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# SENATE BILL No. 281

Proposed Changes to January 28, 2026 printing by AM028110

## DIGEST OF PROPOSED AMENDMENT

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.

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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 6-3.1-34-0.5 IS ADDED TO THE INDIANA~~  
2 ~~CODE>~~ [IC 5-28-6-9,] AS ~~<A NEW>~~ [AMENDED BY P.L.213-2025,]  
3 SECTION [ 69, IS AMENDED] TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2026]: ~~Sec. 0.5~~[9]. (a) ~~In order to~~  
 2 ~~facilitate the redevelopment and rehabilitation of property in~~  
 3 ~~Indiana that promotes regional collaboration and long term~~  
 4 ~~strategic planning,~~ [Subject to subsection (c), the aggregate amount  
 5 of applicable tax credits that ]the corporation may ~~commit a tax credit~~  
 6 ~~to a development authority pursuant to a development plan approved~~  
 7 ~~by the corporation, which may subsequently be~~ [ certify:

8 (1) for each state fiscal year ending on or before June 30, 2025,  
 9 for all taxpayers is two hundred fifty million dollars  
 10 (\$250,000,000); and

11 (2) for each state fiscal year ending on or after July 1, 2025, for  
 12 all taxpayers is three hundred million dollars (\$300,000,000),  
 13 fifteen million dollars (\$15,000,000) of which must be  
 14 allocated to fund qualified community projects within local  
 15 government units under IC 6-3.1-34-24. Each certification  
 16 under this subdivision is subject to budget committee review.

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

20 (1) An applicable tax credit is considered awarded in the state  
 21 fiscal year in which the taxpayer can first claim the credit,  
 22 determined without regard to any carryforward period or  
 23 carryback period.

24 (2) An applicable tax credit] awarded by the corporation ~~at the~~  
 25 ~~request of a development authority to a taxpayer proposing a~~  
 26 ~~qualified investment in a qualified redevelopment site that is~~  
 27 ~~included in the development authority's development plan.~~

28 ~~— (b) The corporation shall award fifty million dollars (\$50,000,000)~~  
 29 ~~to development authorities each~~ [before July 1, 2022, shall be counted  
 30 toward the aggregate credit limitation under this section.

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

36 (c) Notwithstanding subsection (a), if the corporation determines  
 37 that:

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

40 (2) certification of the applicable tax credit will result in an  
 41 aggregate amount of applicable tax credits certified for that  
 42 state] fiscal year that ~~may be granted to taxpayers proposing~~

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1 ~~qualified investment in a qualified redevelopment site pursuant~~  
2 ~~to a development plan approved by~~ [exceeds the maximum  
3 amount provided in subsection (a);  
4 the corporation may, after review by the budget committee, certify the  
5 applicable tax credit to the taxpayer.

6 (d) This section expires December 31, 2032.  
7 SECTION 2. IC 5-28-44 IS ADDED TO THE INDIANA CODE  
8 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
9 UPON PASSAGE]:

10 Chapter 44. Unmanned Aircraft Systems Test Site  
11 Sec. 1. In enacting this chapter, it is the intent of the general  
12 assembly to advance the state's leadership position in technologies  
13 related to unmanned aircraft systems to foster more opportunities  
14 for citizens of the state with respect to unmanned aircraft system  
15 technology and related industries and to support the federal  
16 government in research, development, and testing in support of  
17 commerce and national security. The general assembly finds the  
18 following:

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

21 (2) The FAA notes that test sites help the United States assess  
22 emerging technologies to modernize methods for cargo  
23 delivery, Beyond Visual Line of Sight operations, and  
24 multiple UAS operations while informing safety and security,  
25 ushering in the safe commercialization of UAS technologies  
26 and fully integrating UAS into the national airspace system.

27 (3) Indiana's designation as a test site was the result of a  
28 competitive process against other states and a joint  
29 application between the corporation and the operating  
30 partner. The proposal was developed under a contract  
31 between the corporation and the operating partner to pursue  
32 similar federal programs.

33 (4) The FAA test site will require substantial reporting and  
34 compliance activities to comply with federal laws and  
35 regulations governing the federal UAS Test Site Program  
36 and ancillary activities and is desirable for efficiency, clarity,  
37 and transparency to avoid duplicating regulatory schemes at  
38 the federal and state levels.

39 Sec. 2. As used in this chapter, "FAA" means the Federal  
40 Aviation Administration.

41 Sec. 3. As used in this chapter, "operating partner" means the  
42 Indiana based nonprofit corporation that partners with the

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1 corporation to operate and maintain the UAS test site under  
 2 supervision of] the corporation. <

3 ~~SECTION 2~~>]

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

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

8 Sec. 6. Notwithstanding any other law, during the period that  
 9 the test site remains subject to federal requirements as part of the  
 10 UAS Test Site Program operated by the FAA, the corporation and  
 11 operating partner are not subject to any state law concerning the  
 12 following for purposes of operating the test site:

13 (1) State procurement requirements.

14 (2) State contracting requirements.

15 (3) State fee setting requirements.

16 Sec. 7. (a) The operating partner shall establish a bank account  
 17 that is separate and segregated from any other bank account under  
 18 the operating partner's control and administer all funds for the test  
 19 site in the bank account.

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

24 (c) The operating partner may expend money from the bank  
 25 account for operations of the test site, including costs for  
 26 administration, staffing, equipment, test site activities,  
 27 communications, and marketing. The operating partner may  
 28 transfer revenue from the bank account to the corporation or any  
 29 other state agency to be used for the following purposes:

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

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

33 (3) To support economic development activities related to  
 34 UAS research or manufacturing.

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

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

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

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

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

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

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

- (1) has its headquarters in Indiana;**
- (2) is primarily focused on professional motor vehicle racing, commercialization of research and development, technology transfers, or the application of new technology, or is determined by the Indiana economic development corporation to have significant potential to:**
  - (A) bring substantial capital into Indiana;**
  - (B) create jobs;**
  - (C) diversify the business base of Indiana; or**
  - (D) significantly promote the purposes of this chapter in any other way;**
- (3) has had average annual revenues of less than ten million dollars (\$10,000,000) in the two (2) years preceding the year in which the business received qualified investment capital from a taxpayer claiming a credit under this chapter;**

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- 1           (4) has:
- 2                 (A) at least fifty percent (50%) of its employees residing in
- 3                 Indiana; or
- 4                 (B) at least seventy-five percent (75%) of its assets located
- 5                 in Indiana; and
- 6           (5) is not engaged in a business involving:
- 7                 (A) real estate;
- 8                 (B) real estate development;
- 9                 (C) insurance;
- 10                (D) professional services provided by an accountant, a
- 11                lawyer, or a physician;
- 12                (E) retail sales, except when:
- 13                    (i) the primary purpose of the business is the
- 14                    development or support of electronic commerce using
- 15                    the Internet; or
- 16                    (ii) **the business is engaged in retail sales as a**
- 17                    **method to sell a unique product that the business**
- 18                    **developed, for which the business holds patents, or**
- 19                    **of which the business otherwise has ownership; or**
- 20                 (F) oil and gas exploration.
- 21           (b) A business shall apply to be certified as a qualified Indiana
- 22           business on a form prescribed by the Indiana economic development
- 23           corporation.
- 24           (c) If a business is certified as a qualified Indiana business under
- 25           this section, the Indiana economic development corporation shall
- 26           provide a copy of the certification to the investors in the qualified
- 27           Indiana business for inclusion in tax filings.
- 28           (d) Except as provided in subsection (e), the Indiana economic
- 29           development corporation may impose an application fee of not more
- 30           than two hundred dollars (\$200).
- 31           (e) The Indiana economic development corporation may not
- 32           impose the application fee authorized by subsection (d) for applications
- 33           submitted during the period beginning July 1, 2011, and ending June
- 34           30, 2013.
- 35           SECTION 4. IC 6-3.1-24-7.5, AS ADDED BY P.L.165-2021,
- 36           SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 37           JULY 1, 2026]: Sec. 7.5. (a) The Indiana economic development
- 38           corporation may certify that an investment fund is a qualified Indiana
- 39           investment fund if the corporation determines that the fund meets the
- 40           definition in section 2.5 of this chapter and the requirements in
- 41           subsection (b).
- 42           (b) The Indiana economic development corporation may only

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1 certify a fund as a qualified Indiana investment fund if the fund makes  
 2 investments according to a policy that:

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

6 (2) prioritizes investments in companies that:

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

10 (B) maintain a substantial presence in Indiana.

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

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

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

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

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

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

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

41 (2) Before a credit may be assigned, the taxpayer must notify the  
 42 corporation of the assignment of the credit in the manner

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1 prescribed by the corporation.

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

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

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

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

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

22 SECTION 6. IC 6-3.1-34-0.5 IS ADDED TO THE INDIANA  
 23 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 24 [EFFECTIVE JULY 1, 2026]: Sec. 0.5. (a) In order to facilitate the  
 25 redevelopment and rehabilitation of property in Indiana that  
 26 promotes regional collaboration and long term strategic planning,  
 27 the corporation shall commit thirty-five million dollars  
 28 (\$35,000,000) in tax credits under this chapter each state fiscal year  
 29 among:

30 (1) development authorities;

31 (2) qualified nonprofit organizations; and

32 (3) local economic development organizations that:

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

34 (B) have an economically significant impact, as  
 35 determined by the corporation;

36 which may subsequently be awarded by the corporation at the  
 37 request of an entity described in subdivisions (1) through (3) to a  
 38 taxpayer proposing a qualified investment in a qualified  
 39 redevelopment site. The corporation shall consider the regional  
 40 significance of a project when awarding the tax credits under this  
 41 subsection.

42 (b) Not later than January 1, 2031, the corporation shall

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1 present a report to the budget committee concerning the tax credits  
 2 awarded under this section, including the status of the projects for  
 3 which tax credits were awarded under this section and the regional  
 4 impact of the projects.

5 SECTION 7]. IC 6-3.1-34-2.1 IS ADDED TO THE INDIANA  
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 7 [EFFECTIVE JULY 1, 2026]: Sec. 2.1. <(a)> As used in this chapter,  
 8 "development authority" refers to a regional development  
 9 authority established under IC 36-7.5-2-1, IC 36-7.6-2-3, or  
 10 IC 36-7.7-3-1.

11 ~~<(b) For the period beginning July 1, 2026, and ending June 30,~~  
 12 ~~2028, the term "development authority" includes a >]~~

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

18 (1) was established and obtained tax exempt status under  
 19 Section 501 of the Internal Revenue Code before January 1,  
 20 2016, and has since maintained tax exempt status under  
 21 Section 501 of the Internal Revenue Code;

22 (2) was] formed to support economic development across the  
 23 region[:] and

24 ~~<which>]~~ (3) does not represent a single interest group or  
 25 local unit or units within a single county. <This  
 26 subsection expires July 1, 2028.>

27 SECTION ~~<3>~~[9]. IC 6-3.1-34-2-~~<2>~~[4] IS ADDED TO THE  
 28 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 29 [EFFECTIVE JULY 1, 2026]: Sec. 2-~~<2>~~[4]. (a) As used in this  
 30 ~~<chapter, "development plan" refers to a comprehensive strategic~~  
 31 ~~development plan>~~ section, "downtown area" means:

32 (1) the central business district of a city or town; or  
 33 (2) any commercial or mixed use area within a neighborhood  
 34 of a city or town that has traditionally served, since the  
 35 founding of the community, as the retail service and  
 36 communal focal point within the community.

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

39 (c) As used in this section, "nonprofit taxpayer" means a  
 40 taxpayer:

41 (1) that is tax exempt under Section 501 of the Internal  
 42 Revenue Code;

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- 1           (2) for which some or all of its mission is to revitalize the
- 2           community it serves; and
- 3           (3) whose leadership includes primarily members of the
- 4           community it serves.
- 5           (d) As used in this section, "qualified community project"
- 6           means a project that:
- 7           (1) is located in the:
  - 8           (A) downtown area of a city or a town with a population
  - 9           of less than thirty thousand (30,000);
  - 10           (B) downtown area of a city or a town that is located in
  - 11           a county with a population of less than seventy-five
  - 12           thousand (75,000); or
  - 13           (C) unincorporated territory of a county with a
  - 14           population of less than seventy-five thousand (75,000) if
  - 15           the site of the project is an area of the unincorporated
  - 16           territory that serves as the retail service and communal
  - 17           focal point within the unincorporated territory;
- 18           (2) involves the:
  - 19           (A) historic preservation;
  - 20           (B) redevelopment; or
  - 21           (C) rehabilitation;
- 22           of real property; and
- 23           (3) has a total project budget of at least fifteen million dollars
- 24           (\$15,000,000).
- 25           (e) As used in this section, "qualified investment" means the
- 26           amount of the taxpayer's expenditures that are:
  - 27           (1) for the redevelopment or rehabilitation of real property
  - 28           as part of a qualified community project; and
  - 29           (2) approved by the <development authority for its
  - 30           jurisdiction and which outlines its economic development
  - 31           strategy, the anticipated local resource commitments, the
  - 32           proposed regionally significant projects, the return on
  - 33           investment analysis reflecting a positive state return for such
  - 34           projects, the requirement that an equal or greater level of
  - 35           local public financial participation in the aggregate across all
  - 36           projects, the requirement that projects are reasonably
  - 37           expected to spur a total investment across all projects that is
  - 38           four (4) times greater than the level of the state resources
  - 39           provided on a present value basis, and that each project
  - 40           supported would not occur but for the> [corporation before
  - 41           the expenditure is made.
- 42           (f) The small town opportunity initiative is established.

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- (g) The corporation shall administer the initiative.
  - (h) The purpose of the initiative is to undertake qualified community projects within local government units to do the following:
    - (1) Advance historic preservation.
    - (2) Redevelop or rehabilitate distressed buildings or underutilized property.
    - (3) Redevelop or rehabilitate sites where distressed buildings once stood.
  - (i) A for-profit taxpayer undertaking a qualified community project under the initiative is entitled to a redevelopment tax credit under this chapter equal to twenty percent (20%) of the taxpayer's cost of the project.
  - (j) A nonprofit taxpayer undertaking a qualified community project under the initiative is entitled to a redevelopment tax credit under this chapter equal to thirty percent (30%) of the taxpayer's cost of the project.
  - (k) Qualified community projects undertaken under this section are not subject to any statutory or administrative repayment obligation.
  - (l) Notwithstanding any other] provision of <the requested state resources:
    - ~~— (b) The development plan shall also include specific, measurable five (5) and ten (10) year objectives, and plans for achieving the objectives, for the region, including targets for:~~
      - ~~— (1) per capita income; — (2) population; (3) employment; and (4) credential attainment among residents; in the region.~~
- ~~SECTION 4~~ [this section, for a nonprofit taxpayer undertaking a qualified community project under this section, expenditures incurred to acquire, hold, or prepare real property for redevelopment or rehabilitation before the date the taxpayer's initial application or application for certification is approved by the corporation shall be included in the taxpayer's qualified investment if:

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- 1 (1) the expenditures were incurred for the primary purpose
- 2 of future redevelopment consistent with subsection (h);
- 3 (2) the nonprofit taxpayer obtained site control in
- 4 furtherance of a locally supported redevelopment effort; and
- 5 (3) the corporation determines, as part of the application or
- 6 certification process, that inclusion of such expenditures is in
- 7 the public interest and supportive of early stage community
- 8 redevelopment efforts.

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

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

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

32 as determined by the department of state revenue.  
 33 (2) In the case of a certified technology park for which the  
 34 amount limit under section 22(c), or 22(d), or 22(e) of this  
 35 chapter has been exceeded, the remainder of:

- 36 (A) the total amount of state adjusted gross income taxes
- 37 and local income taxes paid by employees employed in the
- 38 territory comprising the certified technology park with
- 39 respect to wages and salary earned for work in the territory
- 40 comprising the certified technology park for a particular
- 41 state fiscal year; minus
- 42 (B) the sum of the:

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1 (i) income tax base period amount as defined in section  
 2 8 of this chapter; and  
 3 (ii) tax credits awarded by the Indiana economic  
 4 development corporation under IC 6-3.1-13 to  
 5 businesses operating in a certified technology park as  
 6 the result of wages earned for work in the certified  
 7 technology park for the state fiscal year;  
 8 as determined by the department of state revenue.  
 9 SECTION 11. IC 36-7-32-22, AS AMENDED BY P.L.145-2025,  
 10 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2026]: Sec. 22. (a) The treasurer of state shall establish an  
 12 incremental tax financing fund for each certified technology park  
 13 designated under this chapter. The fund shall be administered by the  
 14 treasurer of state. Money in the fund does not revert to the state general  
 15 fund at the end of a state fiscal year.  
 16 (b) Subject to subsection (c), the following amounts shall be  
 17 deposited during each state fiscal year in the incremental tax financing  
 18 fund established for a certified technology park under subsection (a):  
 19 (1) The aggregate amount of state gross retail and use taxes that  
 20 are remitted under IC 6-2.5 by businesses operating in the  
 21 certified technology park, until the amount of state gross retail  
 22 and use taxes deposited equals the gross retail incremental  
 23 amount for the certified technology park.  
 24 (2) Except as provided in subdivision (3), the aggregate amount  
 25 of the following taxes paid by employees employed in the  
 26 certified technology park with respect to wages earned for work  
 27 in the certified technology park, until the amount deposited  
 28 equals the income tax incremental amount as defined in section  
 29 8.5(1) of this chapter:  
 30 (A) The adjusted gross income tax.  
 31 (B) The local income tax (IC 6-3.6).  
 32 (3) In the case of a certified technology park to which subsection  
 33 (e) or (f) applies, the amount determined under subsection (e) or  
 34 (f), if any and as applicable.  
 35 (c) Except as provided in subsections (d), and (e), and (f), not  
 36 more than a total of five million dollars (\$5,000,000) may be deposited  
 37 in a particular incremental tax financing fund for a certified technology  
 38 park over the life of the certified technology park.  
 39 (d) Except as provided in subsection (e); subsections (e) and (f),  
 40 in the case of a certified technology park that is operating under a  
 41 written agreement entered into by two (2) or more redevelopment  
 42 commissions, and subject to section 26(b)(4) of this chapter:

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- 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  
 22                    section 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  
 27                    defined 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)  
 32                    multiplied by the number of redevelopment commissions  
 33                    that have entered into a written agreement for the operation  
 34                    of the certified technology park.  
 35                (3) The following apply to deposits under this subsection:  
 36                    (A) If a certified technology park reached its limit on  
 37                    deposits based on a state fiscal year ending before July 1,  
 38                    2020, the certified technology park shall receive deposits  
 39                    based on the income tax incremental amount as defined in  
 40                    section 8.5(2) of this chapter for each state fiscal year  
 41                    ending after June 30, 2019.

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

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

- (i) the deposit amount for the state fiscal year under subsection (b) required to reach the limit on deposits under subsection (c) or (d); minus
- (ii) the gross retail incremental amount determined under section 6.5 of this chapter;

but not less than zero (0).

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

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

**or**

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

**However, no amount of state gross retail and use taxes that are remitted under IC 6-2.5 for transactions occurring after June 30, 2029, by businesses operating in the certified technology park and no amount of adjusted gross income tax or local income tax paid by employees employed in the certified technology park with respect**

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1 to wages and salary earned for work in the certified technology  
2 park after June 30, 2029, may be deposited in the incremental tax  
3 financing fund for the certified technology park, regardless of  
4 whether the maximum annual amount under subdivision (1) or (2)  
5 has been met.

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

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

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

21 (2) the base payroll amount to be used for purposes of  
22 calculating the income tax incremental amount under section  
23 8.5 of this chapter.

24 The department of state revenue may require the submission of  
25 documentation reasonably necessary to make the determination  
26 under this subsection.

27 (f) (i) This subsection applies to a Level 2 or Level 3 certified  
28 technology park designated in subsection (e) or (f). When the office  
29 recertifies a certified technology park as required under section 11 of  
30 this chapter, the office shall make a determination of whether the  
31 certified technology park shall continue to be designated as a Level 2  
32 or Level 3 certified technology park.

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

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

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- 1 (1) One (1) or more counties and one (1) or more adjacent
- 2 counties.
- 3 (2) One (1) or more counties and one (1) or more qualified cities
- 4 in adjacent counties.
- 5 (3) One (1) or more qualified cities and one (1) or more qualified
- 6 cities in adjacent counties.
- 7 (b) A county or qualified city may participate in the establishment
- 8 of a development authority under this section and become a member of
- 9 the development authority only if the fiscal body of the county or
- 10 qualified city adopts an ordinance authorizing the county or qualified
- 11 city to participate in the establishment of the development authority.
- 12 **For a county or city that is currently participating in a**
- 13 **development authority, the fiscal body of the county or qualified**
- 14 **city may adopt a subsequent ordinance authorizing the county or**
- 15 **qualified city to change membership and instead participate in a**
- 16 **new or different development authority.**
- 17 (c) When a county establishes a development authority with
- 18 another unit as provided in this chapter, each qualified city and third
- 19 class city in the county also becomes a member of the development
- 20 authority, without further action by the qualified city, **the** third class
- 21 city, or the development authority.
- 22 (d) Notwithstanding any other provision of this article, a county or
- 23 municipality may be a member of only one (1) development authority.
- 24 (e) Notwithstanding any other provision of this article, a county or
- 25 municipality that is a member of the northwest Indiana regional
- 26 development authority under IC 36-7.5 may not be a member of a
- 27 development authority under this article.
- 28 (f) A development authority shall notify the Indiana economic
- 29 development corporation in writing promptly after the development
- 30 authority is established **or if membership of the development**
- 31 **authority changes.**

32 SECTION ~~<5. IC 36-7.6-2-16 IS ADDED TO THE INDIANA~~

33 ~~CODE AS A NEW SECTION TO READ AS FOLLOWS~~

34 ~~[EFFECTIVE JULY 1, 2026]: Sec. 16. (a) A development authority~~

35 ~~may establish a regional development advisory council. The~~

36 ~~regional development advisory council shall consist of members~~

37 ~~appointed according the following:~~

- 38 ~~— (1) One (1) member appointed by the county executive of~~
- 39 ~~each county that is a member of the development authority.~~
- 40 ~~— (2) One (1) member appointed by the governor.~~
- 41 ~~— (3) Two (2) members appointed by the speaker of the house~~
- 42 ~~of representatives.~~

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1 ~~— (4) Two (2) members appointed by the president pro tempore~~  
2 ~~of the senate.~~  
3 ~~— (5) At least three (3) members appointed by the development~~  
4 ~~authority that are mayors in the development area, with at~~  
5 ~~least (1) appointee residing in a county located in the~~  
6 ~~development area that does not contain a municipality with~~  
7 ~~a population of twenty-five thousand (25,000) or more, if one~~  
8 ~~exists in the development area.~~  
9 ~~— (b) A member appointed to the regional development advisory~~  
10 ~~council serves a two (2) year term. A member may be reappointed~~  
11 ~~to subsequent terms.~~  
12 ~~— (c) Each member must reside within the development area, but~~  
13 ~~not more than four (4) members may reside in the same county.~~  
14 ~~— (d) A majority of the appointed members of a regional~~  
15 ~~development advisory council constitutes a quorum. The~~  
16 ~~affirmative votes of at least a majority of the appointed members~~  
17 ~~of a regional development advisory council are necessary to~~  
18 ~~authorize any action of the regional development advisory council.~~  
19 ~~— (e) A member appointed to a regional development advisory~~  
20 ~~council is not entitled to receive any compensation for performance~~  
21 ~~of the member's duties.~~  
22 ~~— (f) Not later than October 1 each year, the regional~~  
23 ~~development advisory council shall hold an organizational meeting~~  
24 ~~at which the regional development advisory council shall elect the~~  
25 ~~following officers from the members of the regional development~~  
26 ~~advisory council: — (1) A chair:~~  
27 ~~— (2) A vice chair:~~  
28 ~~— (3) A secretary-treasurer:~~  
29 ~~The affirmative vote of at least a majority of the appointed~~  
30 ~~members of a regional development advisory council is necessary~~  
31 ~~to elect an officer under this subsection. An officer elected under~~  
32 ~~this subsection serves from the date of the officer's election until~~  
33 ~~the officer's successor is elected and qualified.~~  
34 ~~— (g) The regional development advisory council shall meet at~~  
35 ~~the call of the chair:~~  
36 ~~— (h) This section shall not apply to a development authority~~  
37 ~~established under this article that includes a county listed in~~  
38 ~~IC 36-7-39-2 as a member.~~  
39 ~~>[13. An emergency is declared for this act.~~  
40 ~~]~~

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