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# HOUSE BILL No. 1410

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.5-7-13.1.

**Synopsis:** Economic development income tax expenditures. Redefines "economic development project" for purposes of permissible expenditures of revenues received from a county economic development income tax (CEDIT). Eliminates the requirement that an economic development project must involve expenditures for various capital expenses, administrative expenses, operating expenses, or substance removal. Provides that an economic development project may involve expenditures for any expenses incurred to: (1) promote significant opportunities for the gainful employment of a unit's citizens; (2) attract a major new business enterprise to a unit; or (3) retain or expand a significant business enterprise within a unit.

**Effective:** January 1, 2001 (retroactive).

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January 11, 2001, read first time and referred to Committee on Ways and Means.

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First Regular Session 112th General Assembly (2001)

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 2000 General Assembly.

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# HOUSE BILL No. 1410



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 6-3.5-7-13.1, AS AMENDED BY P.L.124-1999,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2001 (RETROACTIVE)]: Sec. 13.1. (a) The fiscal  
4 officer of each county, city, or town for a county in which the county  
5 economic development tax is imposed shall establish an economic  
6 development income tax fund. Except as provided in section 23 of this  
7 chapter, the revenue received by a county, city, or town under this  
8 chapter shall be deposited in the unit's economic development income  
9 tax fund.

10 (b) Except as provided in sections 15 and 23 of this chapter,  
11 revenues from the county economic development income tax may be  
12 used as follows:

13 (1) By a county, city, or town for economic development projects,  
14 for paying, notwithstanding any other law, under a written  
15 agreement all or a part of the interest owed by a private developer  
16 or user on a loan extended by a financial institution or other  
17 lender to the developer or user if the proceeds of the loan are or



1 are to be used to finance an economic development project, for  
 2 the retirement of bonds under section 14 of this chapter for  
 3 economic development projects, for leases under section 21 of  
 4 this chapter, or for leases or bonds entered into or issued prior to  
 5 the date the economic development income tax was imposed if  
 6 the purpose of the lease or bonds would have qualified as a  
 7 purpose under this chapter at the time the lease was entered into  
 8 or the bonds were issued.

9 (2) By a county, city, or town for:

10 (A) the construction or acquisition of, or remedial action with  
 11 respect to, a capital project for which the unit is empowered to  
 12 issue general obligation bonds or establish a fund under any  
 13 statute listed in IC 6-1.1-18.5-9.8;

14 (B) the retirement of bonds issued under any provision of  
 15 Indiana law for a capital project;

16 (C) the payment of lease rentals under any statute for a capital  
 17 project;

18 (D) contract payments to a nonprofit corporation whose  
 19 primary corporate purpose is to assist government in planning  
 20 and implementing economic development projects;

21 (E) operating expenses of a governmental entity that plans or  
 22 implements economic development projects;

23 (F) to the extent not otherwise allowed under this chapter,  
 24 funding substance removal or remedial action in a designated  
 25 unit; or

26 (G) funding of a revolving fund established under  
 27 IC 5-1-14-14.

28 (c) As used in this section, an economic development project is any  
 29 project that

30 (†) the county, city, or town determines will:

31 (A) (1) promote significant opportunities for the gainful  
 32 employment of its citizens;

33 (B) (2) attract a major new business enterprise to the unit; or

34 (C) (3) retain or expand a significant business enterprise within  
 35 the unit. ~~and~~

36 (2) ~~involves~~ (d) **An economic development project may involve**  
 37 an expenditure for:

38 (A) (1) the acquisition of land;

39 (B) (2) interests in land;

40 (C) (3) site improvements;

41 (D) (4) infrastructure improvements;

42 (E) (5) buildings;

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1           ~~(F)~~ **(6)** structures;  
2           ~~(G)~~ **(7)** rehabilitation, renovation, and enlargement of buildings  
3           and structures;  
4           ~~(H)~~ **(8)** machinery;  
5           ~~(I)~~ **(9)** equipment;  
6           ~~(J)~~ **(10)** furnishings;  
7           ~~(K)~~ **(11)** facilities;  
8           ~~(L)~~ **(12)** administrative expenses associated with ~~such a~~ **the**  
9           project, including contract payments authorized under subsection  
10          (b)(2)(D);  
11          ~~(M)~~ **(13)** operating expenses authorized under subsection  
12          (b)(2)(E); ~~or~~  
13          ~~(N)~~ **(14)** to the extent not otherwise allowed under this chapter,  
14          substance removal or remedial action in a designated unit; **or**  
15          **(15) other expenses associated with the project and that are**  
16          **incurred for one (1) or more of the purposes enumerated in**  
17          **subsection (c);**  
18          or any combination of these.  
19          **SECTION 2. An emergency is declared for this act.**

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