
HOUSE BILL No. 1412

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-13; IC 6-3.1-13.1.

Synopsis: Economic development. Requires the Indiana economic development corporation to award an EDGE+ bonus to taxpayers who are subject to the federal medical device excise tax and create or retain jobs in Indiana. Makes technical corrections.

Effective: January 1, 2013 (retroactive).

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January 22, 2013, read first time and referred to Committee on Commerce, Small Business and Economic Development.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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HOUSE BILL No. 1412



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 6-3.1-13-6 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]:
 3 Sec. 6. (a) As used in this chapter, "new employee" means a full-time
 4 employee first employed by a taxpayer in the project that is the subject
 5 of a tax credit agreement and who is employed after the taxpayer enters
 6 into the tax credit agreement.
 7 (b) The term "new employee" does not include:
 8 (1) an employee of the taxpayer who performs a job that was
 9 previously performed by another employee, if that job existed for
 10 at least six (6) months before hiring the new employee;
 11 (2) an employee of the taxpayer who was previously employed in
 12 Indiana by a related member of the taxpayer and whose
 13 employment was shifted to the taxpayer after the taxpayer entered
 14 into the tax credit agreement; or
 15 (3) a child, grandchild, parent, or spouse, other than a spouse who
 16 is legally separated from the individual, of any individual who is
 17 an employee of the taxpayer and who has a direct or an indirect



1 ownership interest of at least five percent (5%) in the profits,
 2 capital, or value of the taxpayer (an ownership interest shall be
 3 determined in accordance with Section 1563 of the Internal
 4 Revenue Code and regulations prescribed under that Section).

5 (c) Notwithstanding subsection (b)(1), if a new employee performs
 6 a job that was previously performed by an employee who was:

- 7 (1) treated under the agreement as a new employee; and
- 8 (2) promoted by the taxpayer to another job;

9 the employee may be considered a new employee under the agreement.

10 (d) Notwithstanding subsection (a), the **board corporation** may
 11 credit awards to an applicant that met the conditions of this chapter at
 12 the time of the applicant's location or expansion decision, if:

- 13 (1) the applicant is in receipt of a letter from the department of
 14 commerce stating an intent to enter into a credit agreement; and
- 15 (2) the letter described in subdivision (1) is issued by the
 16 department of commerce not later than March 15, 1994.

17 SECTION 2. IC 6-3.1-13-11 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]:
 19 Sec. 11. Subject to the conditions set forth in this chapter, a taxpayer
 20 is entitled to a credit against any state tax liability that may be imposed
 21 on the taxpayer for a taxable year after December 31, 1993, if the
 22 taxpayer is awarded a credit by the **board corporation** under this
 23 chapter for that taxable year.

24 SECTION 3. IC 6-3.1-13-18, AS AMENDED BY P.L.171-2011,
 25 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2013 (RETROACTIVE)]: Sec. 18. (a) The corporation
 27 shall determine the amount and duration of a tax credit awarded under
 28 this chapter. The duration of the credit may not exceed ten (10) taxable
 29 years. The credit may:

- 30 (1) **include any EDGE+ bonus applied to the credit under**
 31 **IC 6-3.1-13.1; and**
- 32 (2) be stated as a percentage of the incremental income tax
 33 withholdings attributable to the applicant's project and may
 34 include a fixed dollar limitation.

35 In the case of a credit awarded for a project to create new jobs in
 36 Indiana, the credit amount may not exceed the incremental income tax
 37 withholdings. However, the credit amount claimed for a taxable year
 38 may exceed the taxpayer's state tax liability for the taxable year, in
 39 which case the excess may, at the discretion of the corporation, be
 40 refunded to the taxpayer.

41 (b) For state fiscal year 2006 and each state fiscal year thereafter,
 42 the aggregate amount of credits awarded under this chapter for projects

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1 to retain existing jobs in Indiana may not exceed ten million dollars
2 (\$10,000,000) per year.

3 (c) This subsection does not apply to a business that was enrolled
4 and participated in the E-Verify program (as defined in IC 22-5-1.7-3)
5 during the time the taxpayer conducted business in Indiana in the
6 taxable year. A credit under this chapter may not be computed on any
7 amount withheld from an individual or paid to an individual for
8 services provided in Indiana as an employee, if the individual was,
9 during the period of service, prohibited from being hired as an
10 employee under 8 U.S.C. 1324a.

11 SECTION 4. IC 6-3.1-13.1 IS ADDED TO THE INDIANA CODE
12 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2013 (RETROACTIVE)]:

14 **Chapter 13.1. EDGE+ Bonus**

15 **Sec. 1. This chapter applies to jobs created or retained in a**
16 **taxable year beginning after December 31, 2012, and ending before**
17 **January 1, 2017.**

18 **Sec. 2. The definitions set forth in IC 6-3.1-13 apply throughout**
19 **this chapter.**

20 **Sec. 3. As used in this chapter, "EDGE+ bonus" refers to any**
21 **amount added to a taxpayer's credit amount under section 7 of this**
22 **chapter.**

23 **Sec. 4. As used in this chapter, "federal excise tax liability"**
24 **refers to a taxpayer's liability for the federal medical device excise**
25 **tax under 26 I.R.C 4191.**

26 **Sec. 5. As used in this chapter, "qualified taxpayer" refers to a**
27 **taxpayer who has federal excise tax liability.**

28 **Sec. 6. A qualified taxpayer may apply to the corporation for an**
29 **EDGE+ bonus for creating or retaining jobs in Indiana in a taxable**
30 **year described in section 1 of this chapter. The corporation shall**
31 **prescribe the form for the application and require any information**
32 **necessary to verify that the jobs have been created or retained by**
33 **the qualified taxpayer.**

34 **Sec. 7. (a) If the corporation determines that a qualified**
35 **taxpayer has created or retained jobs in Indiana in a taxable year,**
36 **the corporation shall apply an EDGE+ bonus to the credit amount**
37 **awarded under IC 6-3.1-13.**

38 **(b) The amount of the EDGE+ bonus for creating jobs is equal**
39 **to the lesser of:**

40 **(1) the product of:**

41 **(A) the number of jobs created in the taxable year by the**
42 **qualified taxpayer; multiplied by**

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- 1 **(B) five thousand dollars (\$5,000); or**
- 2 **(2) the product of:**
- 3 **(A) the qualified taxpayer's federal excise tax liability for**
- 4 **the taxable year; multiplied by**
- 5 **(B) fifty percent (50%).**
- 6 **(c) The amount of the EDGE+ bonus for retaining jobs is equal**
- 7 **to the lesser of:**
- 8 **(1) the product of:**
- 9 **(A) the number of jobs retained in the taxable year by the**
- 10 **qualified taxpayer; multiplied by**
- 11 **(B) two thousand five hundred dollars (\$2,500); or**
- 12 **(2) the product of:**
- 13 **(A) the qualified taxpayer's federal excise tax liability for**
- 14 **the taxable year; multiplied by**
- 15 **(B) fifty percent (50%).**
- 16 **Sec. 8. The following apply to an EDGE+ bonus applied under**
- 17 **this chapter:**
- 18 **(1) Any procedural requirement for obtaining a credit amount**
- 19 **under IC 6-3.1-13.**
- 20 **(2) Any condition imposed upon a credit amount under**
- 21 **IC 6-3.1-13.**
- 22 **(3) Any criteria for evaluating an applicant for a credit under**
- 23 **IC 6-3.1-13.**
- 24 **(4) Any compliance requirement imposed upon a recipient of**
- 25 **a credit under IC 6-3.1-13.**
- 26 **Sec. 9. This chapter expires January 1, 2020.**
- 27 **SECTION 5. An emergency is declared for this act.**

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