



January 24, 2020

SENATE BILL No. 272

DIGEST OF SB 272 (Updated January 23, 2020 12:07 pm - DI 119)

Citations Affected: IC 4-3; IC 4-4; IC 5-28; IC 5-33; IC 6-3.1.

Synopsis: Indiana economic development corporation. Provides that the secretary of commerce or the secretary's designee is a member of the Indiana defense task force and a member of the governor's workforce cabinet. Abolishes the Indiana office of defense development. Provides that if the governor is unable to chair a meeting of the Indiana economic development corporation board, the governor may designate a board member as acting chairperson. Provides that the secretary of commerce or the secretary's designee has certain duties currently assigned to the president of the Indiana economic development corporation to sign warrants drawn by the auditor of state. Eliminates the tax credit for fostering of employment of students who participate in a course of study that includes a cooperative arrangement between an educational institution and an employer. Makes conforming changes for the elimination of the tax credit. (Under current law, the tax credit applied to taxable years beginning after December 31, 2014, and before January 1, 2019.)

Effective: July 1, 2020.

Ford Jon

January 9, 2020, read first time and referred to Committee on Commerce and Technology.
January 23, 2020, reported favorably — Do Pass.

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January 24, 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. 272

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

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

- 1 SECTION 1. IC 4-3-21.5-4, AS ADDED BY P.L.228-2019,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2020]: Sec. 4. The task force consists of the following
4 members:
5 (1) The lieutenant governor or the lieutenant governor's designee.
6 (2) ~~The director of the Indiana office of defense development.~~
7 **The secretary of commerce or the secretary of commerce's**
8 **designee.**
9 (3) The following members chosen by the military assets in their
10 geographic areas:
11 (A) One (1) member representing the Southern Indiana
12 Defense Network.
13 (B) One (1) member representing Radius Indiana.
14 (C) One (1) member representing greater Fort Wayne, Indiana.
15 (D) One (1) member representing the Defense Finance and
16 Accounting Service, Lawrence, Indiana.
17 (E) One (1) member representing the Grissom Regional

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- 1 Defense Alliance.
- 2 (F) One (1) member representing the West Central Indiana
- 3 Defense Network.
- 4 (G) One (1) member representing the Michigan City Coast
- 5 Guard Station.
- 6 SECTION 2. IC 4-3-27-5, AS AMENDED BY P.L.143-2019,
- 7 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2020]: Sec. 5. (a) The membership of the governor's
- 9 workforce cabinet established under section 3 of this chapter consists
- 10 of at least twenty-three (23) members as follows:
- 11 (1) A chairperson appointed by the governor.
- 12 (2) The secretary of career connections and talent.
- 13 (3) The commissioner of the department of workforce
- 14 development.
- 15 (4) ~~The president of the Indiana economic development~~
- 16 ~~corporation. The secretary of commerce or the secretary of~~
- 17 ~~commerce's designee.~~
- 18 (5) The commissioner of the Indiana commission for higher
- 19 education.
- 20 (6) The superintendent of public instruction.
- 21 (7) The president of Ivy Tech Community College.
- 22 (8) The president of Vincennes University.
- 23 (9) A member appointed by the governor who is an
- 24 apprenticeship coordinator of a joint labor-management
- 25 apprenticeship program approved by the United States
- 26 Department of Labor, Employment and Training Administration,
- 27 Office of Apprenticeship.
- 28 (10) A member representing high school career and technical
- 29 education directors appointed by the governor in consultation
- 30 with the Indiana Association of Career and Technical Education
- 31 Districts.
- 32 (11) A member representing manufacturing appointed by the
- 33 governor in consultation with the Indiana Manufacturers
- 34 Association.
- 35 (12) A member representing a minority business enterprise
- 36 appointed by the governor.
- 37 (13) A member representing a women's business enterprise
- 38 appointed by the governor.
- 39 (14) A member representing a veteran owned business appointed
- 40 by the governor.
- 41 (15) A member representing the nonunion and construction trades
- 42 appointed by the governor in consultation with the Associated



- 1 Builders and Contractors, Inc., and the Indiana Builders
2 Association.
- 3 (16) A business owner appointed by the governor in consultation
4 with the Indiana Chamber of Commerce.
- 5 (17) A small business owner appointed by the governor in
6 consultation with the National Federation of Independent
7 Businesses.
- 8 (18) A member of a community-based organization appointed by
9 the governor.
- 10 (19) Three (3) at-large business owners appointed by the
11 governor, one (1) of whom is a business owner who employs less
12 than fifty (50) employees.
- 13 (20) A member of the house of representatives appointed by the
14 speaker of the house of representatives who serves as a nonvoting
15 member.
- 16 (21) A member of the senate appointed by the president pro
17 tempore of the senate who serves as a nonvoting member.
- 18 (22) Any additional members designated and appointed by the
19 governor.
- 20 (b) The members appointed under subsection (a)(11) through
21 (a)(19) must be geographically diverse.
- 22 SECTION 3. IC 4-4-34 IS REPEALED [EFFECTIVE JULY 1,
23 2020]. (Indiana Office of Defense Development).
- 24 SECTION 4. IC 5-28-4-4, AS ADDED BY P.L.4-2005, SECTION
25 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
26 2020]: Sec. 4. **(a) Except as provided by subsection (b),** the governor
27 shall serve as chairperson of the board.
- 28 **(b) If the governor is unable to participate as chairperson for a**
29 **meeting of the board, the governor may designate a member of the**
30 **board appointed under section 2(a)(2) of this chapter to serve as**
31 **acting chairperson.**
- 32 SECTION 5. IC 5-28-8-7, AS ADDED BY P.L.4-2005, SECTION
33 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
34 2020]: Sec. 7. The auditor of state shall draw warrants on the treasurer
35 of state in payment of properly prepared vouchers signed by the
36 ~~president of the corporation or the president's designee:~~ **secretary of**
37 **commerce or the secretary of commerce's designee.**
- 38 SECTION 6. IC 5-33-4-2, AS ADDED BY P.L.78-2019, SECTION
39 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
40 2020]: Sec. 2. The board is composed of the following seven (7)
41 members, none of whom may be members of the general assembly:
42 (1) The governor or a designee of the governor.



1 (2) The ~~president of the Indiana economic development~~
 2 ~~corporation~~ **secretary of commerce** or a designee of the ~~president~~
 3 **secretary** who is a full-time employee of the Indiana economic
 4 development corporation.

5 (3) Five (5) members of the private sector tourism industry,
 6 appointed by the governor. The governor may consider
 7 individuals with experience in any of the following areas or
 8 occupations in making appointments under this subdivision:

9 (A) Food and beverage service.

10 (B) Lodging.

11 (C) Attractions.

12 (D) Destination marketing.

13 (E) Hospitality and tourism management educator.

14 (F) Tourism industry professional.

15 SECTION 7. IC 6-3.1-13-13, AS AMENDED BY P.L.167-2014,
 16 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2020]: Sec. 13. (a) The corporation may make credit awards
 18 under this chapter for any of the following:

19 (1) To foster job creation in Indiana.

20 (2) To foster job retention in Indiana.

21 ~~(3) For taxable years beginning after December 31, 2014, and~~
 22 ~~before January 1, 2019, to foster employment in Indiana of~~
 23 ~~students who participate in a course of study that includes a~~
 24 ~~cooperative arrangement between an educational institution and~~
 25 ~~an employer for the training of students in high wage, high~~
 26 ~~demand jobs that require an industry certification.~~

27 (b) The credit shall be claimed for the taxable years specified in the
 28 taxpayer's tax credit agreement.

29 SECTION 8. IC 6-3.1-13-14, AS AMENDED BY P.L.145-2016,
 30 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2020]: Sec. 14. (a) A person that proposes a project to create
 32 new jobs in Indiana may apply, as provided in section 15 of this
 33 chapter, to the corporation to enter into an agreement for a tax credit
 34 under this chapter.

35 (b) A person that proposes to retain existing jobs in Indiana may
 36 apply, as provided in section 15.5 of this chapter, to the corporation to
 37 enter into an agreement for a tax credit under this chapter.

38 ~~(c) This subsection applies to taxable years beginning after~~
 39 ~~December 31, 2014, and before January 1, 2019. A person that~~
 40 ~~proposes to employ in Indiana students who have participated in a~~
 41 ~~course of study that includes a cooperative arrangement between an~~
 42 ~~educational institution and an employer for the training of students in~~



1 high wage, high demand jobs that require an industry certification may
 2 apply, as provided in section 15.7 of this chapter, to the corporation to
 3 enter into a agreement for a tax credit under this chapter.

4 (d) (c) The corporation shall prescribe the form of the application.

5 SECTION 9. IC 6-3.1-13-15.7 IS REPEALED [EFFECTIVE JULY
 6 1, 2020]. Sec. 15.7. (a) This section applies to an application proposing
 7 to employ students who have participated in a course of study that
 8 includes a cooperative arrangement between an educational institution
 9 and an employer for the training of students in high wage, high demand
 10 jobs that require an industry certification.

11 (b) A taxpayer who wishes to claim the credit provided by this
 12 chapter for employment of candidates to which this section applies may
 13 submit an application to the corporation after June 30, 2014, for a
 14 taxable year beginning after December 31, 2014, and before January 1,
 15 2019, in the manner prescribed by the corporation.

16 (c) After receipt of an application, the corporation may enter into an
 17 agreement with the applicant for a tax credit under this chapter if the
 18 corporation determines that the applicant:

- 19 (1) participates in at least one (1) cooperative arrangement with
 20 an educational institution for the training of students in high
 21 wage, high demand jobs that require an industry certification; and
 22 (2) meets any additional eligibility conditions established by the
 23 corporation.

24 (d) The corporation may consult with the Indiana career council to
 25 develop eligibility and performance conditions that an applicant must
 26 meet to qualify for a credit award to which this section applies.

27 (e) The aggregate amount of tax credits awarded under this section
 28 for a state fiscal year may not exceed two million five hundred
 29 thousand dollars (\$2,500,000).

30 SECTION 10. IC 6-3.1-13-19.7 IS REPEALED [EFFECTIVE JULY
 31 1, 2020]. Sec. 19.7. (a) In the case of a credit awarded for employment
 32 in Indiana of students who have participated in a course of study that
 33 includes a cooperative arrangement between an educational institution
 34 and an employer for the training of students in high wage, high demand
 35 jobs that require an industry certification, the corporation shall enter
 36 into an agreement with an applicant that is awarded a credit under this
 37 chapter. The agreement must include all the following:

- 38 (1) A detailed description of the applicant's own cooperative
 39 arrangements between the applicant and educational institutions
 40 for the training of students in high wage, high demand jobs that
 41 require an industry certification.
 42 (2) The duration of the tax credit and the first taxable year for



- 1 which the credit may be claimed:
- 2 (3) The credit amount that will be allowed for each taxable year:
- 3 (4) A requirement that the taxpayer shall maintain the applicant's
- 4 cooperative arrangements between the applicant and educational
- 5 institutions for the training of students in high wage, high demand
- 6 jobs that require an industry certification for at least two (2) years
- 7 following the last taxable year in which the applicant claims the
- 8 tax credit or carries over an unused part of the tax credit under
- 9 section 18 of this chapter. A taxpayer is subject to an assessment
- 10 under section 22 of this chapter for noncompliance with the
- 11 requirement described in this subdivision.
- 12 (5) A specific method for determining the number of employees
- 13 who:
- 14 (A) were students who participated in a course of study that
- 15 included a cooperative arrangement between an employer and
- 16 an educational institution for the training of students in high
- 17 wage, high demand jobs that require an industry certification;
- 18 and
- 19 (B) are employed during a taxable year.
- 20 (6) A requirement that the taxpayer annually shall report to the
- 21 corporation:
- 22 (A) the number of employees who participated in a course of
- 23 study that includes a cooperative arrangement between an
- 24 employer and an educational institution for the training of
- 25 students in high wage, high demand jobs that require an
- 26 industry certification;
- 27 (B) the income tax revenue withheld in connection with the
- 28 employees described in clause (A); and
- 29 (C) any other information the corporation needs to perform the
- 30 corporation's duties under this chapter.
- 31 (7) A requirement that the corporation is authorized to verify with
- 32 the appropriate state agencies the information reported under
- 33 subdivision (6); and after doing so shall issue a certificate to the
- 34 taxpayer stating that the information has been verified.
- 35 (8) A requirement that the taxpayer shall provide written
- 36 notification to the corporation not more than thirty (30) days after
- 37 the taxpayer makes or receives a proposal that would transfer the
- 38 taxpayer's state tax liability obligations to a successor taxpayer.
- 39 (9) Any other performance conditions that the corporation
- 40 determines are appropriate.
- 41 (b) A taxpayer who is awarded a credit under this chapter for
- 42 employees who participated in a course of study that included a



1 cooperative agreement between an employer and an educational
2 institution for the training of students in high wage, high demand jobs
3 that require an industry certification may claim the credit only for
4 employees whose course of study included a cooperative arrangement
5 between the taxpayer and an educational institution for the training of
6 students in high wage, high demand jobs that require an industry
7 certification.



COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Technology, to which was referred Senate Bill No. 272, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 272 as introduced.)

PERFECT, Chairperson

Committee Vote: Yeas 7, Nays 0

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