

Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

## SENATE ENROLLED ACT No. 260

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AN ACT to amend the Indiana Code concerning taxation.

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

SECTION 1. IC 4-4-28-1.7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 1.7. (a) As used in this chapter, "community based organization" means a private, nonprofit corporation whose board of directors is comprised of business, civic, and community leaders, and whose principal purpose includes the provision of low income housing.**

**(b) A community based organization shall not be construed to have the same powers as a community development corporation.**

SECTION 2. IC 4-4-28-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 4.** As used in this chapter, "fund" refers to an individual development account fund established by a community development corporation **or community based organization** under section 13 of this chapter.

SECTION 3. IC 4-4-28-5, AS AMENDED BY P.L.50-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 5.** As used in this chapter, "individual development account" means an account in a financial institution administered by a community development corporation **or community based organization** that allows a qualifying individual to deposit money:

(1) to be matched by the state, financial institutions, corporations,



and other entities; and

(2) that will be used by the qualifying individual for one (1) or more of the following:

(A) To pay for costs (including tuition, laboratory costs, books, computer costs, and other costs associated with attendance) at an accredited postsecondary educational institution or a vocational school that is not a postsecondary educational institution, for the individual or for a dependent of the individual.

(B) To pay for the costs (including tuition, laboratory costs, books, computer costs, and other costs) associated with an accredited or a licensed training program that may lead to employment for the individual or for a dependent of the individual.

(C) To purchase a primary residence located in Indiana for the individual or for a dependent of the individual or to reduce the principal amount owed on a primary residence located in Indiana that was purchased by the individual or a dependent of the individual with money from an individual development account.

(D) To pay for the rehabilitation (as defined in IC 6-3.1-11-11) of the individual's primary residence located in Indiana.

(E) To begin or to purchase part or all of a business based in Indiana or to expand an existing small business based in Indiana.

(F) Subject to section 8(b) of this chapter, to purchase a motor vehicle.

SECTION 4. IC 4-4-28-7, AS AMENDED BY P.L.50-2016, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 7. (a) A qualifying individual, including an individual who:

- (1) established an individual development account under this chapter before July 1, 2001; and
- (2) held the account described in subdivision (1) for less than four (4) years;

may establish an account by applying at a community development corporation or **community based organization** after June 30, 2001.

(b) At the time of establishing an account under this section, the qualifying individual must name a beneficiary to replace the qualifying individual as the holder of the account if the qualifying individual dies. If the beneficiary:

- (1) is a member of the qualifying individual's family, all funds in



the account remain in the account; and

(2) is not a member of the qualifying individual's family, all funds in the account provided by the state revert to the state.

The qualifying individual may change the name of the beneficiary at the qualifying individual's discretion. A beneficiary who becomes the holder of an account under this subsection is subject to this chapter and rules adopted under this chapter regarding withdrawals from the account.

(c) Only one (1) member of a qualifying individual's household may establish an account.

(d) A qualifying individual shall maintain residency in Indiana until the individual development account is closed.

SECTION 5. IC 4-4-28-8, AS AMENDED BY P.L.50-2016, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 8. (a) A community development corporation **or community based organization** shall do the following:

(1) Determine whether an individual who wants to establish an account is a qualifying individual.

(2) Administer, through a financial institution, and act as trustee for each account established through the community development corporation **or community based organization**.

(3) Approve or deny an individual's request to make a withdrawal from the individual's account.

(4) Provide or arrange for training in money management, budgeting, and related topics for each individual who establishes an account.

(b) A community development corporation **or community based organization** may approve a qualifying individual's request to make a withdrawal from an account to purchase a motor vehicle if the purpose of the purchase is primarily to transport the individual to and from work, postsecondary education, or an accredited or licensed training program intended to lead to employment of the individual or a dependent of the individual.

SECTION 6. IC 4-4-28-9, AS AMENDED BY P.L.150-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 9. (a) An individual may deposit money from the individual's earned income into the individual's account.

(b) An individual may deposit an unlimited amount of money into the individual's account, ~~However, only eight hundred of which the first one thousand five hundred~~ dollars ~~(\$800)~~ **(\$1,500)** annually is eligible for a state deposit as provided in section 12 of this chapter.

SECTION 7. IC 4-4-28-10, AS AMENDED BY P.L.150-2007,



SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 10. (a) Not more than eight hundred (800) accounts may be established in the state each state fiscal year beginning before July 1, 2009.

(b) Not more than one thousand (1,000) accounts may be established in the state each state fiscal year beginning after June 30, 2009.

(c) A community development corporation **or community based organization** shall use money that is in an individual development account fund established under section 13 of this chapter to allow a qualified individual on a waiting list maintained by the community development corporation **or community based organization** to establish an account.

SECTION 8. IC 4-4-28-11, AS AMENDED BY P.L.1-2007, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 11. (a) Each community development corporation **or community based organization** shall annually provide the authority with information needed to determine:

- (1) the number of accounts administered by the community development corporation **or community based organization**;
- (2) the length of time each account under subdivision (1) has been established; and
- (3) the amount of money an individual has deposited into each account under subdivision (1). ~~during the preceding twelve (12) months.~~

(b) The authority shall use the information provided under subsection (a) to deposit the correct amount of money into each account as provided in section 12 of this chapter.

SECTION 9. IC 4-4-28-12, AS AMENDED BY P.L.50-2016, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 12. (a) The authority shall allocate, for each account that has been established, for not more than five (5) years, three dollars (\$3) for each one dollar (\$1) of the first **four one thousand five** hundred dollars ~~(\$400) (\$1,500)~~ an individual deposited into the individual's account. ~~during the preceding twelve (12) months.~~ However, if the amount appropriated by the general assembly is insufficient to make the deposits required by this section for accounts that have been established, the authority shall proportionately reduce the amounts allocated to and deposited into each account. ~~The authority may allocate three dollars (\$3) for each one dollar (\$1) of any part of an amount above four hundred dollars (\$400) an individual deposited into the individual's account during the preceding twelve (12) months.~~



~~However,~~ The authority's allocation under this subsection may not exceed ~~two~~ **four** thousand ~~four~~ **five** hundred dollars (~~\$2,400~~) (**\$4,500**) for each account described in this subsection.

(b) The authority shall deposit into each account established under this chapter the appropriate amount of money determined under this section.

(c) Money from a federal block grant program under Title IV-A of the federal Social Security Act may be used by the state to provide money under this section for deposit into an account held by an individual who receives assistance under IC 12-14-2.

SECTION 10. IC 4-4-28-13, AS AMENDED BY P.L.50-2016, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 13. (a) Each community development corporation **or community based organization** may apply to the authority for an allocation of tax credits under IC 6-3.1-18 for the contributors to a fund established under this section. A community development corporation **or community based organization** may establish an individual development account fund to provide money to be used to finance additional accounts to be administered by the community development corporation **or community based organization** under this chapter and to help pay for the community development corporation's **or community based organization's** expenses related to the administration of accounts.

(b) Each community development corporation **or community based organization** shall encourage individuals, financial institutions, corporations, and other entities to contribute to the fund. A contributor to the fund may qualify for a tax credit as provided under IC 6-3.1-18.

(c) Each community development corporation **or community based organization** may use up to twenty percent (20%) of the first one hundred thousand dollars (\$100,000) deposited each calendar year in the fund under subsection (b) to help pay for the community development corporation's **or community based organization's** expenses related to the administration of accounts established under this chapter. All deposits in the fund under subsection (b) of more than one hundred thousand dollars (\$100,000) during each calendar year may be used only to fund accounts administered by the community development corporation **or community based organization** under this chapter.

(d) A community development corporation **or community based organization** may allow an individual to establish a new account as adequate funding becomes available.

(e) Only money from the fund may be used to make the deposit



described in subsection (f) into an account established under this section.

(f) The community development corporation **or community based organization** shall annually deposit at least three dollars (\$3) into each account for each one dollar (\$1) an individual has deposited into the individual's account as of June 30.

(g) A community development corporation **or community based organization** may not allow a qualifying individual to establish an account if the community development corporation **or community based organization** does not have adequate funds to deposit into the account under subsection (f).

SECTION 11. IC 4-4-28-15, AS AMENDED BY P.L.1-2007, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 15. (a) An individual must request and receive authorization from the community development corporation **or community based organization** that administers the individual's account before withdrawing money from the account for any purpose.

(b) An individual who is denied authorization to withdraw money under subsection (a) may appeal the community development corporation's **or community based organization's** decision to the authority under rules adopted by the authority under IC 4-22-2.

SECTION 12. IC 4-4-28-16, AS AMENDED BY P.L.50-2016, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 16. (a) Money withdrawn from an individual's account is not subject to taxation under IC 6-3-1 through IC 6-3-7 if the money is used for at least one (1) of the following:

- (1) To pay for costs (including tuition, laboratory costs, books, computer costs, and other costs) at an accredited postsecondary educational institution or a vocational school that is not a postsecondary educational institution for the individual or for a dependent of the individual.
- (2) To pay for the costs (including tuition, laboratory costs, books, computer costs, and other costs) associated with an accredited or a licensed training program that may lead to employment for the individual or for a dependent of the individual.
- (3) To purchase a primary residence located in Indiana for the individual or for a dependent of the individual or to reduce the principal amount owed on a primary residence located in Indiana that was purchased by the individual or a dependent of the individual with money from an individual development account.
- (4) To pay for the rehabilitation (as defined in IC 6-3.1-11-11) of the individual's primary residence located in Indiana.



(5) To begin or to purchase part or all of a business based in Indiana or to expand an existing small business based in Indiana.

(6) Subject to section 8(b) of this chapter, to purchase a motor vehicle.

(b) At the time of requesting authorization under section 15 of this chapter to withdraw money from an individual's account under subsection (a)(5), the individual must provide the community development corporation **or community based organization** with a business plan that:

(1) has been approved by a financial institution or is approved by the community development corporation **or community based organization;**

(2) includes a description of services or goods to be sold, a marketing plan, and projected financial statements; and

(3) may require the individual to obtain the assistance of an experienced business advisor.

SECTION 13. IC 4-4-28-18, AS AMENDED BY P.L.1-2007, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 18. (a) Each community development corporation **or community based organization** shall annually:

(1) evaluate the individual development accounts administered by the community development corporation **or community based organization;** and

(2) submit a report containing the evaluation information to the authority.

(b) Two (2) or more community development corporations **or community based organizations** may work together in carrying out the purposes of this chapter.

SECTION 14. IC 6-3.1-9-1, AS AMENDED BY P.L.166-2014, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 1. (a) As used in this chapter, "authority" means the Indiana housing and community development authority established by IC 5-20-1-3.

(b) As used in this chapter, "business firm" means any business entity authorized to do business in the state of Indiana that has state tax liability.

(c) As used in this chapter, "community services" means any type of:

(1) counseling and advice;

(2) emergency assistance;

(3) medical care;

(4) recreational facilities;



(5) housing facilities; or

(6) economic development assistance;

provided to individuals, economically disadvantaged households, groups, or neighborhood organizations in an economically disadvantaged area or provided to individuals who are ex-offenders who have completed the individuals' criminal sentences or are serving a term of probation or parole.

(d) As used in this chapter, "crime prevention" means any activity which aids in the reduction of crime in an economically disadvantaged area or an economically disadvantaged household.

(e) As used in this chapter, "economically disadvantaged area" means an enterprise zone, or any other federally or locally designated economically disadvantaged area in Indiana. The certification shall be made on the basis of current indices of social and economic conditions, which shall include but not be limited to the median per capita income of the area in relation to the median per capita income of the state or standard metropolitan statistical area in which the area is located.

(f) As used in this chapter, "economically disadvantaged household" means a household with an annual income that is at or below eighty percent (80%) of the area median income or any other federally designated target population.

(g) As used in this chapter, "education" means any type of scholastic instruction or scholarship assistance to an individual who:

(1) resides in an economically disadvantaged area; or

(2) is an ex-offender who has completed the individual's criminal sentence or is serving a term of probation or parole;

that enables the individual to prepare for better life opportunities.

(h) As used in this chapter, "enterprise zone" means an enterprise zone created under IC 5-28-15.

(i) As used in this chapter, "job training" means any type of instruction to an individual who:

(1) resides in:

(A) an economically disadvantaged area; or

(B) an economically disadvantaged household; or

(2) is an ex-offender who has completed the individual's criminal sentence or is serving a term of probation or parole;

that enables the individual to acquire vocational skills so that the individual can become employable or be able to seek a higher grade of employment.

(j) As used in this chapter, "neighborhood assistance" means either:

(1) furnishing financial assistance, labor, material, and technical advice to aid in the physical or economic improvement of any part





or all of an economically disadvantaged area; or  
 (2) furnishing technical advice to promote higher employment in any neighborhood in Indiana.

(k) As used in this chapter, "neighborhood organization" means any organization, including but not limited to a nonprofit development corporation doing both of the following:

- (1) Performing community services:
  - (A) in an economically disadvantaged area;
  - (B) for an economically disadvantaged household; or
  - (C) for individuals who are ex-offenders who have completed the individuals' criminal sentences or are serving a term of probation or parole.
- (2) Holding a ruling:
  - (A) from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation under the provisions of the Internal Revenue Code; and
  - (B) from the department of state revenue that the organization is exempt from income taxation under IC 6-2.5-5-21.

(l) As used in this chapter, "person" means any individual subject to Indiana ~~gross or~~ adjusted gross income tax.

(m) As used in this chapter, "state fiscal year" means a twelve (12) month period beginning on July 1 and ending on June 30.

(n) As used in this chapter, "state tax liability" means the taxpayer's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and
- (2) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this chapter.

(o) As used in this chapter, "tax credit" means a deduction from any tax otherwise due and payable under IC 6-3 or IC 6-5.5.

SECTION 15. IC 6-3.1-9-2, AS AMENDED BY P.L.166-2014, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 2. (a) **Each state fiscal year**, a **business firm** or a **person who contributes** to a neighborhood organization that engages in the activities of providing:

- (1) neighborhood assistance, job training, or education for individuals not employed by the business firm or person;
- (2) community services or crime prevention in an economically disadvantaged area; or
- (3) community services, education, or job training services to



individuals who are ex-offenders who have completed the individuals' criminal sentences or are serving a term of probation or parole;

shall receive a tax credit as provided in section 3 of this chapter if the authority approves the proposal of the business firm or person, setting forth the program to be conducted, the area selected, the estimated amount to be invested in the program, and the plans for implementing the program. **may apply to the authority for an allocation of state tax credits available under this chapter to be used to provide a tax credit to a business firm or person that contributes to a program involving one (1) or more of the activities described in subdivisions (1) through (3).**

(b) The authority, after consultation with the community services agency and the commissioner of revenue, may adopt rules for the approval or disapproval of these ~~proposals~~. **applications.**

**(c) A business firm or a person that contributes to the fund of a neighborhood organization that has been approved by the authority for an allocation of tax credits as described in subsection (a) shall receive a tax credit as provided in section 3 of this chapter if the neighborhood organization has agreed to issue a portion of the tax credits allocated to the neighborhood organization by the authority to the business firm or person.**

SECTION 16. IC 6-3.1-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 3. (a) Subject to the limitations provided in subsection (b) and sections 4, 5, and 6 of this chapter, the department shall grant a tax credit against any state tax liability due equal to fifty percent (50%) of the amount ~~invested~~ **contributed** by a business firm or person in a program the ~~proposal~~ **application** for which was approved under section 2 of this chapter.

(b) The credit provided by this chapter shall only be applied against any state tax liability owed by the taxpayer after the application of any credits, which under IC 6-3.1-1-2 must be applied before the credit provided by this chapter. In addition, the tax credit which a taxpayer receives under this chapter may not exceed twenty-five thousand dollars (\$25,000) for any taxable year of the taxpayer.

(c) If a business firm that is:

(1) exempt from adjusted gross income tax (IC 6-3-1 through IC 6-3-7) under IC 6-3-2-2.8(2); or

(2) a partnership;

does not have any tax liability against which the credit provided by this section may be applied, a shareholder or a partner of the business firm is entitled to a credit against the shareholder's or the partner's liability



under the adjusted gross income tax.

- (d) The amount of the credit provided by this section is equal to:
- (1) the tax credit determined for the business firm for the taxable year under subsection (a); multiplied by
  - (2) the percentage of the business firm's distributive income to which the shareholder or the partner is entitled.

The credit provided by this section is in addition to any credit to which a shareholder or partner is otherwise entitled under this chapter. However, a business firm and a shareholder or partner of that business firm may not claim a credit under this chapter for the same ~~investment~~: **contribution.**

SECTION 17. IC 6-3.1-9-4, AS AMENDED BY P.L.1-2007, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4. (a) **The neighborhood organization, on behalf of** any business firm or person which desires to claim a tax credit as provided in this chapter, shall file with the ~~department~~: **authority**, in the form that the ~~department~~ **authority** may prescribe, an ~~application~~ **documentation** stating the amount of the contribution or ~~investment~~ **which it proposes to make which that** would qualify for a tax credit, and the amount ~~sought~~ **allocated to the business firm or person** to be claimed as a credit. ~~The application shall include a certificate evidencing approval of the contribution or program by the authority.~~

(b) The authority shall give priority in issuing ~~certificates~~ **tax credits** to ~~applicants~~ **neighborhood organizations** whose ~~contributions~~ or programs directly benefit enterprise zones.

(c) The department shall promptly notify ~~an applicant~~ **a business firm or person** whether, or the extent to which, the tax credit is allowable in the state fiscal year in which the ~~application~~ **tax return claiming the credit** is filed, as provided in section 5 of this chapter. ~~If the credit is allowable in that state fiscal year, the applicant shall within thirty (30) days after receipt of the notice file with the department of state revenue a statement, in the form and accompanied by the proof of payment as the department may prescribe, setting forth that the amount to be claimed as a credit under this chapter has been paid to an organization for an approved program or purpose, or permanently set aside in a special account to be used solely for an approved program or purpose.~~

(d) The department may disallow any credit claimed under this chapter for which the statement or proof of payment is not filed within the ~~thirty (30) day period~~: **shall consider documentation from the authority as proof of payment, setting forth that the amount to be**



**claimed as a credit under this chapter has been paid to an organization for an approved program or purpose, or permanently set aside in a special account to be used solely for an approved program or purpose.**

SECTION 18. IC 6-3.1-9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 5. (a) The amount of tax credits allowed under this chapter may not exceed two million five hundred thousand dollars (\$2,500,000) in the state fiscal year beginning July 1, 1997, and ending June 30, 1998, and each state fiscal year thereafter.

(b) The department shall record the time of filing of each application for allowance of a credit required **tax return claiming the credit** under section 4 of this chapter and shall approve the applications; **credit if they the business firm or person** otherwise qualify **qualifies** for a tax credit under this chapter, in the chronological order in which the applications are **tax return claiming the credit is** filed in the state fiscal year.

(c) When the total credits approved under this section equal the maximum amount allowable in any state fiscal year, no application **credits** thereafter filed for that same fiscal year shall be approved. However, if any applicant for whom a credit has been approved fails to file the statement of proof of payment required under section 4 of this chapter, an amount equal to the credit previously allowed or set aside for the applicant may be allowed to any subsequent applicant in the year. In addition, the department may, if the applicant so requests, approve a credit application, in whole or in part, with respect to the next succeeding state fiscal year.

SECTION 19. IC 6-3.1-18-0.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 0.3. As used in this chapter, "authority" means the Indiana housing and community development authority established by IC 5-20-1-3.**

SECTION 20. IC 6-3.1-18-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 0.5. As used in this chapter, "business firm" means any business entity authorized to do business in the state of Indiana that has state tax liability.**

SECTION 21. IC 6-3.1-18-0.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 0.7. As used in this chapter, "community based organization" has the meaning set forth in IC 4-4-28-1.7.**



SECTION 22. IC 6-3.1-18-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 2. As used in this chapter, "fund" refers to an individual development account fund established by a community development corporation **or community based organization** under IC 4-4-28-13.

SECTION 23. IC 6-3.1-18-4.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2024]: **Sec. 4.3. As used in this chapter, "person" means any individual subject to Indiana adjusted gross income tax.**

SECTION 24. IC 6-3.1-18-4.5, AS ADDED BY P.L.50-2016, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4.5. As used in this chapter, "qualified contribution" means a contribution to a fund for which a community development corporation **or community based organization** has received an allocation of tax credits under IC 4-4-28-13.

SECTION 25. IC 6-3.1-18-6, AS AMENDED BY P.L.50-2016, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 6. (a) Subject to the limitations provided in subsection (b) and sections 7, 8, 9, 10, and 11 of this chapter, the department shall grant a tax credit against any state tax liability due equal to fifty percent (50%) of the amount of a qualified contribution made in a taxable year by a **business firm or person or an individual** if the qualified contribution is not less than one hundred dollars (\$100) and not more than fifty thousand dollars (\$50,000).

(b) The credit provided by this chapter shall only be applied against any state tax liability owed by the taxpayer after the application of any credits that under IC 6-3.1-1-2 must be applied before the credit provided by this chapter.

SECTION 26. IC 6-3.1-18-9, AS AMENDED BY P.L.50-2016, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 9. (a) **The community development corporation or community based organization, on behalf of a business firm or person that or an individual who** desires to claim a tax credit as provided in this chapter, shall file with the ~~department, authority,~~ in the form approved by the ~~department, authority,~~ **an application documentation** stating the amount of the qualified contribution that ~~the person or individual proposes to make would qualify for a tax credit,~~ and the amount ~~sought allocated to the business firm or person~~ to be claimed as a credit.

(b) The department shall promptly notify ~~an applicant a business firm or person~~ whether, or the extent to which, the tax credit is



allowable in the state fiscal year in which the **application tax return claiming the credit** is filed, as provided in section 6 of this chapter. If the credit is allowable in that state fiscal year, the applicant shall within thirty (30) days after receipt of the notice file with the department a statement, in the form and accompanied by the proof of payment of the qualified contribution as the department may prescribe, setting forth that the amount to be claimed as a credit under this chapter has been paid through a qualified contribution as provided in section 6 of this chapter.

(c) The department may disallow any credit claimed under this chapter for which the statement or proof of payment is not filed within the thirty (30) day period: **shall consider documentation from the authority as proof of payment, setting forth that the amount to be claimed as a credit under this chapter has been paid to a community development corporation or a community based organization as a qualified contribution to the fund of the community development corporation or the community based organization fund for the current state fiscal year, or permanently set aside in a special account to be used solely for this fund.**

SECTION 27. IC 6-3.1-18-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 10. (a) The amount of tax credits allowed under this chapter may not exceed two hundred thousand dollars (\$200,000) in any state fiscal year.

(b) The department shall:

- (1) record the time of filing of each **application for allowance of a tax return claiming the credit** required under section 9 of this chapter; and
- (2) approve the **applications; credit**, if **the business firm or person claiming the credit** otherwise **qualify qualifies** for a tax credit under this chapter, in the chronological order in which the **applications are tax return claiming the credit is** filed in the state fiscal year.

(c) When the total credits approved under this section equal the maximum amount allowable in any state fiscal year, **an application filed after that time for the no credits thereafter filed for that** same fiscal year **may not shall** be approved. However, if an applicant for whom a credit has been approved fails to file the statement of proof of payment required under section 9 of this chapter, an amount equal to the credit previously allowed or set aside for the applicant may be allowed to any subsequent applicant in the year. In addition, the department may, if the applicant so requests, approve a credit application, in whole or in part, with respect to the next succeeding



state fiscal year:



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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

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