



January 29, 2020

---

## SENATE BILL No. 264

---

DIGEST OF SB 264 (Updated January 28, 2020 2:42 pm - DI 125)

**Citations Affected:** IC 36-7.

**Synopsis:** Certified technology parks. Amends provisions that allow a certified technology park to capture an additional amount of incremental income taxes once it has reached its limit on deposits to do the following: (1) Increase the annual additional deposit amount from \$100,000 to \$500,000, and cap the total additional amount that may be captured at not more than \$2,000,000. (2) Require a certified technology park to meet certain reporting and performance requirements in order to be eligible to capture the additional amount of incremental income taxes.

**Effective:** July 1, 2020.

---

**Holdman, Houchin, Messmer, Buck,  
Perfect, Charbonneau, Raatz,  
Buchanan**

---

January 13, 2020, read first time and referred to Committee on Tax and Fiscal Policy.  
January 28, 2020, amended, reported favorably — Do Pass.

---

SB 264—LS 6536/DI 120





January 29, 2020

Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

## SENATE BILL No. 264

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 36-7-32-8, AS AMENDED BY P.L.158-2019,  
2 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2020]: Sec. 8. **(a)** As used in this chapter, "income tax base  
4 period amount" means the following:

5 (1) Except as provided in subdivision (2), the aggregate amount  
6 of the following taxes paid by employees employed in the territory  
7 comprising a certified technology park with respect to wages and  
8 salary earned for work in the certified technology park for the  
9 state fiscal year that precedes the date on which the certified  
10 technology park was designated under section 11 of this chapter:

11 (A) The adjusted gross income tax.

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

13 (2) In the case of a certified technology park for which the amount  
14 limit under section 22(c) or 22(d) of this chapter has been  
15 exceeded, **and subject to subsection (b)**, the aggregate amount  
16 of adjusted gross income taxes and local income taxes (IC 6-3.6)  
17 paid by employees employed in the territory comprising a

SB 264—LS 6536/DI 120



certified technology park with respect to wages and salary earned for work in the certified technology park for

(A) the state fiscal year in which the total deposits in the incremental tax financing fund for the certified technology park first exceeded the amount limit under section 22(c) or 22(d) of this chapter; or

(B) the state fiscal year beginning July 1, 2019, and ending June 30, 2020, in the case of a certified technology park for which the amount limit under section 22(c) or 22(d) of this chapter was exceeded before July 1, 2020.

a particular state fiscal year that:

(A) after negotiation between the redevelopment commission and the Indiana economic development corporation, is recommended by the Indiana economic development corporation; and

(B) is subject to review by the budget committee under section 22(f)(1)(B) of this chapter.

However, the state fiscal year recommended under this subdivision may not be a state fiscal year that is before the state fiscal year that precedes the date on which the certified technology park was designated under section 11 of this chapter.

(b) In determining and reviewing the state fiscal year under subsection (a)(2), the Indiana economic development corporation and budget committee shall consider:

(1) the operating business model of the certified technology park;

(2) the financial and legal sponsors and support of the certified technology park;

(3) the performance of the certified technology park; and

(4) any ongoing financial requirements of the certified technology park necessary to meet the statutory requirements of a certified technology park.

SECTION 2. IC 36-7-32-8.5, AS AMENDED BY P.L.158-2019, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 8.5. As used in this chapter, "income tax incremental amount" means the following:

(1) Except as provided in subdivision (2), the remainder of:

(A) the total amount of state adjusted gross income taxes and local income taxes paid by employees employed in the territory comprising the certified technology park with respect to wages and salary earned for work in the territory comprising



1 the certified technology park for a particular state fiscal year;  
 2 minus  
 3 (B) the sum of the:  
 4 (i) income tax base period amount as defined in section ~~8(1)~~  
 5 **8(a)(1)** of this chapter; and  
 6 (ii) tax credits awarded by the Indiana economic  
 7 development corporation under IC 6-3.1-13 to businesses  
 8 operating in a certified technology park as the result of  
 9 wages earned for work in the certified technology park for  
 10 the state fiscal year;  
 11 as determined by the department of state revenue.  
 12 (2) In the case of a certified technology park for which the amount  
 13 limit under section 22(c) or 22(d) of this chapter has been  
 14 exceeded, the remainder of:  
 15 (A) the total amount of state adjusted gross income taxes and  
 16 local income taxes paid by employees employed in the  
 17 territory comprising the certified technology park with respect  
 18 to wages and salary earned for work in the territory comprising  
 19 the certified technology park for a particular state fiscal year;  
 20 minus  
 21 (B) the sum of the:  
 22 (i) income tax base period amount as defined in section ~~8(2)~~  
 23 **8(a)(2)** of this chapter; and  
 24 (ii) tax credits awarded by the Indiana economic  
 25 development corporation under IC 6-3.1-13 to businesses  
 26 operating in a certified technology park as the result of  
 27 wages earned for work in the certified technology park for  
 28 the state fiscal year;  
 29 as determined by the department of state revenue.  
 30 SECTION 3. IC 36-7-32-22, AS AMENDED BY P.L.158-2019,  
 31 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JULY 1, 2020]: Sec. 22. (a) The treasurer of state shall establish an  
 33 incremental tax financing fund for each certified technology park  
 34 designated under this chapter. The fund shall be administered by the  
 35 treasurer of state. Money in the fund does not revert to the state general  
 36 fund at the end of a state fiscal year.  
 37 (b) Subject to subsection (c), the following amounts shall be  
 38 deposited during each state fiscal year in the incremental tax financing  
 39 fund established for a certified technology park under subsection (a):  
 40 (1) The aggregate amount of state gross retail and use taxes that  
 41 are remitted under IC 6-2.5 by businesses operating in the  
 42 certified technology park, until the amount of state gross retail



and use taxes deposited equals the gross retail incremental amount for the certified technology park.

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

(A) The adjusted gross income tax.

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

(3) In the case of a certified technology park to which subsection (e) applies, the amount determined under subsection (e), if any.

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

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

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

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

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

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

(e) ~~If a certified technology park maintains its certification under section 11(c) of this chapter and the limit on deposits for a certified technology park under subsection (c) or (d) has been reached for a period, and the certified technology park meets the eligibility requirements set forth in subdivision (f),~~ an additional annual deposit amount shall, if applicable, be deposited in the incremental tax financing fund for the certified technology park equal to the following:

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

(+) (A) the income tax incremental amount as defined in



section 8.5(2) of this chapter; or

~~(2) (B) one five hundred thousand dollars (\$100,000).~~  
**(\$500,000).**

**However, the aggregate deposit amounts under this subdivision that may be deposited in the incremental tax financing fund may not exceed two million dollars (\$2,000,000).**

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

~~(1) (A)~~ **(A)** 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) (B) one five hundred thousand dollars (\$100,000)~~  
**(\$500,000)** multiplied by the number of redevelopment commissions that have entered into a written agreement for the operation of the certified technology park.

**However, the aggregate deposit amounts under this subdivision that may be deposited in the incremental tax financing fund may not exceed two million dollars (\$2,000,000) multiplied by the number of redevelopment commissions that have entered into a written agreement for the operation of the certified technology park.**

(f) The following requirements must be met for a certified technology park to be eligible for an additional annual deposit amount under subsection (e):

(1) For initial eligibility for a state fiscal year:

(A) the redevelopment commission and, if the redevelopment commission has designated a third party manager or operator of the certified technology park, the third party manager or operator, for the certified technology park and the Indiana economic development corporation must prepare and submit a report to the budget committee on the effectiveness of the certified technology park since its designation using the metrics for measuring the performance of a certified technology park developed by the Indiana economic development corporation under section 11(e) and 11(h) of this chapter; and

(B) the report under clause (A) must be reviewed by the budget committee.



No additional amount under subsection (e) may be deposited in the incremental tax financing fund for the certified technology park for any state fiscal year, unless the report required under this subdivision is submitted to and reviewed by the budget committee.

(2) To maintain eligibility in a state fiscal year following the initial eligibility year under subdivision (1), the redevelopment commission for the certified technology park must prepare and submit a report to the budget committee before March 30 of every other state fiscal year. The report must include a determination of:

(A) the amount of adjusted gross income tax that was captured in the territory comprising the certified technology park during each of the immediately preceding two (2) state fiscal years;

(B) the amount of local income tax (IC 6-3.6) that was captured in the territory comprising the certified technology park during each of the immediately preceding two (2) state fiscal years; and

(C) the effectiveness of the certified technology park during each of the immediately preceding two (2) state fiscal years using the metrics for measuring the performance of a certified technology park developed by the Indiana economic development corporation under section 11(e) and 11(h) of this chapter.

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





## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 264, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 36-7-32-8, AS AMENDED BY P.L.158-2019, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 8. **(a)** As used in this chapter, "income tax base period amount" means the following:

(1) Except as provided in subdivision (2), the aggregate amount of the following taxes paid by employees employed in the territory comprising a certified technology park with respect to wages and salary earned for work in the certified technology park for the state fiscal year that precedes the date on which the certified technology park was designated under section 11 of this chapter:

(A) The adjusted gross income tax.

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

(2) In the case of a certified technology park for which the amount limit under section 22(c) or 22(d) of this chapter has been exceeded, **and subject to subsection (b)**, the aggregate amount of adjusted gross income taxes and local income taxes (IC 6-3.6) paid by employees employed in the territory comprising a certified technology park with respect to wages and salary earned for work in the certified technology park for

(A) the state fiscal year in which the total deposits in the incremental tax financing fund for the certified technology park first exceeded the amount limit under section 22(c) or 22(d) of this chapter; or

(B) the state fiscal year beginning July 1, 2019, and ending June 30, 2020; in the case of a certified technology park for which the amount limit under section 22(c) or 22(d) of this chapter was exceeded before July 1, 2020:

**a particular state fiscal year that:**

(A) after negotiation between the redevelopment commission and the Indiana economic development corporation, is recommended by the Indiana economic development corporation; and

(B) is subject to review by the budget committee under section 22(f)(1)(B) of this chapter.



However, the state fiscal year recommended under this subdivision may not be a state fiscal year that is before the state fiscal year that precedes the date on which the certified technology park was designated under section 11 of this chapter.

(b) In determining and reviewing the state fiscal year under subsection (a)(2), the Indiana economic development corporation and budget committee shall consider:

- (1) the operating business model of the certified technology park;
- (2) the financial and legal sponsors and support of the certified technology park;
- (3) the performance of the certified technology park; and
- (4) any ongoing financial requirements of the certified technology park necessary to meet the statutory requirements of a certified technology park.

SECTION 2. IC 36-7-32-8.5, AS AMENDED BY P.L.158-2019, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 8.5. As used in this chapter, "income tax incremental amount" means the following:

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

as determined by the department of state revenue.

(2) In the case of a certified technology park for which the amount limit under section 22(c) or 22(d) of this chapter has been exceeded, the remainder of:

- (A) the total amount of state adjusted gross income taxes and local income taxes paid by employees employed in the territory comprising the certified technology park with respect



to wages and salary earned for work in the territory comprising the certified technology park for a particular state fiscal year; minus

(B) the sum of the:

(i) income tax base period amount as defined in section ~~8(2)~~ **8(a)(2)** of this chapter; and

(ii) tax credits awarded by the Indiana economic development corporation under IC 6-3.1-13 to businesses operating in a certified technology park as the result of wages earned for work in the certified technology park for the state fiscal year;

as determined by the department of state revenue."

Page 3, line 25, after "commission" insert **"and, if the redevelopment commission has designated a third party manager or operator of the certified technology park, the third party manager or operator,"**.

Page 3, line 32, after "section" insert **"11(e) and"**.

Page 4, line 2, delete "October 1" and insert **"March 30"**.

Page 4, line 17, after "section" insert **"11(e) and"**.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 264 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 12, Nays 0.

