

SENATE BILL No. 281

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-13.5.

Synopsis: Capital investment tax credit. Extends the capital investment tax credit to a project located in Kokomo. Updates population parameters to reflect changes in the 2000 decennial census.

Effective: January 1, 2003.

Johnson

January 7, 2002, read first time and referred to Committee on Finance.

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Second Regular Session 112th General Assembly (2002)

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 2001 General Assembly.

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SENATE BILL No. 281



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 6-3.1-13.5-3, AS ADDED BY P.L.291-2001,
2 SECTION 177, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JANUARY 1, 2003]: Sec. 3. As used in this chapter,
4 "qualified investment" means the amount of the taxpayer's expenditures
5 ~~for:~~ **that satisfy the following criteria:**

6 **(1) The expenditures are for:**

- 7 ~~(1)~~ **(A)** the purchase of new manufacturing or production
- 8 equipment;
- 9 ~~(2)~~ **(B)** the purchase of new computers and related equipment;
- 10 ~~(3)~~ **(C)** costs associated with the modernization of existing
- 11 manufacturing facilities;
- 12 ~~(4)~~ **(D)** onsite infrastructure improvements;
- 13 ~~(5)~~ **(E)** the construction of new manufacturing facilities; **or**
- 14 ~~(6)~~ **(F)** costs associated with retooling existing machinery and
- 15 equipment. ~~and~~

16 **(2) The expenditures are for either:**

- 17 ~~(7)~~ **(A)** costs associated with **a project described in**



1 **subdivision (3)(A) for the construction of special purpose**
 2 **buildings and foundations for use in the computer, software,**
 3 **biological sciences, or telecommunications industry; or**
 4 **(B) costs associated with a project described in subdivision**
 5 **(3)(B) for the construction of special purpose buildings and**
 6 **foundations for use in the manufacture of high technology**
 7 **products.**

8 **(3) The expenditures are either:**

9 **(A) that are certified by the department under section 10 of**
 10 **this chapter as being eligible for the credit under this chapter,**
 11 **if the equipment, machinery, facilities improvements,**
 12 **facilities, buildings, or foundations are installed or used for a**
 13 **project having an estimated total cost of at least seventy-five**
 14 **million dollars (\$75,000,000) and in a county having a**
 15 **population of more than ~~forty thousand (40,000)~~ but less than**
 16 **~~forty-one thousand (41,000);~~ forty-three thousand (43,000)**
 17 **but less than forty-five thousand (45,000); or**

18 **(B) certified by the department under section 10 of this**
 19 **chapter as being eligible for the credit under this chapter,**
 20 **if the equipment, machinery, facilities improvements,**
 21 **facilities, buildings, or foundations are installed or used for**
 22 **a project having an estimated total cost of at least fifty**
 23 **million dollars (\$50,000,000) and in a city having a**
 24 **population of more than ~~forty-six thousand (46,000)~~ but**
 25 **less than ~~forty-six thousand five hundred (46,500).~~**

26 SECTION 2. IC 6-3.1-13.5-7, AS ADDED BY P.L.291-2001,
 27 SECTION 177, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JANUARY 1, 2003]: Sec. 7. **(a) This section does not**
 29 **apply to a project described in section 3(3)(B) of this chapter.**

30 **(b) A taxpayer may claim the credit under this chapter only if:**

31 (1) the average wage paid by the taxpayer to its Indiana
 32 employees within the county in which the qualifying investment
 33 is made exceeds the average wage paid in that county; or

34 (2) the taxpayer certifies to the department and provides proof as
 35 determined by the department that, as a result of the qualifying
 36 investment, the average wage paid by the taxpayer to its Indiana
 37 employees within the county in which the qualifying investment
 38 is made will exceed the average wage paid in that county.

39 SECTION 3. IC 6-3.1-13.5-14 IS ADDED TO THE INDIANA
 40 CODE AS A NEW SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE JANUARY 1, 2003]: **Sec. 14. (a) This section applies**
 42 **only to a project described in section 3(3)(B) of this chapter.**



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(b) If:

- (1) a taxpayer sells either the entire business or a part of the business;**
- (2) assets that are qualified investments as defined in section 3 of this chapter are transferred as a part of the sale; and**
- (3) the taxpayer has unused capital investment tax credits allowed under this chapter;**

the person acquiring the assets that are qualified investments may claim the remainder of the taxpayer's unused capital investment tax credits. The unused credit may be carried forward under section 9 of this chapter as if the credit were being claimed by the original taxpayer.

SECTION 4. [EFFECTIVE JANUARY 1, 2003] (a) IC 6-3.1-13.5-3 and IC 6-3.1-13.5-7, both as amended by this act, apply to taxable years beginning after December 31, 2002.

(b) IC 6-3.1-13.5-14, as added by this act, applies to taxable years beginning after December 31, 2002.

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