agreement for the operation of the certified technology park;**
- 20 **or**
- 21 **(2) two hundred fifty thousand dollars (\$250,000) multiplied**
- 22 **by the number of redevelopment commissions that have**
- 23 **entered into a written agreement for the operation of the**
- 24 **certified technology park.**

25 **However, no amount of state gross retail and use taxes that are**
 26 **remitted under IC 6-2.5 for transactions occurring after June 30,**
 27 **2029, by businesses operating in the certified technology park and**
 28 **no amount of adjusted gross income tax or local income tax paid by**
 29 **employees employed in the certified technology park with respect**
 30 **to wages and salary earned for work in the certified technology**
 31 **park after June 30, 2029, may be deposited in the incremental tax**
 32 **financing fund for the certified technology park, regardless of**
 33 **whether the maximum annual amount under subdivision (1) or (2)**
 34 **has been met.**

35 **(g) For purposes of calculating the income tax incremental**
 36 **amount for the additional annual deposit amount under subsection**
 37 **(f), only wages attributable to new employees hired on or after the**
 38 **date the certified technology park becomes a Level 3 certified**
 39 **technology park shall be included in the calculation. The**
 40 **department of state revenue shall determine the incremental**
 41 **amount based only on the net payroll increase over the base payroll**
 42 **determined at the time of the Level 3 designation.**

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1 (h) Once a certified technology park meets the requirements
2 of designation as a Level 3 certified technology park, the
3 department of state revenue shall, not later than ninety (90) days
4 after receipt of all information necessary to make the
5 determination, issue a written determination establishing:

6 (1) the date on which the certified technology park became
7 a Level 3 certified technology park; and

8 (2) the base payroll amount to be used for purposes of
9 calculating the income tax incremental amount under section
10 8.5 of this chapter.

11 The department of state revenue may require the submission of
12 documentation reasonably necessary to make the determination
13 under this subsection.

14 (f) (i) This subsection applies to a Level 2 or Level 3 certified
15 technology park designated in subsection (e) or (f). When the office
16 recertifies a certified technology park as required under section 11 of
17 this chapter, the office shall make a determination of whether the
18 certified technology park shall continue to be designated as a Level 2
19 or Level 3 certified technology park.

20 (g) (j) On or before the twentieth day of each month, all amounts
21 held in the incremental tax financing fund established for a certified
22 technology park shall be distributed to the redevelopment commission
23 for deposit in the certified technology park fund established under
24 section 23 of this chapter.

25 SECTION 12. IC 36-7.6-2-3, AS AMENDED BY P.L.178-2015,
26 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2026]: Sec. 3. (a) A development authority may be established
28 by any of the following:

29 (1) One (1) or more counties and one (1) or more adjacent
30 counties.

31 (2) One (1) or more counties and one (1) or more qualified cities
32 in adjacent counties.

33 (3) One (1) or more qualified cities and one (1) or more qualified
34 cities in adjacent counties.

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

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1 **qualified city to change membership and instead participate in a**
 2 **new or different development authority.**
 3 (c) When a county establishes a development authority with
 4 another unit as provided in this chapter, each qualified city and third
 5 class city in the county also becomes a member of the development
 6 authority, without further action by the qualified city, **the** third class
 7 city, or the development authority.
 8 (d) Notwithstanding any other provision of this article, a county or
 9 municipality may be a member of only one (1) development authority.
 10 (e) Notwithstanding any other provision of this article, a county or
 11 municipality that is a member of the northwest Indiana regional
 12 development authority under IC 36-7.5 may not be a member of a
 13 development authority under this article.
 14 (f) A development authority shall notify the Indiana economic
 15 development corporation in writing promptly after the development
 16 authority is established **or if membership of the development**
 17 **authority changes.**
 18 SECTION 13. **An emergency is declared for this act.**

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SB 281—LS 6974/DI 120

