

SENATE BILL No. 477

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-19; IC 36-7-13.

Synopsis: CRED districts. Removes restrictions on activating a third community revitalization enhancement district (CRED) in Delaware County. Repeals statutes establishing such restrictions.

Effective: Upon passage.

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January 13, 2011, read first time and referred to Committee on Tax and Fiscal Policy.

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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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SENATE BILL No. 477



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 6-3.1-19-3, AS AMENDED BY P.L.113-2010,
2 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 3. (a) Except as provided in section 5 ~~or 5.5~~
4 of this chapter, a taxpayer is entitled to a credit against the taxpayer's
5 state and local tax liability for a taxable year if the taxpayer makes a
6 qualified investment in that year.

7 (b) The amount of the credit to which a taxpayer is entitled is the
8 qualified investment made by the taxpayer during the taxable year
9 multiplied by twenty-five percent (25%).

10 (c) A taxpayer may assign any part of the credit to which the
11 taxpayer is entitled under this chapter to a lessee of property
12 redeveloped or rehabilitated under section 2 of this chapter. A credit
13 that is assigned under this subsection remains subject to this chapter.

14 (d) An assignment under subsection (c) must be in writing and both
15 the taxpayer and the lessee must report the assignment on their state tax
16 return for the year in which the assignment is made, in the manner
17 prescribed by the department. The taxpayer may not receive value in



1 connection with the assignment under subsection (c) that exceeds the
2 value of the part of the credit assigned.

3 (e) If a pass through entity is entitled to a credit under this chapter
4 but does not have state and local tax liability against which the tax
5 credit may be applied, a shareholder, partner, or member of the pass
6 through entity is entitled to a tax credit equal to:

- 7 (1) the tax credit determined for the pass through entity for the
- 8 taxable year; multiplied by
- 9 (2) the percentage of the pass through entity's distributive income
- 10 to which the shareholder, partner, or member is entitled.

11 The credit provided under this subsection is in addition to a tax credit
12 to which a shareholder, partner, or member of a pass through entity is
13 otherwise entitled under this chapter. However, a pass through entity
14 and an individual who is a shareholder, partner, or member of the pass
15 through entity may not claim more than one (1) credit for the same
16 investment.

17 (f) A taxpayer that is otherwise entitled to a credit under this chapter
18 for a taxable year may claim the credit regardless of whether any
19 income tax incremental amount or gross retail incremental amount has
20 been:

- 21 (1) deposited in the incremental tax financing fund established for
- 22 the community revitalization enhancement district; or
- 23 (2) allocated to the district.

24 SECTION 2. IC 36-7-13-14, AS AMENDED BY P.L.113-2010,
25 SECTION 132, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE UPON PASSAGE]: Sec. 14. ~~(a) This section does not~~
27 ~~apply to a district that:~~

- 28 ~~(1) is described in section 23(a) of this chapter; and~~
- 29 ~~(2) is not selected by the advisory commission to receive an~~
- 30 ~~allocation of income tax incremental amount and the gross retail~~
- 31 ~~incremental amount under this chapter.~~

32 ~~(b) (a) Before the first business day in October of each year, the~~
33 ~~department shall calculate the income tax incremental amount and the~~
34 ~~gross retail incremental amount for the preceding state fiscal year for~~
35 ~~each district designated under this chapter.~~

36 ~~(c) (b) Businesses operating in the district shall report, in the~~
37 ~~manner and in the form prescribed by the department, information that~~
38 ~~the department determines necessary to calculate incremental gross~~
39 ~~retail, use, and income taxes.~~

40 ~~(d) (c) Not later than sixty (60) days after receiving a certification~~
41 ~~of a district's modified boundaries under section 12.5(c) of this chapter,~~
42 ~~the department shall recalculate the income tax incremental amount~~

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1 and the gross retail incremental amount for the preceding state fiscal
2 year for a district modified under section 12.5 of this chapter.

3 SECTION 3. IC 36-7-13-15, AS AMENDED BY P.L.113-2010,
4 SECTION 133, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE UPON PASSAGE]: Sec. 15. ~~(a)~~ This section does not
6 apply to a district that:

- 7 ~~(1)~~ (1) is described in section 23(a) of this chapter; and
- 8 ~~(2)~~ (2) is not selected by the advisory commission to receive an
- 9 allocation of income tax incremental amount and the gross retail
- 10 incremental amount under this chapter.

11 ~~(b)~~ (a) If an advisory commission on industrial development
12 designates a district under this chapter or the legislative body of a
13 county or municipality adopts an ordinance designating a district under
14 section 10.5 of this chapter, the treasurer of state shall establish an
15 incremental tax financing fund for the district. The fund shall be
16 administered by the treasurer of state. Money in the fund does not
17 revert to the state general fund at the end of a state fiscal year.

18 ~~(c)~~ (b) Subject to subsection ~~(d)~~; (c), the following amounts shall be
19 deposited during each state fiscal year in the incremental tax financing
20 fund established for the district under subsection (a):

- 21 (1) The aggregate amount of state gross retail and use taxes that
- 22 are remitted under IC 6-2.5 by businesses operating in the district,
- 23 until the amount of state gross retail and use taxes deposited
- 24 equals the gross retail incremental amount for the district.
- 25 (2) The aggregate amount of state and local income taxes paid by
- 26 employees employed in the district with respect to wages earned
- 27 for work in the district, until the amount of state and local income
- 28 taxes deposited equals the income tax incremental amount.

29 ~~(d)~~ (c) The aggregate amount of revenues that is:

- 30 (1) attributable to:
 - 31 (A) the state gross retail and use taxes established under
 - 32 IC 6-2.5; and
 - 33 (B) the adjusted gross income tax established under IC 6-3-1
 - 34 through IC 6-3-7; and

35 (2) deposited during any state fiscal year in each incremental tax
36 financing fund established for a district;
37 may not exceed one million dollars (\$1,000,000) per district designated
38 under section 10.5 or 12 of this chapter and seven hundred fifty
39 thousand dollars (\$750,000) per district for a district designated under
40 section 10.1 or 12.1 of this chapter.

41 ~~(e)~~ (d) On or before the twentieth day of each month, all amounts
42 held in the incremental tax financing fund established for a district

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1 shall be distributed to the district's advisory commission on industrial
2 development for deposit in the industrial development fund of the unit
3 that requested designation of the district.

4 SECTION 4. THE FOLLOWING ARE REPEALED [EFFECTIVE
5 UPON PASSAGE]: IC 6-3.1-19-5.5; IC 36-7-13-23.

6 SECTION 5. **An emergency is declared for this act.**

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