



April 5, 2011

**ENGROSSED  
SENATE BILL No. 585**

DIGEST OF SB 585 (Updated March 31, 2011 10:15 am - DI 113)

**Citations Affected:** IC 36-7.

**Synopsis:** Certified technology parks. Allows a certified technology park to capture incremental state income and sales taxes and local income taxes for a business that incubated in the park and then relocates outside the park but within the same county. Phases out the amount of the captured increment over five years. Allows a certified technology park to apply to the Indiana economic development corporation (IEDC) to redraw the boundaries of its district at the time of a recertification. Allows the IEDC to redraw the district if the IEDC finds that certain conditions are present.

**Effective:** July 1, 2011.

**Lanane, Young R Michael**

(HOUSE SPONSORS — STEMLER, AUSTIN, LUTZ, RESKE)

January 20, 2011, read first time and referred to Committee on Commerce & Economic Development.  
February 15, 2011, amended, reported favorably — Do Pass.  
February 17, 2011, read second time, ordered engrossed.  
February 18, 2011, engrossed.  
February 22, 2011, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION

March 28, 2011, read first time and referred to Committee on Commerce, Small Business and Economic Development.  
April 4, 2011, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

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ES 585—LS 6938/DI 58+



April 5, 2011

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 585

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 36-7-32-6 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. As used in this  
 3 chapter, "gross retail base period amount" means the aggregate amount  
 4 of state gross retail and use taxes remitted under IC 6-2.5 **during the**  
 5 **full state fiscal year that precedes the date on which the certified**  
 6 **technology park was designated under section 11 of this chapter:**  
 7 (1) by the businesses operating in the territory comprising a  
 8 certified technology park during the full state fiscal year that  
 9 precedes the date on which the certified technology park was  
 10 designated under section 11 of this chapter; or  
 11 (2) **in the case of a certified technology park modified under**  
 12 **section 10(c) of this chapter, by the businesses operating in the**  
 13 **territory comprising a certified technology park during:**  
 14 (A) **the full state fiscal year that precedes the date on which**  
 15 **the certified technology park was designated under section**  
 16 **11 of this chapter; and**  
 17 (B) **the full state fiscal year that precedes the date on which**

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**the certified technology park was modified under section 10(c) of this chapter.**

SECTION 2. IC 36-7-32-6.5, AS ADDED BY P.L.199-2005, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6.5. As used in this chapter, "gross retail incremental amount" means the remainder of:

(1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the territory comprising a certified technology park during a state fiscal year; minus

(2) the gross retail base period amount;

as determined by the department of state revenue. **However, the gross retail incremental amount may be temporarily increased as provided in section 10.5 of this chapter.**

SECTION 3. IC 36-7-32-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 8. (a) As used in this chapter, "income tax base period amount" means the aggregate amount of the following taxes paid **for work in the certified technology park for the state fiscal year that precedes the date on which the certified technology park was designated under section 11 of this chapter** by employees employed in the territory comprising a certified technology park with respect to wages and salary earned for work in the certified technology park for the state fiscal year that precedes the date on which the certified technology park was designated under section 11 of this chapter:

- (1) The adjusted gross income tax.
- (2) The county adjusted gross income tax.
- (3) The county option income tax.
- (4) The county economic development income tax.

**(b) However, in the case of a certified technology park that was modified under section 10(c) of this chapter, the term means taxes paid for work by employees who are employed in the territory comprising a certified technology park for:**

- (1) the state fiscal year that precedes the date on which the certified technology park was designated under section 11 of this chapter; and**
- (2) the state fiscal year that precedes the date on which the certified technology park was modified under section 10(c) of this chapter.**

SECTION 4. IC 36-7-32-8.5, AS ADDED BY P.L.199-2005, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 8.5. As used in this chapter, "income tax

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1 incremental amount" means the remainder of:  
 2 (1) the total amount of state adjusted gross income taxes, county  
 3 adjusted gross income tax, county option income taxes, and  
 4 county economic development income taxes paid by employees  
 5 employed in the territory comprising the certified technology park  
 6 with respect to wages and salary earned for work in the territory  
 7 comprising the certified technology park for a particular state  
 8 fiscal year; minus  
 9 (2) the sum of the:  
 10 (A) income tax base period amount; and  
 11 (B) tax credits awarded by the economic development for a  
 12 growing economy board under IC 6-3.1-13 to businesses  
 13 operating in a certified technology park as the result of wages  
 14 earned for work in the certified technology park for the state  
 15 fiscal year;  
 16 as determined by the department of state revenue. **However, the**  
 17 **income tax incremental amount may be temporarily increased as**  
 18 **provided in section 10.5 of this chapter.**  
 19 SECTION 5. IC 36-7-32-10, AS AMENDED BY P.L.203-2005,  
 20 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2011]: Sec. 10. (a) A unit may apply to the Indiana economic  
 22 development corporation for designation of all or part of the territory  
 23 within the jurisdiction of the unit's redevelopment commission as a  
 24 certified technology park and to enter into an agreement governing the  
 25 terms and conditions of the designation. The application must be in a  
 26 form specified by the Indiana economic development corporation and  
 27 must include information the corporation determines necessary to make  
 28 the determinations required under section 11 of this chapter.  
 29 (b) This subsection applies only to a unit in which a certified  
 30 technology park designated before January 1, 2005, is located. A unit  
 31 may apply to the Indiana economic development corporation for  
 32 permission to expand the unit's certified technology park to include  
 33 territory that is adjacent to the unit's certified technology park but  
 34 located in another county. The corporation shall grant the unit  
 35 permission to expand the certified technology park if the unit and the  
 36 redevelopment commission having jurisdiction over the adjacent  
 37 territory approve the proposed expansion in a resolution. A certified  
 38 copy of each resolution approving the proposed expansion must be  
 39 attached to the application submitted under this subsection.  
 40 (c) **At the same time as the review and recertification process**  
 41 **under section 11 of this chapter, a unit may apply to the Indiana**  
 42 **economic development corporation for permission to modify the**

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1 territory of a certified technology park located within the unit. The  
2 Indiana economic development corporation may grant the unit  
3 permission to modify the territory of the certified technology park  
4 if the corporation finds all the following conditions are satisfied:

5 (1) The unit approves the proposed modification in a  
6 resolution and a certified copy of the resolution is attached to  
7 the application.

8 (2) The application is in a form specified by the Indiana  
9 economic development corporation and includes information  
10 the corporation determines necessary to make the  
11 determinations required by this subsection and section 11 of  
12 this chapter.

13 (3) The territory contained a business that:

14 (A) was located in the certified technology park on the date  
15 that the certified technology park was designated under  
16 section 11 of this chapter;

17 (B) successfully grew its business within the certified  
18 technology park; and

19 (C) subsequently relocated within the county in which the  
20 certified technology park is located but outside the  
21 territory of the certified technology park, and this  
22 relocation contributed to:

23 (i) the gross retail base period amount being greater than  
24 the gross retail incremental amount; and

25 (ii) the gross income tax base period amount being  
26 greater than the income tax incremental amount;

27 for the certified technology park.

28 (4) The modification of the territory will enhance the  
29 development of the certified technology park.

30 SECTION 6. IC 36-7-32-10.5 IS ADDED TO THE INDIANA  
31 CODE AS A NEW SECTION TO READ AS FOLLOWS  
32 [EFFECTIVE JULY 1, 2011]: Sec. 10.5. (a) The gross retail  
33 incremental amount and the income tax incremental amount shall  
34 be temporarily increased if the Indiana economic development  
35 corporation finds that a business:

36 (1) was located in the certified technology park on the date  
37 that the certified technology park was designated under  
38 section 11 of this chapter;

39 (2) successfully grew its business within the certified  
40 technology park; and

41 (3) subsequently relocated within the county in which the  
42 certified technology park is located but outside the territory

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1 of the certified technology park, and this relocation  
2 contributed to:

3 (A) the gross retail base period amount being greater than  
4 the gross retail incremental amount; and

5 (B) the gross income tax base period amount being greater  
6 than the income tax incremental amount;

7 for the certified technology park.

8 (b) The amount of the temporary increase in the gross retail  
9 incremental amount and the income tax incremental amount is  
10 equal to that part of the gross retail incremental amount and the  
11 income tax incremental amount attributable to the business in the  
12 last state fiscal year before its relocation multiplied by the  
13 following:

14 (1) Eighty percent (80%) for the first year following the  
15 relocation.

16 (2) Sixty percent (60%) for the second year following the  
17 relocation.

18 (3) Forty percent (40%) for the third year following the  
19 relocation.

20 (4) Twenty percent (20%) for the fourth year following the  
21 relocation.

22 After the fourth year following the relocation, the gross retail  
23 incremental amount and the income tax incremental amount is the  
24 amount determined without regard to this section.

25 (c) The Indiana economic development corporation shall  
26 provide the unit and department of state revenue a written  
27 confirmation of its findings. Not later than sixty (60) days after  
28 receiving a copy of the confirmation, the department of state  
29 revenue shall determine the gross retail incremental amount and  
30 the income tax incremental amount to be used after applying the  
31 temporary increase.

32 SECTION 7. IC 36-7-32-12, AS AMENDED BY P.L.154-2007,  
33 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JULY 1, 2011]: Sec. 12. A redevelopment commission and the  
35 legislative body of the unit that established the redevelopment  
36 commission may enter into an agreement with the Indiana economic  
37 development corporation establishing the terms and conditions  
38 governing a certified technology park designated under section 11 of  
39 this chapter **or modified under section 10(c) of this chapter**. Upon  
40 designation **or modification** of the certified technology park under the  
41 terms of the agreement, the subsequent failure of any party to comply  
42 with the terms of the agreement may result in the termination or

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1 rescission of the designation of the area as a certified technology park.  
2 The agreement must include the following provisions:

3 (1) A description of the area to be included within the certified  
4 technology park.

5 (2) Covenants and restrictions, if any, upon all or a part of the  
6 properties contained within the certified technology park and  
7 terms of enforcement of any covenants or restrictions.

8 (3) The financial commitments of any party to the agreement and  
9 of any owner or developer of property within the certified  
10 technology park.

11 (4) The terms of any commitment required from a postsecondary  
12 educational institution or private research based institute for  
13 support of the operations and activities within the certified  
14 technology park.

15 (5) The terms of enforcement of the agreement, which may  
16 include the definition of events of default, cure periods, legal and  
17 equitable remedies and rights, and penalties and damages, actual  
18 or liquidated, upon the occurrence of an event of default.

19 (6) The public facilities to be developed for the certified  
20 technology park and the costs of those public facilities, as  
21 approved by the Indiana economic development corporation.

22 SECTION 8. IC 36-7-32-20 IS AMENDED TO READ AS  
23 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 20. (a) After entering  
24 into an agreement under section 12 of this chapter, the redevelopment  
25 commission shall send to the department of state revenue:

26 (1) a certified copy of the designation of the certified technology  
27 park under section 11 of this chapter **or modification under**  
28 **section 10(c) of this chapter;**

29 (2) a certified copy of the agreement entered into under section 12  
30 of this chapter; and

31 (3) a complete list of the employers in the certified technology  
32 park and the street names and the range of street numbers of each  
33 street in the certified technology park.

34 The redevelopment commission shall update the list provided under  
35 subdivision (3) before July 1 of each year.

36 (b) Not later than sixty (60) days after receiving a copy of the  
37 designation **or modification** of the certified technology park, the  
38 department of state revenue shall determine the gross retail base period  
39 amount and the income tax base period amount.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Economic Development, to which was referred Senate Bill No. 585, 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 2, delete lines 3 through 14.
- Page 2, delete lines 40 through 42.
- Page 3, delete lines 1 through 18.
- Page 4, line 2, delete "shall" and insert "**may**".
- Page 4, delete lines 30 through 42.
- Page 5, delete lines 1 through 31.
- Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 585 as introduced.)

YOUNG R MICHAEL, Chairperson

Committee Vote: Yeas 9, Nays 0.

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 COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Small Business and Economic Development, to which was referred Senate Bill 585, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 2. IC 36-7-32-6.5, AS ADDED BY P.L.199-2005, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6.5. As used in this chapter, "gross retail incremental amount" means the remainder of:

- (1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the territory comprising a certified technology park during a state fiscal year; minus
- (2) the gross retail base period amount;

as determined by the department of state revenue. **However, the gross retail incremental amount may be temporarily increased as provided in section 10.5 of this chapter.**"

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Page 2, between lines 27 and 28, begin a new paragraph and insert:  
"SECTION 4. IC 36-7-32-8.5, AS ADDED BY P.L.199-2005, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 8.5. As used in this chapter, "income tax incremental amount" means the remainder of:

- (1) the total amount of state adjusted gross income taxes, county adjusted gross income tax, county option income taxes, and county economic development income taxes paid by employees employed in the territory comprising the certified technology park with respect to wages and salary earned for work in the territory comprising the certified technology park for a particular state fiscal year; minus
- (2) the sum of the:
  - (A) income tax base period amount; and
  - (B) tax credits awarded by the economic development for a growing economy board under IC 6-3.1-13 to businesses operating in a certified technology park as the result of wages earned for work in the certified technology park for the state fiscal year;

as determined by the department of state revenue. **However, the income tax incremental amount may be temporarily increased as provided in section 10.5 of this chapter.**"

Page 3, between lines 38 and 39, begin a new paragraph and insert:  
"SECTION 6. IC 36-7-32-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 10.5. (a) The gross retail incremental amount and the income tax incremental amount shall be temporarily increased if the Indiana economic development corporation finds that a business:**

- (1) was located in the certified technology park on the date that the certified technology park was designated under section 11 of this chapter;**
- (2) successfully grew its business within the certified technology park; and**
- (3) subsequently relocated within the county in which the certified technology park is located but outside the territory of the certified technology park, and this relocation contributed to:**
  - (A) the gross retail base period amount being greater than the gross retail incremental amount; and**
  - (B) the gross income tax base period amount being greater than the income tax incremental amount;**

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for the certified technology park.

(b) The amount of the temporary increase in the gross retail incremental amount and the income tax incremental amount is equal to that part of the gross retail incremental amount and the income tax incremental amount attributable to the business in the last state fiscal year before its relocation multiplied by the following:

- (1) Eighty percent (80%) for the first year following the relocation.
- (2) Sixty percent (60%) for the second year following the relocation.
- (3) Forty percent (40%) for the third year following the relocation.
- (4) Twenty percent (20%) for the fourth year following the relocation.

After the fourth year following the relocation, the gross retail incremental amount and the income tax incremental amount is the amount determined without regard to this section.

(c) The Indiana economic development corporation shall provide the unit and department of state revenue a written confirmation of its findings. Not later than sixty (60) days after receiving a copy of the confirmation, the department of state revenue shall determine the gross retail incremental amount and the income tax incremental amount to be used after applying the temporary increase."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 585 as printed February 16, 2011.)

STEMLER, Chair

Committee Vote: yeas 9, nays 0.

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