

Indianapolis Region Incentives



Incentive/Credit	Description	Criteria /Requirements
Real Property Tax Abatement	Phase in of real property tax obligation over one to ten year period.	Granted to a company according to local qualification criteria based on new and retained jobs, wages and economic impact of project. Prior approval of local government agency. Approval must happen before construction permits are pulled.
Personal Property Tax Abatement: Manufacturing, Research and Development, Information Technology and Logistics/Distribution Equipment	Phase in of personal property (used directly in production, R&D, distribution processes) tax obligation over a one to ten year period.	Granted to a company according to local qualification criteria based on new and retained jobs, wages and economic impact of project. Prior approval of local government agency. Approval must happen before delivery of equipment.
Sales Tax Exemption - Research and Development Equipment	Phase in of state sales tax exemption for transactions involving research and development equipment.	For equipment acquired between 6/30/2005 and 6/30/2007, companies are eligible to receive a refund of 50 percent of sales taxes paid. For equipment acquired after 7/1/2007, companies are exempt from 100 percent of sales tax.
Sales Tax Exemption - Motorsports	Transactions involving tangible personal property comprising any part of a professional motor racing vehicle excluding tires and accessories are exempt from state sales tax.	Tangible personal property must be owned, operated or leased by a professional racing team qualify.
Sales Tax - Personal Property	Machinery, tools and equipment acquired for direct use in the direct production, manufacture, fabrication, assembly, processing, refining, finishing of tangible personal property are tax exempt. Tangible personal property acquired for resale are also qualified for tax exemption.	Exemption does not apply to transactions involving distribution equipment or transmission equipment acquired by a public utility engaged generating electricity. Meet qualifications set by the Indiana Utility Regulatory Commission.
Sales Tax - Utilities	Utilities used in certain manufacturing capacities are tax exempt.	Utilities include electrical energy, natural or artificial gas, water, steam and steam heat qualifications set by the Indiana Utility Regulatory Commission.
Sales Tax Exemption - Media Production	Credit available to a business engaged in making qualified media productions in Indiana	Must commit to spend a minimum of one hundred thousand dollars for the production of a feature length film, short film, documentary, television series, program or feature.
Economic Development for a Growing Economy (EDGE) - New Jobs	This program provides refundable tax credits based on the additional payroll for new jobs created in Indiana. Of the payroll taxes withheld on those employees, up to 3.09 percent annually can be awarded on eligible gross payroll for a period not to exceed 10 years	<ul style="list-style-type: none"> * Significant new Indiana job creation * Significant local participation * Average wage exceeds the industry sector average (NAICS) * EDGE Board approval of credits (fixed amount per year) * EDGE agreement required * Company stays for at least two years after the last year in which a credit is claimed * Annual verification of amount of individual income taxes withheld will trigger release of credits.

The 10-county Indianapolis Region includes Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Monroe, Morgan and Shelby counties.

Produced in partnership with the Indy Partnership Foundation.

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Economic Development for a Growing Economy (EDGE) - Retained Jobs	This program provides refundable tax credits based on the existing payroll for retained jobs in Indiana. Of the payroll taxes withheld on those employees, up to 3.09 percent annually can be awarded on eligible gross payroll for a period not to exceed 10 years.	<ul style="list-style-type: none"> * Local match to state incentives * Average wage exceeds the industry sector average (NAICS) * Employ at least 75 * Company must have plan for use of credits * EDGE Board approval of credits (fixed amount per year) * EDGE agreement and affidavit required * Company stays for at least two years after the last year in which a credit is claimed. * Annual verification of amount of individual income taxes
Hoosier Business Tax Credit (ITC)	Tax credits for qualified investment made in Indiana facility.	<ul style="list-style-type: none"> * Increase total earnings of employee * Economically sound project that will benefit Indiana * Major factor in decision to move forward * Overall positive fiscal impact * Average wage will be at least 150 percent of the hourly minimum wage Twenty percent of the qualified investment capital provided to a qualified Indiana business. Maximum amount of credits \$500,000. Carry over five taxable years. Limited annual certification amount of \$12.5M. * IEDC approval of credits * Company must maintain operations for at least ten years during the term that the tax credit is available. * Annual report regarding new employees and average wage.
Headquarters Relocation Tax Credit	Provides non-refundable tax credits to relocating corporate headquarters based upon relocation costs.	Credit is up to 10 percent of the qualified investment and carry forward not to exceed nine consecutive years Maintains HQ outside Indiana. No previous HQ in Indiana. Prior year international revenue of at least \$100M. Commit contractually to moving HQ.
21st Century Fund	The Indiana 21st Century Research and Technology Fund was created to stimulate the process of diversifying the State's economy by developing and commercializing advanced technologies in Indiana.	A Board representing most academic and commercial sectors of the state approves awards Encourages academic-sector/ commercial-sector partnership. Awards are made for a period of up to 2 years in amounts of \$5 million. Awards above \$2 million are uncommon.
Indiana Research Development Tax Credit (R&D)	Tax credit based on qualified research expense incurred for research conducted in Indiana.	<ul style="list-style-type: none"> * Credit is the lesser of \$1M or the increment of Indiana qualified research expenses over the taxpayer's base amount multiplied by 15 percent. If the increment is in excess of \$1M, multiply by 10 percent for taxable years beginning after 12/31/2007. Before 1/1/2008, the credit is 10 percent of the increment of Indiana qualified research expenses over the taxpayer's base amount. * May be claimed when filing state income taxes by including the IT-20 REC form * Carry forward and unused credit for 10 years * Credit expires in 12/31/12
Venture Capital Investment Tax Credit	Investors who provide qualified debt or equity capital to Indiana companies receive a credit against their Indiana income tax liability.	Available to any taxpayer who is an individual or entity that has any state tax liability. A taxpayer must apply to the IEDC for a certification that the proposed investment plan would qualify for a credit. The total amount of tax credits any calendar year may not exceed twelve and a half million dollars (\$12,500,000).
Patent Income Tax Exemption	Exempt from certain income derived from qualified utility and plant patents. The exemption percentage decreases over the next five years to 10 percent in the 10th year.	The patent income exemption applies only to companies with 500 or fewer employees. Qualified taxpayers are eligible for 50 percent of patent income for each of the first five years.

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Certified Technology Parks (CTP)	A state-designated area within a city, town or county where at least one business is primarily engaged in high technology activity and creating jobs. A CTP is supported by higher education or a private research-based institute. CTP granted by IEDC	*Investments in a CTP may qualify for a property tax credit. A CTP may access an incremental tax fund created from business sales taxes of businesses within the park and individual income taxes from companies within the park (see Certified Technology Park Grant Fund.) Up to \$5 million for leasing, construction or purchasing of capital assets located in CTP. * CTP applied for by local community. * Job creation * Engaged in high technology activity. * CTP may have other local requirements. * If a business is seeking EDGE credits, an ordinance must be adopted recommending the granting of EDGE credits.
Certified Technology Park Grant Fund	Grant provides assistance to CTP's for capital expenditures and operational expense incurred by the CTP's redevelopment commission.	SAGI - up to \$7,500 for phase 1 or \$50,000 for phase 2. Private parties can be applicants with local government. Redevelopment Commission makes application to State IEDC on fiscal year basis.
Community Revitalization Enhancement District Tax Cred (CRED)	Tax credit available to companies located in a designated CRED. Credits are for 25 percent of qualified investment.	There must be no reduction or cessation of operations in Indiana to locate within CRED. If a business is seeking EDGE credits, an ordinance must be adopted recommending the granting of EDGE credits.
Industrial Development Grant Fund (IDGF) and Local Infrastructure Grants	IDGF grant is awarded to eligible units of government to help in meeting the infrastructure needs of the new or expanding facility. Up to 50 percent of eligible off-site infrastructure may be awarded.	Contributions made to a tax-exempts, 501c organization. * Credits are awarded to 501c's for distribution to individuals or businesses. * Local community matching funds * Submit description of costs and map and design of proposed improvements.
Neighborhood Assistance Credit	Tax credits for corporations or individuals who contribute to an organization to build public-private partnerships in economically disadvantaged areas. The credit is equal to 50 percent of contribution to organization. Credit is applied against Indiana income tax liability.	A building or complex of buildings which: * contains 300,000 interior square feet or greater. * Was placed in service at least 20 years ago. * At least 75 percent of the interior floor space has been vacant for at least two years. * Only contribute to an IEDC approved neighborhood organization and plan.
Industrial Recovery Site Tax Credit	Tax credits are based on a percentage of qualified investment for rehabilitation of property made to an existing building which meets square footage, age and vacancy requirements. Credits are applied to state income tax liability and can be carried over.	* Property must be located in revitalization district * Property must be larger than 60,000 sq. ft. and vacant for at least nine of the last 18 months * Local legislative body approves ordinance or resolution. * Local community submits application for designation to the State Enterprise Zone Board. * Site is within an economic revitalization area. * Annual Enterprise Zone Board certification. Requirements are specific to individual incentives programs
Enterprise Zone Credits	Various incentive opportunities exist for companies within EZ. Available credits to qualified businesses: Loan Interest Tax Credit, Gross Income Tax Exemption, Wage Exemptions, Investment Credit and Investment Cost Credit.	* Credits are assignable * Limited carry forward of credits * Requirements are specific to individual incentive programs.

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Vacant Building Tax Abatement	One or two year abatement based on the occupation of a qualifying vacant building. Granted to a company according to local qualifications based on occupying a previously vacant building. *Must be used for commercial or industrial purposes	The real property tax deduction schedule is 100% property tax abatement the first year and 50% property tax abatement for the second year. *Prior approval by local government agency. Approval must happen before occupying the facility. *Building must have been vacant for one year prior to occupying the facility.
Indiana Training Grant Programs - Skills 2016: * Skills Enhancement Fund * Tech Fund * Advance Indiana	Two year grant awarded directly to the company for reimbursement of eligible training costs associated with a project. Grant can be up to 50 percent of total training budget with cap of \$200,000. Eligible expenses include instructional costs to train new or existing workers in basic skills, transitional skills, company specific & quality operations.	* Projects must be related to economic development efforts and must create some new jobs. * Based on quality of jobs, number of new jobs, capital investment and economic impact on state and local economy * Submit an application and training outline with budget. * Establish progress schedule. * Grant recipients are required to complete progress reports.
Indiana at Work (Work Keys)	State job profiling system for new or existing Indiana businesses providing evidence of workforce readiness.	Award based on capital investment, quality of jobs, quality of training, number of employees trained and impact on economy operations.
Site Assessment Grant (SAGI), Low Interest Loan Incentive (LILI), Petroleum Remediation Grant Incentive (PRGI) and Federal Grant Matching Incentive (FGMI)	Various grants and loans available for environmental investigation, remediation, demolition and petroleum remediation at brownfield sites.	* LILI - up to \$7,500 with interest rates of 2.5 or 3.0 percent. Private parties can be co-applicants with local government. * PRGI - up to \$250,000. Private parties can be co-applicants. * FGMI - matching grants up to 20 percent of federal brownfields award. Only available to local government. Maximum amount of credit is equal to the lesser of 10 percent of the qualified investment or \$100,000. Interest in redevelopment of brownfield site(s).
Voluntary Remediation Tax Credits	Credit available for voluntary cleanup at eligible brownfield sites	Criteria are specific to individual financing programs. * Remediation plan developed * Application filed with IFA * A qualified investment certification must be received prior to start of remediation. * Local legislative body must pass resolution approving the brownfield redevelopment project and credit.
Brownfield Tax Reduction/Wavier	A partial or full waiver of delinquent tax liability for Brownfield properties	A history of the property is needed and outline a remediation and reuse plan to qualify for approval of the reduction/waiver. *Requires approval from various government agencies, and IFA *Must provide proof of ownership of property and proof that the owner was not involved in cause of environmental issues. *The cleanup and reuse must occur by date provided by applicant for the reduction/waiver to become permanent.
Alternative Power & Energy Programs	Grant Program will provide cost share grants to Indiana's public, non-profit, and business sectors for the purchase of alternative energy systems that will help offset fossil fuel usage and serve as an educational tool.	*Wind power *Solar Electricity *Solar Water Heating (SWH)

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Information Technology Personal Property Exemption	Enterprise information technology equipment purchased after June 30, 2009, by eligible business is exempt from personal property taxation for a period agreed to by local designating body.	<ul style="list-style-type: none"> * Enterprise information technology includes: servers and routers, equipment within the “enterprise” or “data center” for networking or data storage, and generators for uninterrupted power supply to data center systems. * Equipment cannot include computer hardware designed for single user, workstation, or departmental level use. * Eligible businesses include: business operates one or more facilities for computing, networking, or data storage; entity is located in a facility or data center in Indiana; investment is at least \$10,000,000 in personal and real property after June 30, 2009; and average employee wage of the entity is at least 125% of the county average wage.
Biodiesel, Blended Biodiesel, and Ethanol Tax Credit	Provides tax credits to taxpayers constructing or expanding a facility for the production of biodiesel, blended biodiesel or ethanol. Credit is claimed against state tax liability.	<ul style="list-style-type: none"> * Individual cap of \$3M for all taxable years, but IEDC may increase cap to \$5M * Biodiesel - \$1 multiplied by the number of gallons of biodiesel produced at the Indiana facility during the taxable year & used to produce bio diesel. * Blended Biodiesel - two cents multiplied by the number of gallons of blended biodiesel produced at the Indiana facility and blended with biodiesel produced at a facility located in Indiana. * Ethanol - twelve and a half cents multiplied by the number of gallons of ethanol produced at the Indiana facility. * Carryover for six taxable years. Benefits company by providing a higher rate of hire, reduction in training time, decrease in turnover and improvement in productivity. * Submit application for credit to IEDC.
Financing Programs	There are several financing vehicles for companies to review on both a state and local level. Both taxable and tax exempt bonds, lease financing, Tax Increment Financing (TIF), SBA loans through CDCs, Indiana Port Commission and various utility loan programs.	Requirements are specific to individual financing programs.