
SENATE BILL No. 536

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-28-40; IC 6-3.1-35.5.

Synopsis: Incentives for attracting and hiring veterans. Establishes the regional veterans hiring initiative fund (fund). Provides that the Indiana economic development corporation (IEDC) shall administer the fund. Allows the IEDC to enter into a regional veterans hiring initiative agreement with: (1) counties, cities, towns, and development authorities; and (2) local employers; in a region to provide marketing and recruiting services to attract eligible veterans for employment in the region and provide financial support to eligible veterans who relocate to the region to accept employment. Defines "eligible veteran" as an individual who: (1) served in the armed forces of the United States or their reserves; and (2) has received an honorable discharge within the last six months. Allows the IEDC to make grants or loans to an eligible veteran for authorized purposes. Requires an eligible veteran to repay the money to the IEDC if the veteran: (1) fails to use the money awarded for authorized purposes; or (2) fails to maintain employment with the local employer for at least 12 months following the veteran's initial hiring date. Provides a tax credit against state income tax liability of an employer if the following apply: (1) The employer is a party to a regional veterans hiring initiative agreement. (2) The employer employs an eligible veteran during the taxable year. (3) The eligible veteran has maintained continuous full-time employment with the taxpayer for at least 12 months following the veteran's initial hiring date. (4) The IEDC certifies the credit. Provides that the amount of the credit is equal to: (1) \$1,000; multiplied by (2) each eligible veteran for whom the employer is allowed a credit for the taxable year. Provides, however, that an employer not claim a credit for
(Continued next page)

Effective: July 1, 2019; January 1, 2020.

Boots

January 14, 2019, read first time and referred to Committee on Pensions and Labor.



Digest Continued

an eligible veteran for whom the employer is allowed a credit in more than one taxable year. Allows an employer to carryforward any unused credit amount. Makes an appropriation.



Introduced

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

SENATE BILL No. 536

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 5-28-40 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2019]:
4 **Chapter 40. Regional Veterans Hiring Initiative Fund**
5 **Sec. 1. As used in this chapter, "agreement" means a regional**
6 **veterans hiring initiative agreement entered into under section 8 of**
7 **this chapter.**
8 **Sec. 2. As used in this chapter, "development authority"**
9 **includes both:**
10 **(1) the northwest Indiana regional development authority**
11 **established by IC 36-7.5-2-1; and**
12 **(2) a regional development authority established under**
13 **IC 36-7.6-2-3.**
14 **Sec. 3. As used in this chapter, "eligible employer" means an**
15 **employer that:**



- 1 (1) employs at least five (5) employees for each working day
 2 during each week in the current or preceding calendar year;
 3 and
 4 (2) is located within the boundaries of an eligible participant.
 5 Sec. 4. As used in this chapter, "eligible participant" means:
 6 (1) a county, city, or town; and
 7 (2) a development authority;
 8 that are located in the same geographic region of the state.
 9 Sec. 5. As used in this chapter, "eligible veteran" refers to an
 10 individual who:
 11 (1) served in the armed forces of the United States or their
 12 reserves; and
 13 (2) has received an honorable discharge within the last six (6)
 14 months.
 15 Sec. 6. As used in this chapter, "fund" refers to the regional
 16 veterans hiring initiative fund established by section 7 of this
 17 chapter.
 18 Sec. 7. (a) The regional veterans hiring initiative fund is
 19 established within the state treasury. The purpose of the fund is to
 20 provide funding for certain services and financial support to
 21 attract eligible veterans to relocate to regions in Indiana in order
 22 to accept employment with an eligible employer as set forth under
 23 this chapter. The corporation shall administer the fund. The fund
 24 consists of the following:
 25 (1) Amounts deposited in the fund under section 10 of this
 26 chapter.
 27 (2) Amounts repaid to the corporation under section 13(b) of
 28 this chapter.
 29 (3) Appropriations from the general assembly.
 30 (4) Grants, gifts, and donations intended for deposit in the
 31 fund.
 32 (5) Interest and other earnings derived from investments of
 33 money in the fund.
 34 (6) Loan repayments.
 35 (b) Money in the fund at the end of the state fiscal year does not
 36 revert to the state general fund.
 37 (c) Money in the fund is continually appropriated for the
 38 purposes of this chapter.
 39 Sec. 8. The corporation may enter into a regional veterans
 40 hiring initiative agreement with one (1) or more eligible
 41 participants and eligible employers to:
 42 (1) provide marketing and recruiting services to attract



1 eligible veterans to a region to accept employment with an
 2 eligible employer; and
 3 (2) provide financial support in the form of grants or loans to
 4 eligible veterans who relocate to the region to accept
 5 employment with an eligible employer.

6 **Sec. 9. An agreement entered into under section 8 of this chapter**
 7 **must contain at least the following provisions:**

8 (1) The corporation, eligible participants, and eligible
 9 employers must agree to develop and implement a regional
 10 program to provide either or both of the following:

11 (A) Marketing and recruiting services to attract eligible
 12 veterans to the region to accept employment with an
 13 eligible employer.

14 (B) Financial support in the form of grants or loans to
 15 eligible veterans who relocate to the region to accept
 16 employment with an eligible employer.

17 (2) Eligible employers must agree to make annual payments
 18 to the corporation for deposit in the fund in the amount set
 19 forth in section 10 of this chapter.

20 (3) Eligible participants must agree to provide any services or
 21 funds that may be required under the terms of the agreement.

22 **Sec. 10. An eligible employer who enters into an agreement**
 23 **under section 8 this chapter shall each year pay to the corporation**
 24 **for deposit in the fund the following amount:**

25 (1) Five hundred dollars (\$500), in the case of an eligible
 26 employer that employs less than twenty-five (25) employees at
 27 the eligible employer's location in the region.

28 (2) One thousand dollars (\$1,000), in the case of an eligible
 29 employer that employs at least twenty-five (25) but less than
 30 fifty (50) employees at the eligible employer's location in the
 31 region.

32 (3) Two thousand dollars (\$2,000), in the case of an eligible
 33 employer that employs at least fifty (50) but less than one
 34 hundred (100) employees at the eligible employer's location in
 35 the region.

36 (4) Three thousand dollars (\$3,000), in the case of an eligible
 37 employer that employs at least one hundred (100) employees
 38 at the eligible employer's location in the region.

39 **Sec. 11. The corporation may do the following under this**
 40 **chapter:**

41 (1) Enter into an agreement with eligible participants and
 42 eligible employers under the terms and conditions as



1 determined by the corporation.

2 (2) Provide marketing and recruiting services, either directly
3 or indirectly through employment of third parties, to attract
4 eligible veterans to a region in the state to accept employment
5 with an eligible employer.

6 (3) Review and approve or disapprove applications for grants
7 or loans from the fund to eligible veterans under section 12
8 this chapter.

9 **Sec. 12. (a) The corporation may award grants or loans from the
10 fund to eligible veterans under the terms of an agreement if the
11 eligible veteran:**

12 (1) relocated to Indiana:

13 (A) not later than six (6) months after the date on which
14 the eligible veteran received an honorable discharge from
15 the armed forces of the United States or their reserves; and

16 (B) to accept employment with an eligible employer that is
17 a party to an agreement under this chapter;

18 (2) is employed by the eligible employer described in
19 subdivision (1)(B) at the time of the eligible veteran's
20 application to the corporation; and

21 (3) applies to the corporation for a grant or loan on the form
22 and in the manner prescribed by the corporation.

23 (b) The corporation may develop guidelines, without complying
24 with IC 4-22-2, for awarding grants or loans under this chapter.

25 **Sec. 13. (a) Grants or loans awarded under this chapter must be
26 used by an eligible veteran only for the following purposes:**

27 (1) Relocation expenses.

28 (2) Assimilation support services for the eligible veteran.

29 (3) Employment mentoring services for the eligible veteran.

30 (4) Training expenses of the eligible veteran that are directly
31 related to the eligible veteran's performance of employment
32 duties for the eligible employer that hired the eligible veteran.

33 (5) Funding for a down payment for a home purchase
34 mortgage to enable the eligible veteran to purchase a home in
35 the region where the eligible veteran's eligible employer is
36 located.

37 (6) Other similar financial support in the form of grants or
38 loans to an eligible veteran that may be agreed to under the
39 terms of an agreement entered into under section 8 of this
40 chapter.

41 (b) An eligible veteran shall repay to the corporation for deposit
42 in the fund any money awarded to the eligible veteran under this



1 **chapter if the eligible veteran:**

2 **(1) fails to use the money awarded for one (1) or more of the**
 3 **purposes set forth in subsection (a); or**

4 **(2) fails to maintain employment with the eligible employer**
 5 **that hired the eligible veteran for at least twelve (12) months**
 6 **following the eligible veteran's initial hiring date.**

7 SECTION 2. IC 6-3.1-35.5 IS ADDED TO THE INDIANA CODE
 8 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2020]:

10 **Chapter 35.5. Regional Veterans Hiring Initiative Tax Credit**

11 **Sec. 1. As used in this chapter, "eligible employer" has the**
 12 **meaning set forth in IC 5-28-40-3.**

13 **Sec. 2. As used in this chapter, "eligible veteran" has the**
 14 **meaning set forth in IC 5-28-40-5.**

15 **Sec. 3. As used in this chapter, "pass through entity" means:**

16 **(1) a corporation that is exempt from the adjusted gross**
 17 **income tax under IC 6-3-2-2.8(2);**

18 **(2) a partnership;**

19 **(3) a limited liability company; or**

20 **(4) a limited liability partnership.**

21 **Sec. 4. As used in this chapter, "state tax liability" means a**
 22 **taxpayer's total tax liability that is incurred under IC 6-3-1**
 23 **through IC 6-3-7 (the adjusted gross income tax), as computed**
 24 **after the application of the credits that, under IC 6-3.1-1-2, are to**
 25 **be applied before the credit provided by this chapter.**

26 **Sec. 5. As used in this chapter, "taxpayer" refers to a person**
 27 **that:**

28 **(1) is an eligible employer; and**

29 **(2) has any state tax liability.**

30 **Sec. 6. (a) A taxpayer is entitled to a credit against the**
 31 **taxpayer's state tax liability for a taxable year if:**

32 **(1) the taxpayer is a party to a regional veterans hiring**
 33 **initiative agreement under IC 5-28-40-8;**

34 **(2) the taxpayer employs an eligible veteran during the**
 35 **taxable year;**

36 **(3) the eligible veteran has maintained continuous full-time**
 37 **employment with the taxpayer for at least twelve (12) months**
 38 **following the eligible veteran's initial hiring date; and**

39 **(4) the Indiana economic development corporation certifies**
 40 **the credit under section 8 of this chapter.**

41 **(b) The amount of the credit is equal to:**

42 **(1) one thousand dollars (\$1,000); multiplied by**



- 1 (2) each eligible veteran for whom the taxpayer is allowed a
2 credit under subsection (a) for the taxable year.
- 3 (c) A taxpayer may not claim a credit for an eligible veteran for
4 whom the taxpayer is allowed a credit under subsection (a) in more
5 than one (1) taxable year.
- 6 Sec. 7. (a) If the amount determined under section 6 of this
7 chapter for a taxpayer in a taxable year exceeds the taxpayer's
8 state tax liability for that taxable year, the taxpayer may carry the
9 excess over to the following taxable years. The amount of the credit
10 carryover from a taxable year shall be reduced to the extent that
11 the carryover is used by the taxpayer to obtain a credit under this
12 chapter for any subsequent taxable year.
- 13 (b) A taxpayer is not entitled to a carryback or refund of any
14 unused credit.
- 15 Sec. 8. (a) A taxpayer wishing to obtain a credit under this
16 chapter must apply to the Indiana economic development
17 corporation for certification of the credit.
- 18 (b) The application must be in the form prescribed by the
19 Indiana economic development corporation.
- 20 (c) If, after reviewing an application for certification, the
21 Indiana economic development corporation determines that the
22 taxpayer is entitled to a credit under this chapter, the Indiana
23 economic development corporation shall issue a certification of
24 credit to the taxpayer certifying the taxpayer's credit amount for
25 the taxable year under this chapter.
- 26 (d) To receive the credit allowed under this chapter, a qualified
27 taxpayer must claim the credit on the qualified taxpayer's state tax
28 return or returns in the manner prescribed by the department. The
29 qualified taxpayer shall submit to the department the certification
30 of credit by the Indiana economic development corporation and all
31 other information that the department determines is necessary for
32 the calculation of the credit.
- 33 Sec. 9. (a) If a pass through entity is entitled to a credit under
34 section 6 of this chapter but does not have state tax liability against
35 which the tax credit may be applied, an individual who is a
36 shareholder, partner, or member of the pass through entity is
37 entitled to a tax credit equal to:
- 38 (1) the tax credit determined for the pass through entity for
39 the taxable year; multiplied by
- 40 (2) the percentage of the pass through entity's distributive
41 income to which the shareholder, partner, or member is
42 entitled.



1 **(b) The credit provided under subsection (a) is in addition to a**
2 **tax credit to which a shareholder, partner, or member of a pass**
3 **through entity is otherwise entitled under this chapter. However,**
4 **a pass through entity and an individual who is a shareholder,**
5 **partner, or member of the pass through entity may not claim more**
6 **than one (1) credit for the same investment.**

