



January 25, 2000

SENATE BILL No. 171

DIGEST OF SB 171 (Updated January 24, 2000 11:04 AM - DI 51)

Citations Affected: IC 4-4; IC 6-3.1; noncode.

Synopsis: Enterprise zones. Provides that for purposes of the enterprise zone statutes, the term "zone business" includes an entity that claims certain tax benefits available to businesses located in an enterprise zone. Specifies that before a taxpayer may claim the enterprise zone loan interest credit, the taxpayer must: (1) pay the enterprise zone registration fee; (2) provide the additional assistance to urban enterprise associations that is required from zone businesses; and (3) comply requirements adopted by the enterprise zone board for taxpayers claiming the credit. (The introduced version of this bill was prepared by the interim study committee on economic development issues.)

Effective: January 1, 2000 (retroactive).

**Skillman, Simpson, Blade, Alting,
Merritt**

January 10, 2000, read first time and referred to Committee on Planning and Economic Development.
January 24, 2000, amended, reported favorably — Do Pass.

SB 171—LS 6348/DI 73+



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January 25, 2000

Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

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SENATE BILL No. 171



A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

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

- 1 SECTION 1. IC 4-4-6.1-1.1 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]:
- 3 Sec. 1.1. As used in this chapter, "zone business" means any entity that
- 4 accesses at least one (1) tax credit or exemption incentive available
- 5 under this chapter, **IC 6-1.1-20.8, IC 6-2.1-3-32, or IC 6-3-3-10.**
- 6 SECTION 2. IC 6-3.1-7-2, AS AMENDED BY P.L.120-1999,
- 7 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JANUARY 1, 2000 (RETROACTIVE)]: Sec. 2. (a) A taxpayer is
- 9 entitled to a credit against ~~his~~ **the taxpayer's** state tax liability for a
- 10 taxable year if ~~he~~ **the taxpayer:**
- 11 (1) receives interest on a qualified loan in that taxable year;
- 12 (2) **pays the registration fee charged to zone businesses under**
- 13 **IC 4-4-6.1-2;**
- 14 (3) **provides the assistance to urban enterprise associations**
- 15 **required from zone businesses under IC 4-4-6.1-2(b); and**
- 16 (4) **complies with any requirements adopted by the enterprise**
- 17 **zone board under IC 4-4-6.1 for taxpayers claiming the credit**

SB 171—LS 6348/DI 73+



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under this chapter.
However, if a taxpayer is located outside of an enterprise zone, subdivision (4) does not require the taxpayer to reinvest its incentives under this section within the enterprise zone, except as provided in subdivisions (2) and (3).

(b) The amount of the credit to which a taxpayer is entitled under this section is five percent (5%) multiplied by the amount of interest received by the taxpayer during the taxable year from qualified loans.

(c) If a pass through entity is entitled to a credit under subsection (a) but does not have state tax liability against which the tax credit may be applied, an individual who is a shareholder, partner, beneficiary, or member 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, partner, beneficiary, or member is entitled.

The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner, beneficiary, or member of a pass through entity is entitled. However, a pass through entity and an individual who is a shareholder, partner, beneficiary, or member of a pass through entity may not claim more than one (1) credit for the qualified expenditure.

**SECTION 3. [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]
IC 4-4-6.1-1.1 and IC 6-3.1-7-2, both as amended by this act, apply to taxable years beginning after December 31, 1999.**

SECTION 4. An emergency is declared for this act.

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SENATE MOTION

Mr. President: I move that Senator Simpson be added as second author and Senators Blade and Alting be added as coauthors of Senate Bill 171.

SKILLMAN

SENATE MOTION

Mr. President: I move that Senator Merritt be added as coauthor of Senate Bill 171.

SKILLMAN

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COMMITTEE REPORT

Mr. President: The Senate Committee on Planning and Economic Development, to which was referred Senate Bill No. 171, 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, line 5, delete "IC 6-3-2-8," and insert "or".

Page 1, line 6, delete ", or IC 6-3.1-10".

Page 1, line 17, delete "reinvestment".

Page 2, between lines 2 and 3, begin a new line blocked left and insert:

"However, if a taxpayer is located outside of an enterprise zone, subdivision (4) does not require the taxpayer to reinvest its incentives under this section within the enterprise zone, except as provided in subdivisions (2) and (3)."

and when so amended that said bill do pass.

(Reference is to SB 171 as introduced.)

LUBBERS, Chairperson

Committee Vote: Yeas 8, Nays 0.

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