

IC 6-3.1-13**Chapter 13. Economic Development for a Growing Economy
Tax Credit**

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IC 6-3.1-13-0.4**Legalization of actions taken by Indiana economic development corporation in administration of chapter after February 8, 2005, and before May 11, 2005**

Sec. 0.4. The actions taken by the Indiana economic development corporation to administer this chapter, as amended by P.L.4-2005, after February 8, 2005, and before May 11, 2005, are legalized and validated.

As added by P.L.220-2011, SEC.141.

IC 6-3.1-13-1**Repealed**

As added by P.L.41-1994, SEC.1. Repealed by P.L.4-2005, SEC.148.

IC 6-3.1-13-1.5**"Corporation"**

Sec. 1.5. As used in this chapter, "corporation" means the Indiana economic development corporation established by IC 5-28-3-1.
As added by P.L.4-2005, SEC.66.

IC 6-3.1-13-2 "Credit amount"

Sec. 2. As used in this chapter, "credit amount" means the amount agreed to between the corporation and applicant under this chapter, but not to exceed, in the case of a credit awarded for a project to create new jobs in Indiana, the incremental income tax withholdings attributable to the applicant's project.
As added by P.L.41-1994, SEC.1. Amended by P.L.178-2002, SEC.41; P.L.4-2005, SEC.67.

IC 6-3.1-13-3 Repealed

As added by P.L.41-1994, SEC.1. Amended by P.L.4-2005, SEC.68. Repealed by P.L.145-2016, SEC.23.

IC 6-3.1-13-4 "Full-time employee"

Sec. 4. As used in this chapter, "full-time employee" means an individual who is employed for consideration for at least thirty-five (35) hours each week or who renders any other standard of service generally accepted by custom or specified by contract as full-time employment.
As added by P.L.41-1994, SEC.1.

IC 6-3.1-13-5 "Incremental income tax withholdings"

Sec. 5. (a) As used in this chapter, "incremental income tax withholdings" means either:
(1) the total amount withheld under IC 6-3-4-8 by the taxpayer during the taxable year from the compensation of new employees; or
(2) the sum of:
(A) the total amount withheld under IC 6-3-4-8 by the taxpayer during the taxable year from the compensation of new employees; plus
(B) the additional amount that would have been withheld under IC 6-3-4-8 by the taxpayer during the taxable year from the compensation of new employees as if the new Indiana nonresident employees had been Indiana residents;
as determined by the corporation.
(b) The term does not include any amount withheld from an individual or an additional amount described in subsection (a)(2) for an individual for services provided in Indiana as an employee, if the:
(1) individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a; and
(2) taxpayer was not enrolled and participating in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year.

As added by P.L.41-1994, SEC.1. Amended by P.L.171-2011, SEC.5; P.L.158-2019, SEC.11.

IC 6-3.1-13-5.3 "NAICS"

Sec. 5.3. As used in this chapter, "NAICS" refers to the North American Industry Classification System.
As added by P.L.197-2005, SEC.2.

IC 6-3.1-13-5.5 "NAICS industry sector"

Sec. 5.5. As used in this chapter, "NAICS industry sector" refers to industries that share the same first two (2) digits of the six (6) digit NAICS code assigned to industries in the NAICS Manual of the United States Office of Management and Budget.
As added by P.L.197-2005, SEC.3.

IC 6-3.1-13-6 "New employee"

Sec. 6. (a) As used in this chapter, "new employee" means a full-time employee first employed by a taxpayer in the project that is the subject of a tax credit agreement and who is employed after the taxpayer enters into the tax credit agreement.

(b) The term "new employee" does not include:

- (1) an employee of the taxpayer who performs a job that was previously performed by another employee, if that job existed for at least six (6) months before hiring the new employee;
- (2) an employee of the taxpayer who was previously employed in Indiana by a related member of the taxpayer and whose employment was shifted to the taxpayer after the taxpayer entered into the tax credit agreement; or
- (3) a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who is an employee of the taxpayer and who has a direct or an indirect ownership interest of at least five percent (5%) in the profits, capital, or value of the taxpayer (an ownership interest shall be determined in accordance with Section 1563 of the Internal Revenue Code and regulations prescribed under that Section).

(c) Notwithstanding subsection (b)(1), if a new employee performs a job that was previously performed by an employee who was:

- (1) treated under the agreement as a new employee; and
- (2) promoted by the taxpayer to another job;

the employee may be considered a new employee under the agreement.

(d) Notwithstanding subsection (a), the board may credit awards to an applicant that met the conditions of this chapter at the time of the applicant's location or expansion decision, if:

- (1) the applicant is in receipt of a letter from the department of commerce stating an intent to enter into a credit agreement; and
- (2) the letter described in subdivision (1) is issued by the department of commerce not later than March 15, 1994.

As added by P.L.41-1994, SEC.1.

IC 6-3.1-13-7 "Pass through entity"

Sec. 7. As used in this chapter, "pass through entity" means a:

- (1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) partnership;
- (3) trust;
- (4) limited liability company; or
- (5) limited liability partnership.

As added by P.L.41-1994, SEC.1. Amended by P.L.81-2004, SEC.13.

IC 6-3.1-13-8 "Related member"

Sec. 8. As used in this chapter, "related member" means a person that, with respect to the taxpayer during all or any portion of the taxable year, is any one (1) of the following:

- (1) An individual stockholder, or a member of the stockholder's family enumerated in Section 318 of the Internal Revenue Code, if the stockholder and the member of the stockholder's family own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock.
- (2) A stockholder, or a stockholder's partnership, estate, trust, or corporation, if the stockholder and the stockholder's partnership, estate, trust, or corporation owns directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock.
- (3) A corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the

corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the taxpayer owns directly, indirectly, beneficially, or constructively at least fifty percent (50%) of the value of the corporation's outstanding stock.

(4) A component member (as defined in Section 1563(b) of the Internal Revenue Code).

(5) A person to or from whom there is attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code except, for purposes of determining whether a person is a related member under this subdivision, twenty percent (20%) shall be substituted for five percent (5%) wherever five percent (5%) appears in Section 1563(e) of the Internal Revenue Code.

As added by P.L.41-1994, SEC.1.

IC 6-3.1-13-9 "State tax liability"

Sec. 9. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (2) IC 27-1-18-2 (the insurance premiums tax) or IC 6-8-15 (the nonprofit agricultural organization health coverage tax); and
- (3) 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.

As added by P.L.41-1994, SEC.1. Amended by P.L.192-2002(ss), SEC.105; P.L.154-2020, SEC.16.

IC 6-3.1-13-10 "Taxpayer"

Sec. 10. As used in this chapter, "taxpayer" means a person, corporation, partnership, or other entity that has any state tax liability or that submits incremental income tax withholdings under IC 6-3-4-8.

As added by P.L.41-1994, SEC.1. Amended by P.L.113-2010, SEC.58.

IC 6-3.1-13-11 Credit against state tax liability

Sec. 11. Subject to the conditions set forth in this chapter, a taxpayer is entitled to a credit against any state tax liability that may be imposed on the taxpayer for a taxable year after December 31, 1993, if the taxpayer is awarded a credit by the board under this chapter for that taxable year.

As added by P.L.41-1994, SEC.1.

IC 6-3.1-13-12 Repealed

As added by P.L.41-1994, SEC.1. Amended by P.L.224-2003, SEC.192. Repealed by P.L.4-2005, SEC.148.

IC 6-3.1-13-13 Purposes for which credit may be awarded; years for which credit claimed

Sec. 13. (a) The corporation may make credit awards under this chapter for any of the following:

- (1) To foster job creation in Indiana.
- (2) To foster job retention in Indiana.

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

As added by P.L.41-1994, SEC.1. Amended by P.L.178-2002, SEC.42; P.L.4-2005, SEC.69; P.L.167-2014, SEC.5; P.L.74-2020, SEC.9.

IC 6-3.1-13-14 Application to enter into agreement for tax credit

Sec. 14. (a) A person that proposes a project to create new jobs in Indiana may apply, as provided in section 15 of this chapter, to the corporation to enter into an agreement for a tax credit under this chapter.

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

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

As added by P.L.41-1994, SEC.1. Amended by P.L.178-2002, SEC.43; P.L.4-2005, SEC.70; P.L.167-2014, SEC.6; P.L.145-2016, SEC.24; P.L.74-2020, SEC.10.

IC 6-3.1-13-15 Agreement for tax credit with respect to new job creation; conditions

Sec. 15. This section applies to an application proposing a project to create new jobs in Indiana. After receipt of an application, the corporation may enter into an agreement with the applicant for a credit under this chapter if the corporation determines that all of the following conditions exist:

- (1) The applicant's project will create new jobs that were not jobs previously performed by employees of the applicant in Indiana.
- (2) The applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment in Indiana and strengthening the economy of Indiana.
- (3) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not creating new jobs in Indiana.
- (4) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.
- (5) The credit is not prohibited by section 16 of this chapter.
- (6) If the business is located in a community revitalization enhancement district established under IC 36-7-13 or a certified technology park established under IC 36-7-32, the legislative body of the political subdivision establishing the district or park has adopted an ordinance recommending the granting of a credit amount that is at least equal to the credit amount provided in the agreement.

As added by P.L.41-1994, SEC.1. Amended by P.L.178-2002, SEC.44; P.L.4-2005, SEC.71; P.L.197-2005, SEC.4.

IC 6-3.1-13-15.5 Agreement for tax credit with respect to job retention; conditions

Sec. 15.5. This section applies to an application proposing to retain existing jobs in Indiana. After receipt of an application, the corporation may enter into an agreement with the applicant for a credit under this chapter if the corporation determines that all the following conditions exist:

- (1) The applicant's project will retain existing jobs performed by the employees of the applicant in Indiana.
- (2) The applicant is engaged in research and development, manufacturing, or business services, according to the NAICS Manual of the United States Office of Management and Budget.
- (3) The average compensation (including benefits) provided to the applicant's employees during the applicant's previous fiscal year exceeds the greater of the following:
 - (A) If there is more than one (1) business in the same NAICS industry sector as the applicant's business in the county in which the applicant's business is located, the average compensation paid during that same period to all employees working in that NAICS industry sector in that county multiplied by one hundred five percent (105%).

- (B) If there is more than one (1) business in the same NAICS industry sector as the applicant's business in Indiana, the average compensation paid during that same period to all employees working in that NAICS industry sector throughout Indiana multiplied by one hundred five percent (105%).
- (C) The compensation for that same period corresponding to the federal minimum wage multiplied by two hundred percent (200%).
- (4) For taxable years beginning before January 1, 2010, the applicant employs at least thirty-five (35) employees in Indiana.
- (5) The applicant has prepared a plan for the use of the credits under this chapter for:
- (A) investment in facility improvements or equipment and machinery upgrades, repairs, or retrofits; or
 - (B) other direct business related investments, including but not limited to training.
- (6) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project, and not receiving the tax credit will increase the likelihood of the applicant reducing jobs in Indiana.
- (7) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.
- (8) The applicant's business and project are economically sound and will benefit the people of Indiana by increasing or maintaining opportunities for employment and strengthening the economy of Indiana.
- (9) The communities affected by the potential reduction in jobs or relocation of jobs to another site outside Indiana have committed local incentives with respect to the retention of jobs in an amount determined by the corporation. For purposes of this subdivision, local incentives include, but are not limited to, cash grants, tax abatements, infrastructure improvements, investment in facility rehabilitation, construction, and training investments.
- (10) The credit is not prohibited by section 16 of this chapter.
- (11) If the business is located in a community revitalization enhancement district established under IC 36-7-13 or a certified technology park established under IC 36-7-32, the legislative body of the political subdivision establishing the district or park has adopted an ordinance recommending the granting of a credit amount that is at least equal to the credit amount provided in the agreement.

As added by P.L.178-2002, SEC.45. Amended by P.L.4-2005, SEC.72; P.L.197-2005, SEC.5; P.L.137-2006, SEC.4; P.L.110-2010, SEC.15.

IC 6-3.1-13-15.7 Repealed

As added by P.L.167-2014, SEC.7. Repealed by P.L.74-2020, SEC.11.

IC 6-3.1-13-16 Relocation of jobs from one site to another within state; credit prohibited

Sec. 16. A person is not entitled to claim the credit provided by this chapter for any jobs that the person relocates from one (1) site in Indiana to another site in Indiana. Determinations under this section shall be made by the corporation.

As added by P.L.41-1994, SEC.1. Amended by P.L.4-2005, SEC.73.

IC 6-3.1-13-17 Amount of credit awarded; factors; conditions for a project without a physical location in Indiana

Sec. 17. (a) If the applicant proposes a project that will be located at a physical location in Indiana, in determining the credit amount that should be awarded to an applicant under section 15 of this chapter that proposes a project to create jobs in Indiana, the corporation may take into consideration the following factors:

- (1) The economy of the county where the projected investment is to occur.
- (2) The potential impact on the economy of Indiana.

- (3) The incremental payroll attributable to the project.
- (4) The capital investment attributable to the project.
- (5) The amount the average wage paid by the applicant exceeds the average wage paid:
 - (A) within the county in which the project will be located, in the case of an application submitted before January 1, 2006; or
 - (B) in the case of an application submitted after December 31, 2005:
 - (i) to all employees working in the same NAICS industry sector to which the applicant's business belongs in the county in which the applicant's business is located, if there is more than one (1) business in that NAICS industry sector in the county in which the applicant's business is located;
 - (ii) to all employees working in the same NAICS industry sector to which the applicant's business belongs in Indiana, if the applicant's business is the only business in that NAICS industry sector in the county in which the applicant's business is located but there is more than one (1) business in that NAICS industry sector in Indiana; or
 - (iii) to all employees working in the same county as the county in which the applicant's business is located, if there is no other business in Indiana in the same NAICS industry sector to which the applicant's business belongs.
- (6) The costs to Indiana and the affected political subdivisions with respect to the project.
- (7) The financial assistance and incentives that are otherwise provided by Indiana and the affected political subdivisions.
- (8) The extent to which the incremental income tax withholdings attributable to the applicant's project are needed for the purposes of an incremental tax financing fund or industrial development fund under IC 36-7-13 or a certified technology park fund under IC 36-7-32.

As appropriate, the corporation shall consider the factors in this subsection to determine the credit amount awarded to an applicant for a project to retain existing jobs in Indiana under section 15.5 of this chapter.

(b) Subject to the limitations of subsection (c), if an applicant proposes a project that proposes to create new jobs in Indiana but does not propose a physical location in Indiana, the corporation may consider the following factors:

- (1) The potential impact on the economy in Indiana.
- (2) The incremental payroll attributable to the project.
- (3) The amount of average wage paid by the applicant that exceeds the average wage paid to all employees working in the same NAICS industry sector to which the applicant's business belongs in Indiana.
- (4) The cost to Indiana with respect to the project.
- (5) The financial assistance and incentives that are otherwise provided by Indiana.
- (6) The extent of Indiana income tax that is paid by eligible employees.

(c) An applicant proposing a project that meets the requirements of subsection (b) must propose:

- (1) to create at least fifty (50) new full-time jobs; and
- (2) to pay an average hourly wage of at least one hundred fifty percent (150%) of the state average wage;

in order to be eligible to receive a credit under this chapter.

As added by P.L.41-1994, SEC.1. Amended by P.L.178-2002, SEC.46; P.L.4-2005, SEC.74; P.L.197-2005, SEC.6; P.L.135-2022, SEC.7.

IC 6-3.1-13-18 Duration of credit; maximum credit with respect to job creation; prohibit computation of credit

Sec. 18. (a) The corporation shall determine the amount and duration of a tax credit awarded under this chapter. The duration of the credit may not exceed twenty (20) taxable

years. The credit may be stated as a percentage of the incremental income tax withholdings attributable to the applicant's project and may include a fixed dollar limitation. In the case of a credit awarded for a project to create new jobs in Indiana, the credit amount may not exceed the incremental income tax withholdings. However, the credit amount claimed for a taxable year may exceed the taxpayer's state tax liability for the taxable year, in which case the excess may, at the discretion of the corporation, be refunded to the taxpayer.

(b) This subsection does not apply to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. A credit under this chapter may not be computed on any amount withheld from an individual or paid to an individual for services provided in Indiana as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

As added by P.L. 41-1994, SEC. 1. Amended by P.L. 178-2002, SEC. 47; P.L. 4-2005, SEC. 75; P.L. 197-2005, SEC. 7; P.L. 137-2006, SEC. 5; P.L. 171-2011, SEC. 6; P.L. 213-2015, SEC. 84; P.L. 86-2018, SEC. 73; P.L. 135-2022, SEC. 8.

IC 6-3.1-13-19 Agreement for tax credit with respect to job creation; requirements

Sec. 19. In the case of a credit awarded for a project to create new jobs in Indiana, the corporation shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all of the following:

- (1) A detailed description of the project that is the subject of the agreement.
- (2) The duration of the tax credit and the first taxable year for which the credit may be claimed.
- (3) The credit amount that will be allowed for each taxable year.
- (4) A requirement that the taxpayer shall maintain operations at the project location for at least two (2) years following the last taxable year in which the applicant claims the tax credit or carries over an unused part of the tax credit under section 18 of this chapter. A taxpayer is subject to an assessment under section 22 of this chapter for noncompliance with the requirement described in this subdivision.
- (5) A specific method for determining the number of new employees employed during a taxable year who are performing jobs not previously performed by an employee.
- (6) A requirement that the taxpayer shall annually report to the corporation the number of new employees who are performing jobs not previously performed by an employee, the new income tax revenue withheld in connection with the new employees, and any other information the corporation needs to perform the corporation's duties under this chapter.
- (7) A requirement that the corporation is authorized to verify with the appropriate state agencies the amounts reported under subdivision (6), and after doing so shall issue a certificate to the taxpayer stating that the amounts have been verified.
- (8) A requirement that the taxpayer shall provide written notification to the corporation not more than thirty (30) days after the taxpayer makes or receives a proposal that would transfer the taxpayer's state tax liability obligations to a successor taxpayer.
- (9) Any other performance conditions that the corporation determines are appropriate.

As added by P.L. 41-1994, SEC. 1. Amended by P.L. 178-2002, SEC. 48; P.L. 4-2005, SEC. 76; P.L. 197-2005, SEC. 8; P.L. 145-2016, SEC. 25.

IC 6-3.1-13-19.5 Agreement for tax credit with respect to job retention; requirements

Sec. 19.5. (a) In the case of a credit awarded for a project to retain existing jobs in Indiana, the corporation shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all of the following:

- (1) A detailed description of the business that is the subject of the agreement.

(2) The duration of the tax credit and the first taxable year for which the credit may be claimed.

(3) The credit amount that will be allowed for each taxable year.

(4) A requirement that the applicant shall maintain operations at the project location for at least two (2) years following the last taxable year in which the applicant claims the tax credit or carries over an unused part of the tax credit under section 18 of this chapter. An applicant is subject to an assessment under section 22 of this chapter for noncompliance with the requirement described in this subdivision.

(5) A requirement that the applicant shall annually report the following to the corporation:

(A) The number of employees who are employed in Indiana by the applicant.

(B) The compensation (including benefits) paid to the applicant's employees in Indiana.

(C) The amount of the:

(i) facility improvements;

(ii) equipment and machinery upgrades, repairs, or retrofits; or

(iii) other direct business related investments, including training.

(6) A requirement that the applicant shall provide written notification to the corporation not more than thirty (30) days after the applicant makes or receives a proposal that would transfer the applicant's state tax liability obligations to a successor taxpayer.

(7) Any other performance conditions that the corporation determines are appropriate.

(b) An agreement between an applicant and the corporation must be submitted to the budget committee for review and must be approved by the budget agency before an applicant is awarded a credit under this chapter for a project to retain existing jobs in Indiana.

As added by P.L.178-2002, SEC.49. Amended by P.L.4-2005, SEC.77; P.L.197-2005, SEC.9; P.L.145-2016, SEC.26.

IC 6-3.1-13-19.7 Repealed

As added by P.L.167-2014, SEC.8. Amended by P.L.145-2016, SEC.27. Repealed by P.L.74-2020, SEC.12.

IC 6-3.1-13-20 Claiming credit; election to receive payment in lieu of credit; submission of required information to department of state revenue

Sec. 20. (a) Except as provided in subsection (b), a taxpayer claiming a credit under this chapter must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue all information that the department determines necessary for the calculation of the credit provided by this chapter and the determination of whether the credit was properly claimed.

(b) Notwithstanding subsection (a), if a taxpayer is entitled to a credit under this chapter, the taxpayer may, with the approval of the corporation, elect to forgo claiming the credit against any state tax liability and submit the credit to the department with a request to receive a payment from the corporation, to be paid from funds appropriated to the corporation for business promotion and innovation that is equal to the credit for that taxable year as provided in IC 6-3-5-5.

As added by P.L.41-1994, SEC.1. Amended by P.L.4-2005, SEC.78; P.L.135-2022, SEC.9; P.L.213-2025, SEC.74.

IC 6-3.1-13-21 Pass through entity; calculation of tax credit; shareholder or partner claiming credit; refundable credits

Sec. 21. (a) If a pass through entity does not have state income tax liability against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled

to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

(b) The credit provided under subsection (a) is in addition to a tax credit to which a shareholder or partner of a pass through entity is otherwise entitled under a separate agreement under this chapter. A pass through entity and a shareholder or partner of the pass through entity may not claim more than one (1) credit under the same agreement.

(c) Subsection (d) applies:

- (1) only to a pass through entity that is a limited liability company or a limited liability partnership owned wholly or in part by an electric cooperative incorporated under IC 8-1-13; and
- (2) if, at the request of the pass through entity, the corporation finds that the amount of the average wage to be paid by the pass through entity will be at least double the average wage paid:

(A) in the county in which the project will be located, in the case of an application submitted before January 1, 2006; or

(B) in the case of an application submitted after December 31, 2005:

- (i) to all employees working in the same NAICS industry sector to which the applicant's business belongs in the county in which the applicant's business is located, if there is more than one (1) business in that NAICS industry sector in the county in which the applicant's business is located;
- (ii) to all employees working in the same NAICS industry sector to which the applicant's business belongs in Indiana, if the applicant's business is the only business in that NAICS industry sector in the county in which the applicant's business is located but there is more than one (1) business in that NAICS industry sector in Indiana; or
- (iii) to all employees working in the same county as the county in which the applicant's business is located, if there is no other business in Indiana in the same NAICS industry sector to which the applicant's business belongs.

(d) The corporation may determine that:

- (1) a credit shall be claimed by the pass through entity described in subsection (c); and
- (2) if the credit exceeds the pass through entity's state income tax liability for the taxable year, the excess shall be refunded to the pass through entity.

If the corporation grants a refund directly to a pass through entity under this subsection, the pass through entity shall claim the refund on forms prescribed by the department of state revenue.

As added by P.L.41-1994, SEC.1. Amended by P.L.81-2004, SEC.14; P.L.4-2005, SEC.79; P.L.197-2005, SEC.10.

IC 6-3.1-13-22 Noncompliance with agreement; assessments

Sec. 22. If the corporation determines that a taxpayer who has claimed a credit under this chapter is not entitled to the credit because of the taxpayer's noncompliance with the requirements of the tax credit agreement or all of the provisions of this chapter, the corporation shall, after giving the taxpayer an opportunity to explain the noncompliance:

- (1) notify the department of state revenue of the noncompliance; and
- (2) request the department of state revenue to impose an assessment on the taxpayer in an amount that may not exceed the sum of any previously allowed credits under this chapter together with interest and penalties required or permitted by law.

As added by P.L.41-1994, SEC.1. Amended by P.L.4-2005, SEC.80; P.L.145-2016, SEC.28.

IC 6-3.1-13-23 Repealed

As added by P.L.41-1994, SEC.1. Amended by P.L.28-2004, SEC.65; P.L.4-2005, SEC.81. Repealed by P.L.222-2007, SEC.2.

IC 6-3.1-13-24 Biennial evaluation by Indiana economic development corporation

Sec. 24. On a biennial basis, the corporation shall provide for an evaluation of the tax credit program. The evaluation shall include an assessment of the effectiveness of the program in creating new jobs and retaining existing jobs in Indiana and of the revenue impact of the program, and may include a review of the practices and experiences of other states with similar programs. The corporation shall include a report on the evaluation in the economic incentives and compliance report submitted under IC 5-28-28 for the calendar year in which the evaluation is completed.

As added by P.L.41-1994, SEC.1. Amended by P.L.178-2002, SEC.50; P.L.4-2005, SEC.82; P.L.145-2016, SEC.29; P.L.130-2018, SEC.25.

IC 6-3.1-13-25 Rules adoption; fees

Sec. 25. The corporation may adopt rules under IC 4-22-2 necessary to implement this chapter. The rules may provide for recipients of tax credits under this chapter to be charged fees to cover administrative costs of the tax credit program. Fees collected shall be deposited in the economic development for a growing economy fund.

As added by P.L.41-1994, SEC.1. Amended by P.L.4-2005, SEC.83.

IC 6-3.1-13-26 Economic development for a growing economy fund; use; investments; appropriations

Sec. 26. (a) The economic development for a growing economy fund is established to be used exclusively for the purposes of this chapter and IC 6-3.1-26, including paying for the costs of administering this chapter and IC 6-3.1-26. The fund shall be administered by the corporation.

(b) The fund consists of collected fees, appropriations from the general assembly, and gifts and grants to the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for the purposes of this chapter. Expenditures from the fund are subject to appropriation by the general assembly and approval by the budget agency.

As added by P.L.41-1994, SEC.1. Amended by P.L.224-2003, SEC.193; P.L.4-2005, SEC.84.

IC 6-3.1-13-27 Repealed

As added by P.L.114-2000, SEC.1. Amended by P.L.170-2002, SEC.24; P.L.4-2005, SEC.85; P.L.162-2007, SEC.28. Repealed by P.L.113-2010, SEC.168.

IC 6-3.1-13-28 Repealed

As added by P.L.205-2013, SEC.83. Repealed by P.L.130-2018, SEC.26.

IC 6-3.1-13-29 Credit subject to annual aggregate credit limit

Sec. 29. A tax credit awarded under this chapter is subject to the limitations set forth in IC 5-28-6-9.

As added by P.L.213-2025, SEC.75.