



Reprinted
February 16, 2011

HOUSE BILL No. 1008

DIGEST OF HB 1008 (Updated February 15, 2011 2:41 pm - DI 113)

Citations Affected: IC 6-3.1.

Synopsis: Venture capital investment tax credit. Provides that if the Indiana economic development corporation (IEDC) publishes a study of the jobs that have been created by the venture capital investment tax credit on the IEDC's Internet web site before January 1, 2012, 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 increases from \$500,000 to \$1,000,000 for taxable years beginning after December 31, 2011. 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.
January 27, 2011, recommitted to Committee on Ways and Means pursuant to Rule 127.
February 10, 2011, reported — Do Pass.
February 15, 2011, read second time, amended, ordered engrossed.

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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) **This subsection applies unless the Indiana economic**
 40 **development corporation completes the requirements in section 14**
 41 **of this chapter before January 1, 2012.** The maximum amount of tax
 42 credits available under this chapter for the provision of qualified

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1 investment capital to a particular qualified Indiana business equals the
2 lesser of:

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

7 **(c) This subsection applies to taxable years beginning after**
8 **December 31, 2011, if the Indiana economic development**
9 **corporation completes the requirements in section 14 of this**
10 **chapter before January 1, 2012. The maximum amount of tax**
11 **credits available under this chapter for the provision of qualified**
12 **investment capital to a particular qualified Indiana business equals**
13 **the lesser of the following:**

- 14 **(1) The total amount of qualified investment capital provided**
- 15 **to the qualified Indiana business in the calendar year,**
- 16 **multiplied by twenty percent (20%).**
- 17 **(2) One million dollars (\$1,000,000).**

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

32 (b) Notwithstanding the other provisions of this chapter, a taxpayer
33 is not entitled to a credit for providing qualified investment capital to
34 a qualified Indiana business after December 31, ~~2012~~ **2014**. However,
35 this subsection may not be construed to prevent a taxpayer from
36 carrying over to a taxable year beginning after December 31, ~~2012~~
37 **2014**, an unused tax credit attributable to an investment occurring
38 before January 1, ~~2013~~ **2015**.

39 SECTION 4. IC 6-3.1-24-14 IS ADDED TO THE INDIANA CODE
40 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
41 1, 2011]: **Sec. 14. The Indiana economic development corporation**
42 **shall make a study of the number and characteristics of jobs that**

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1 have been created before July 1, 2011, because of the credit
2 provided by this chapter. Before January 1, 2012, the Indiana
3 economic development corporation shall:
4 (1) complete a report of the study; and
5 (2) make the report available to the public on the Indiana
6 economic development corporation's Internet web site.
7 SECTION 5. 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.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, 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.

ESPICH, Chair

Committee Vote: yeas 15, nays 0.



HOUSE MOTION

Mr. Speaker: I move that House Bill 1008 be amended to read as follows:

Page 2, line 39, delete "For a calendar year ending before January 1, 2011," and insert "**This subsection applies unless the Indiana economic development corporation completes the requirements in section 14 of this chapter before January 1, 2012.**"

Page 2, line 39, delete "the" and insert "The".

Page 3, line 5, delete "For a calendar year beginning after December 31, 2010, the" and insert "**This subsection applies to taxable years beginning after December 31, 2011, if the Indiana economic development corporation completes the requirements in section 14 of this chapter before January 1, 2012. The**".

Page 3, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 4. IC 6-3.1-24-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 14. The Indiana economic development corporation shall make a study of the number and characteristics of jobs that have been created before July 1, 2011,**



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because of the credit provided by this chapter. Before January 1, 2012, the Indiana economic development corporation shall:

- (1) complete a report of the study; and**
- (2) make the report available to the public on the Indiana economic development corporation's Internet web site."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1008 as printed February 11, 2011.)

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