



January 25, 2011

HOUSE BILL No. 1008

DIGEST OF HB 1008 (Updated January 20, 2011 10:21 am - DI 113)

Citations Affected: IC 6-3.1.

Synopsis: Tax benefits. Increases the maximum amount of tax credits available under the venture capital investment tax credit for the provision of qualified investment capital to a particular qualified Indiana business from \$500,000 to \$1,000,000 for calendar years after 2010. Requires investments eligible for the venture capital investment tax credit to be made before January 1, 2015, instead of January 1, 2013. Suspends, beginning July 1, 2011, and ending June 30, 2013, the application fee allowed in current law for applicants seeking certification for the venture capital investment tax credit.

Effective: January 1, 2011 (retroactive); July 1, 2011.

Torr, Heuer, Kubacki, Welch

January 12, 2011, read first time and referred to Committee on Commerce, Small Business and Economic Development.
January 24, 2011, reported — Do Pass.

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HB 1008—LS 6808/DI 113+



January 25, 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.

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HOUSE BILL No. 1008

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 6-3.1-24-7, AS AMENDED BY P.L.193-2005,
2 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]: Sec. 7. (a) The Indiana economic development
4 corporation shall certify that a business is a qualified Indiana business
5 if the corporation determines that the business:
6 (1) has its headquarters in Indiana;
7 (2) is primarily focused on professional motor vehicle racing,
8 commercialization of research and development, technology
9 transfers, or the application of new technology, or is determined
10 by the Indiana economic development corporation to have
11 significant potential to:
12 (A) bring substantial capital into Indiana;
13 (B) create jobs;
14 (C) diversify the business base of Indiana; or
15 (D) significantly promote the purposes of this chapter in any
16 other way;
17 (3) has had average annual revenues of less than ten million

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1 dollars (\$10,000,000) in the two (2) years preceding the year in
 2 which the business received qualified investment capital from a
 3 taxpayer claiming a credit under this chapter;
 4 (4) has:
 5 (A) at least fifty percent (50%) of its employees residing in
 6 Indiana; or
 7 (B) at least seventy-five percent (75%) of its assets located in
 8 Indiana; and
 9 (5) is not engaged in a business involving:
 10 (A) real estate;
 11 (B) real estate development;
 12 (C) insurance;
 13 (D) professional services provided by an accountant, a lawyer,
 14 or a physician;
 15 (E) retail sales, except when the primary purpose of the
 16 business is the development or support of electronic commerce
 17 using the Internet; or
 18 (F) oil and gas exploration.
 19 (b) A business shall apply to be certified as a qualified Indiana
 20 business on a form prescribed by the Indiana economic development
 21 corporation.
 22 (c) If a business is certified as a qualified Indiana business under
 23 this section, the Indiana economic development corporation shall
 24 provide a copy of the certification to the investors in the qualified
 25 Indiana business for inclusion in tax filings.
 26 (d) **Except as provided in subsection (e),** the Indiana economic
 27 development corporation may impose an application fee of not more
 28 than two hundred dollars (\$200).
 29 (e) **The Indiana economic development corporation may not**
 30 **impose the application fee authorized by subsection (d) for**
 31 **applications submitted during the period beginning July 1, 2011,**
 32 **and ending June 30, 2013.**
 33 SECTION 2. IC 6-3.1-24-8 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]:
 35 Sec. 8. (a) A certification provided under section 7 of this chapter must
 36 include notice to the investors of the maximum amount of tax credits
 37 available under this chapter for the provision of qualified investment
 38 capital to the qualified Indiana business.
 39 (b) **For a calendar year ending before January 1, 2011,** the
 40 maximum amount of tax credits available under this chapter for the
 41 provision of qualified investment capital to a particular qualified
 42 Indiana business equals the lesser of:

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- 1 (1) the total amount of qualified investment capital provided to
- 2 the qualified Indiana business in the calendar year, multiplied by
- 3 twenty percent (20%); or
- 4 (2) five hundred thousand dollars (\$500,000).

5 **(c) For a calendar year beginning after December 31, 2010, the**
 6 **maximum amount of tax credits available under this chapter for**
 7 **the provision of qualified investment capital to a particular**
 8 **qualified Indiana business equals the lesser of the following:**

- 9 (1) The total amount of qualified investment capital provided
- 10 to the qualified Indiana business in the calendar year,
- 11 multiplied by twenty percent (20%).
- 12 (2) One million dollars (\$1,000,000).

13 SECTION 3. IC 6-3.1-24-9, AS AMENDED BY P.L.211-2007,
 14 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2011]: Sec. 9. (a) The total amount of tax credits that may be
 16 allowed under this chapter in a particular calendar year for qualified
 17 investment capital provided during that calendar year may not exceed
 18 twelve million five hundred thousand dollars (\$12,500,000). The
 19 Indiana economic development corporation may not certify a proposed
 20 investment plan under section 12.5 of this chapter if the proposed
 21 investment would result in the total amount of the tax credits certified
 22 for the calendar year exceeding twelve million five hundred thousand
 23 dollars (\$12,500,000). An amount of an unused credit carried over by
 24 a taxpayer from a previous calendar year may not be considered in
 25 determining the amount of proposed investments that the Indiana
 26 economic development corporation may certify under this chapter.

27 (b) Notwithstanding the other provisions of this chapter, a taxpayer
 28 is not entitled to a credit for providing qualified investment capital to
 29 a qualified Indiana business after December 31, ~~2012~~. **2014**. However,
 30 this subsection may not be construed to prevent a taxpayer from
 31 carrying over to a taxable year beginning after December 31, ~~2012~~,
 32 **2014**, an unused tax credit attributable to an investment occurring
 33 before January 1, ~~2013~~. **2015**.

34 SECTION 4. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Small Business and Economic Development, to which was referred House Bill 1008, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

STEMLER, Chair

Committee Vote: yeas 13, nays 0.

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