

SENATE BILL No. 319

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7-13-3.4; IC 36-7-32.

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 incubates 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 the park's 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, 2012.

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January 5, 2012, read first time and referred to Committee on Commerce & Economic Development.

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Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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SENATE BILL No. 319



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 36-7-13-3.4, AS AMENDED BY P.L.199-2005,
2 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2012]: Sec. 3.4. (a) Except as provided in subsection (b), as
4 used in this chapter, "income tax incremental amount" means the
5 remainder of:
6 (1) the aggregate amount of state and local income taxes paid by
7 employees employed in a district with respect to wages earned for
8 work in the district for a particular state fiscal year; minus
9 (2) the sum of the:
10 (A) income tax base period amount; and
11 (B) tax credits awarded by the **Indiana** economic development
12 **for a growing economy board corporation** under IC 6-3.1-13
13 to businesses operating in a district as the result of wages
14 earned for work in the district for the state fiscal year;
15 as determined by the department of state revenue under section 14 of
16 this chapter.
17 (b) For purposes of a district designated under section 12.1 of this



1 chapter, "income tax incremental amount" means seventy-five percent
2 (75%) of the amount described in subsection (a).

3 SECTION 2. IC 36-7-32-6 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. As used in this
5 chapter, "gross retail base period amount" means the aggregate amount
6 of state gross retail and use taxes remitted under IC 6-2.5 **during the**
7 **full state fiscal year that precedes the date on which the certified**
8 **technology park was designated under section 11 of this chapter:**

9 (1) by the businesses operating in the territory comprising a
10 certified technology park during the full state fiscal year that
11 precedes the date on which the certified technology park was
12 designated under section 11 of this chapter; **or**

13 (2) **in the case of a certified technology park modified under**
14 **section 10(c) of this chapter, by the businesses operating in the**
15 **territory comprising the certified technology park during:**

16 (A) **the full state fiscal year that precedes the date on which**
17 **the certified technology park was designated under section**
18 **11 of this chapter; and**

19 (B) **the full state fiscal year that precedes the date on which**
20 **the certified technology park is modified under section**
21 **10(c) of this chapter.**

22 SECTION 3. IC 36-7-32-6.5, AS ADDED BY P.L.199-2005,
23 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2012]: Sec. 6.5. As used in this chapter, "gross retail
25 incremental amount" means the remainder of:

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

30 (2) the gross retail base period amount;

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

34 SECTION 4. IC 36-7-32-8 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) As used in this
36 chapter, "income tax base period amount" means the aggregate amount
37 of the following taxes paid by employees employed in the territory
38 comprising a certified technology park with respect to wages and salary
39 earned for work in the certified technology park for the state fiscal year
40 that precedes the date on which the certified technology park was
41 designated under section 11 of this chapter:

42 (1) The adjusted gross income tax.

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- (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 is 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 is modified under section 10(c) of this chapter.**

SECTION 5. IC 36-7-32-8.5, AS ADDED BY P.L.199-2005, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: 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 **Indiana economic development for a growing economy board corporation** 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.**

SECTION 6. IC 36-7-32-10, AS AMENDED BY P.L.203-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) A unit may apply to the Indiana economic development corporation for designation of all or part of the territory within the jurisdiction of the unit's redevelopment commission as a certified technology park and to enter into an agreement governing the terms and conditions of the designation. The application must be in a form specified by the Indiana economic development corporation and

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1 must include information the corporation determines necessary to make
2 the determinations required under section 11 of this chapter.

3 (b) This subsection applies only to a unit in which a certified
4 technology park designated before January 1, 2005, is located. A unit
5 may apply to the Indiana economic development corporation for
6 permission to expand the unit's certified technology park to include
7 territory that is adjacent to the unit's certified technology park but
8 located in another county. The corporation shall grant the unit
9 permission to expand the certified technology park if the unit and the
10 redevelopment commission having jurisdiction over the adjacent
11 territory approve the proposed expansion in a resolution. A certified
12 copy of each resolution approving the proposed expansion must be
13 attached to the application submitted under this subsection.

14 (c) **At the same time as the review and recertification process**
15 **under section 11 of this chapter, a unit may apply to the Indiana**
16 **economic development corporation for permission to modify the**
17 **territory of a certified technology park located within the unit. The**
18 **Indiana economic development corporation may grant the unit**
19 **permission to modify the territory of the certified technology park**
20 **if the corporation finds all the following conditions are satisfied:**

21 (1) **The unit has approved the proposed modification in a**
22 **resolution and a certified copy of the resolution is attached to**
23 **the application.**

24 (2) **The application is in a form specified by the Indiana**
25 **economic development corporation and includes information**
26 **the corporation determines is necessary to make the**
27 **determinations required by this subsection and section 11 of**
28 **this chapter.**

29 (3) **The territory contained a business that:**

30 (A) **was located in the certified technology park on the date**
31 **the certified technology park was designated under section**
32 **11 of this chapter;**

33 (B) **successfully grew its business within the certified**
34 **technology park; and**

35 (C) **subsequently relocated within the county in which the**
36 **certified technology park is located but outside the**
37 **territory of the certified technology park, and this**
38 **relocation contributed to:**

39 (i) **the gross retail base period amount being greater than**
40 **the gross retail incremental amount; and**

41 (ii) **the gross income tax base period amount being**
42 **greater than the income tax incremental amount;**

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for the certified technology park.

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

SECTION 7. IC 36-7-32-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **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;**

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 with a written

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1 **confirmation of its findings. Not later than sixty (60) days after**
 2 **receiving a copy of the confirmation, the department of state**
 3 **revenue shall determine the gross retail incremental amount and**
 4 **the income tax incremental amount to be used after applying the**
 5 **temporary increase.**

6 SECTION 8. IC 36-7-32-12, AS AMENDED BY P.L.154-2007,
 7 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2012]: Sec. 12. A redevelopment commission and the
 9 legislative body of the unit that established the redevelopment
 10 commission may enter into an agreement with the Indiana economic
 11 development corporation establishing the terms and conditions
 12 governing a certified technology park designated under section 11 of
 13 this chapter **or modified under section 10(c) of this chapter.** Upon
 14 designation **or modification** of the certified technology park under the
 15 terms of the agreement, the subsequent failure of any party to comply
 16 with the terms of the agreement may result in the termination or
 17 rescission of the designation of the area as a certified technology park.
 18 The agreement must include the following provisions:

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

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

24 (3) The financial commitments of any party to the agreement and
 25 of any owner or developer of property within the certified
 26 technology park.

27 (4) The terms of any commitment required from a postsecondary
 28 educational institution or private research based institute for
 29 support of the operations and activities within the certified
 30 technology park.

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

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

38 SECTION 9. IC 36-7-32-20 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 20. (a) After entering
 40 into an agreement under section 12 of this chapter, the redevelopment
 41 commission shall send to the department of state revenue:

42 (1) a certified copy of the designation of the certified technology

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1 park under section 11 of this chapter **or modification of the**
 2 **certified technology park under section 10(c) of this chapter;**
 3 (2) a certified copy of the agreement entered into under section 12
 4 of this chapter; and
 5 (3) a complete list of the employers in the certified technology
 6 park and the street names and the range of street numbers of each
 7 street in the certified technology park.
 8 The redevelopment commission shall update the list provided under
 9 subdivision (3) before July 1 of each year.
 10 (b) Not later than sixty (60) days after receiving a copy of the
 11 designation **or modification** of the certified technology park, the
 12 department of state revenue shall determine the gross retail base period
 13 amount and the income tax base period amount.

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