HOUSE BILL No. 1008

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-10-44; IC 6-3.1-24.

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

January 12, 2011, read first time and referred to Committee on Commerce, Small Business and Economic Development.

C o p y

Introduced

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:

SECTION 1. IC 6-3.1-24-7, AS AMENDED BY P.L.193-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) The Indiana economic development corporation shall certify that a business is a qualified Indiana business if the corporation determines that the business:

(1) has its headquarters in Indiana;

(2) is primarily focused on professional motor vehicle racing, commercialization of research and development, technology transfers, or the application of new technology, or is determined by the Indiana economic development corporation to have significant potential to:

(A) bring substantial capital into Indiana;

(B) create jobs;

(C) diversify the business base of Indiana; or

(D) significantly promote the purposes of this chapter in any other way;

(3) has had average annual revenues of less than ten million

dollars ($10,000,000) in the two (2) years preceding the year in which the business received qualified investment capital from a taxpayer claiming a credit under this chapter;

(4) has:

(A) at least fifty percent (50%) of its employees residing in Indiana; or

(B) at least seventy-five percent (75%) of its assets located in Indiana; and

(5) is not engaged in a business involving:

(A) real estate;

(B) real estate development;

(C) insurance;

(D) professional services provided by an accountant, a lawyer, or a physician;

(E) retail sales, except when the primary purpose of the business is the development or support of electronic commerce using the Internet; or

(F) oil and gas exploration.

(b) A business shall apply to be certified as a qualified Indiana business on a form prescribed by the Indiana economic development corporation.

(c) If a business is certified as a qualified Indiana business under this section, the Indiana economic development corporation shall provide a copy of the certification to the investors in the qualified Indiana business for inclusion in tax filings.

(d) **Except as provided in subsection (e),** the Indiana economic development corporation may impose an application fee of not more than two hundred dollars ($200).

(e) The Indiana economic development corporation may not impose the application fee authorized by subsection (d) for applications submitted during the period beginning July 1, 2011, and ending June 30, 2013.

SECTION 2. IC 6-3.1-24-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 8. (a) A certification provided under section 7 of this chapter must include notice to the investors of the maximum amount of tax credits available under this chapter for the provision of qualified investment capital to the qualified Indiana business.

(b) **For a calendar year ending before January 1, 2011,** the maximum amount of tax credits available under this chapter for the provision of qualified investment capital to a particular qualified Indiana business equals the lesser of:

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(1) the total amount of qualified investment capital provided to the qualified Indiana business in the calendar year, multiplied by twenty percent (20%); or

(2) five hundred thousand dollars ($500,000).

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

(1) The total amount of qualified investment capital provided to the qualified Indiana business in the calendar year, multiplied by twenty percent (20%).

(2) One million dollars ($1,000,000).

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

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

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

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