

SENATE BILL No. 283

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-28-6-9; IC 6-3.1-34; IC 36-7.6-2-3.

Synopsis: Regional development tax credit. Amends and adds provisions regarding the regional development tax credit. Specifies the award of certain credits under the aggregate tax credit cap that the Indiana economic development corporation may certify each state fiscal year. Authorizes a county or city that is currently participating in a regional development authority to change its membership and instead participate in a new or different regional development authority.

Effective: July 1, 2026.

Mishler, Niegzodski

January 12, 2026, read first time and referred to Committee on Tax and Fiscal Policy.



Introduced

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.

SENATE BILL No. 283

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 all
9 taxpayers is three hundred million dollars (\$300,000,000), of
10 which fifty million dollars (\$50,000,000) shall be awarded as
11 required under IC 6-3.1-34-16(b). Each certification under this
12 subdivision initial tax credit award is subject to budget
13 committee review.~~
14 (b) For purposes of determining the amount of applicable tax credits
15 that have been certified for a state fiscal year, the following apply:
16 (1) An applicable tax credit is considered awarded in the state
17 fiscal year in which the taxpayer can first claim the credit,



1 determined without regard to any carryforward period or
2 carryback period.

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

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

10 (c) Notwithstanding subsection (a), if the corporation determines
11 that:

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

14 (2) certification of the applicable tax credit will result in an
15 aggregate amount of applicable tax credits certified for that state
16 fiscal year that exceeds the maximum amount provided in
17 subsection (a);

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

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

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

27 SECTION 3. IC 6-3.1-34-2.2 IS ADDED TO THE INDIANA
28 CODE AS A NEW SECTION TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2026]: **Sec. 2.2. As used in this chapter,**
30 **"development plan"** refers to a comprehensive strategic
31 development plan approved by the development authority for its
32 jurisdiction and which outlines its economic development strategy,
33 the anticipated local resource commitments, the proposed
34 regionally significant projects, the return on investment analysis
35 reflecting a positive state return for such projects, the requirement
36 that an equal or greater level of local public financial participation
37 in the aggregate across all projects, the requirement that projects
38 are reasonably expected to spur a total investment across all
39 projects that is four (4) times greater than the level of the state
40 resources provided on a present value basis, and that each project
41 supported would not occur but for the provision of the requested
42 state resources.



1 SECTION 4. IC 6-3.1-34-8.5 IS ADDED TO THE INDIANA
2 CODE AS A NEW SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2026]: Sec. 8.5. **As used in this chapter,
4 "rural development site" is a qualified redevelopment site that is
5 located in a county with a population of less than fifty thousand
6 (50,000).**

7 SECTION 5. IC 6-3.1-34-15, AS ADDED BY P.L.158-2019,
8 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2026]: Sec. 15. **(a) To be awarded a credit under this chapter,
10 a taxpayer must file an application with the corporation and enter into
11 an agreement with the corporation as set forth under this chapter.**

12 **(b) To be awarded a credit under section 16(b) of this chapter,
13 a development authority may submit an application for a qualified
14 redevelopment site described in the development authority's
15 development plan to the corporation for approval in the manner
16 specified by the corporation.**

17 SECTION 6. IC 6-3.1-34-16, AS AMENDED BY P.L.135-2022,
18 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2026]: Sec. 16. **(a) The corporation shall consider the
20 following factors in deciding whether to award a credit under this
21 chapter for a proposed qualified investment:**

- 22 (1) Evidence that the project aligns with the community's
23 development plans.
- 24 (2) The economic development potential for the project for which
25 the taxpayer proposes to make the qualified investment.
- 26 (3) Evidence of barriers preventing the development or
27 redevelopment of the qualified redevelopment site in which the
28 qualified investment is made, such as significant environmental
29 contamination requiring remediation.
- 30 (4) The level of commitment by the public sector and local
31 government to assist in the financing of improvements or
32 redevelopment activities benefiting the qualified redevelopment
33 site in which the qualified investment is made.
- 34 (5) Evidence of support by residents, businesses, and private
35 organizations in the surrounding community for the project for
36 which the taxpayer proposes to make the qualified investment.
- 37 (6) The level of economic distress in the surrounding community
38 and the extent to which the project for which the taxpayer
39 proposes to make the qualified investment mitigates the economic
40 distress.
- 41 (7) The extent to which the project is estimated to enhance the
42 economic opportunity, health, safety, aesthetics, or amenities of



1 the community in a manner that:

2 (A) improves quality of life factors for residents of the region;
3 and

4 (B) increases the ability of the region to attract and retain a
5 talented workforce.

6 (8) Any other factors as determined by the corporation.

7 **(b) The corporation shall award fifty million dollars**
8 **(\$50,000,000) in credits each state fiscal year to development**
9 **authorities with an approved application for a qualified**
10 **redevelopment site described in their development plans by the**
11 **corporation in accordance with section 15(b) of this chapter. Tax**
12 **credits shall be awarded among the development authorities based**
13 **upon population, except at least twenty percent (20%) of all**
14 **awards each year shall be allocated to a rural development site.**

15 SECTION 7. IC 6-3.1-34-17, AS AMENDED BY P.L.135-2022,
16 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2026]: Sec. 17. (a) The following apply if the corporation
18 determines that a credit should be awarded under this chapter:

19 (1) The corporation shall require the taxpayer, **or the**
20 **redevelopment authority for awards under section 16(b) of**
21 **this chapter**, to enter into an agreement with the corporation as
22 a condition of receiving a credit under this chapter.

23 (2) The agreement with the corporation must:

24 (A) prescribe the method of certifying the taxpayer's qualified
25 investment, **or redevelopment authority's approved**
26 **qualified redevelopment site for awards under section**
27 **16(b) of this chapter**; and

28 (B) include provisions that authorize the corporation to work
29 with the department and the taxpayer, if the corporation
30 determines that the taxpayer is noncompliant with the terms of
31 the agreement or the provisions of this chapter, to bring the
32 taxpayer into compliance or to protect the interests of the state.

33 (3) The corporation shall specify the taxpayer's expenditures that
34 will be considered a qualified investment, **or redevelopment**
35 **authority's approved qualified redevelopment site for awards**
36 **under section 16(b) of this chapter**.

37 (4) The corporation shall determine the applicable credit
38 percentage under subsections (b) and (c).

39 (b) If the corporation determines that a credit should be awarded
40 under **section 16(a) of this chapter**, the corporation shall determine the
41 applicable credit percentage for a qualified investment certified by the
42 corporation. However, and except as provided in subsection (c), the



1 applicable credit percentage may not exceed thirty percent (30%).

2 (c) **For awards under section 16(a) of this chapter**, the
3 corporation may increase the credit amount by not more than an
4 additional five percent (5%) if:

5 (1) the qualified redevelopment site is located in a federally
6 designated qualified opportunity zone (Section 1400Z-1 and
7 1400Z-2 of the Internal Revenue Code); or

8 (2) the project qualifies for federal new markets tax credits under
9 Section 45D of the Internal Revenue Code.

10 (d) To be eligible for the credit **under section 16(a) of this chapter**
11 for a qualified investment, a taxpayer's expenditures that are considered
12 a qualified investment must be certified by the corporation not later
13 than two (2) taxable years after the end of the calendar year in which
14 the taxpayer's expenditures are made.

15 SECTION 8. IC 6-3.1-34-18, AS AMENDED BY P.L.201-2023,
16 SECTION 102, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2026]: Sec. 18. (a) Except as provided in
18 subsection (b), if the corporation awards a tax credit to a taxpayer
19 under **section 16(a) of this chapter** that exceeds twenty million dollars
20 (\$20,000,000), the corporation shall include in an agreement entered
21 into under section 17 of this chapter a provision that requires the
22 taxpayer to repay to the corporation the portion of the credit that
23 exceeds twenty million dollars (\$20,000,000) with interest.
24 Notwithstanding the date on which a tax credit is awarded under this
25 chapter, any repayment of any part of a credit awarded under this
26 chapter shall be deposited in the state general fund.

27 (b) Notwithstanding subsection (a), the corporation may exclude
28 from its agreement entered into under section 17 of this chapter a
29 repayment provision for any portion of the credit if the award is for a
30 qualified redevelopment site subject to a proposal that will result in a
31 qualified investment of at least one hundred million dollars
32 (\$100,000,000).

33 (c) If the corporation enters into an agreement with a taxpayer under
34 section 17 of this chapter that includes a repayment provision under
35 subsection (a), the corporation shall include in the repayment provision
36 a provision establishing the interest rate that will be applied. The
37 interest rate shall be determined by the board and approved by the
38 budget agency.

39 (d) This subsection applies to an active multi-phased project
40 occurring on a defined footprint for which the taxpayer has received
41 approval for at least the first phase of the active multi-phased project
42 from the corporation's board before July 1, 2018, for a tax credit under



1 IC 6-3.1-11 (industrial recovery tax credit) before its expiration. The
2 following apply to a project described in this subsection:

3 (1) Only qualified investments that are made after June 30, 2021,
4 are eligible for a credit award under this chapter.

5 (2) The annual amount of credits awarded under this chapter for
6 the project may not exceed five million dollars (\$5,000,000).

7 (3) The corporation may not include a repayment provision as part
8 of an agreement entered into under section 17 of this chapter for
9 the credits awarded for the project.

10 (e) The part of any credit that is subject to a repayment provision
11 under this section must be included in the calculation of the aggregate
12 amount of applicable tax credits that the corporation may certify for a
13 state fiscal year under IC 5-28-6-9.

14 SECTION 9. IC 36-7.6-2-3, AS AMENDED BY P.L.178-2015,
15 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2026]: Sec. 3. (a) A development authority may be established
17 by any of the following:

18 (1) One (1) or more counties and one (1) or more adjacent
19 counties.

20 (2) One (1) or more counties and one (1) or more qualified cities
21 in adjacent counties.

22 (3) One (1) or more qualified cities and one (1) or more qualified
23 cities in adjacent counties.

24 (b) A county or qualified city may participate in the establishment
25 of a development authority under this section and become a member of
26 the development authority only if the fiscal body of the county or
27 qualified city adopts an ordinance authorizing the county or qualified
28 city to participate in the establishment of the development authority.

29 **For a county or city that is currently participating in a
30 development authority, the fiscal body of the county or qualified
31 city may adopt a subsequent ordinance authorizing the county or
32 qualified city to change membership and instead participate in a
33 new or different development authority.**

34 (c) When a county establishes a development authority with another
35 unit as provided in this chapter, each qualified city and third class city
36 in the county also becomes a member of the development authority,
37 without further action by the qualified city, **the** third class city, or the
38 development authority.

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

41 (e) Notwithstanding any other provision of this article, a county or
42 municipality that is a member of the northwest Indiana regional



1 development authority under IC 36-7.5 may not be a member of a
2 development authority under this article.

3 (f) A development authority shall notify the Indiana economic
4 development corporation in writing promptly after the development
5 authority is established, **or if membership of the development**
6 **authority changes.**

