

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7320
BILL NUMBER: HB 1006

NOTE PREPARED: Jan 10, 2005
BILL AMENDED:

SUBJECT: Economic development tax incentives.

FIRST AUTHOR: Rep. Borror
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: Changes the minimum personal property tax depreciation floor from 30% to 15%. Makes permanent the authority of local designating bodies to grant certain tax abatements. Allows a designating body in any county to grant tax abatement for new logistical distribution equipment and new information technology equipment. Allows tax abatement to be granted after December 31, 2005. Exempts purchases of research and development equipment from sales tax. Provides that, for purposes of the adjusted gross income tax, business income is apportioned based only on the sales factor. Changes the qualifications for an economic development for a growing economy (EDGE) tax credit to retain existing jobs in Indiana. Increases the maximum amount of venture capital investment tax credits that may be granted in a year from \$10,000,000 to \$20,000,000. Repeals a provision restricting the time in which a statement of benefits for a tax abatement may be approved. Extends the deadline for creation of tax increment finance (TIF) areas from December 31, 2005, to December 31, 2015.

Effective Date: July 1, 2005; January 1, 2006.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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