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| PREVAILED | Roll Call No. _____ |
| FAILED | Ayes _____ |
| WITHDRAWN | Noes _____ |
| RULED OUT OF ORDER | |

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 2008 be amended to read as follows:

- 1 Page 52, between lines 20 and 21, begin a new paragraph and insert:
- 2 "SECTION 29. IC 6-3.1-26 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 4 JANUARY 1, 2004]:
- 5 **Chapter 26. Headquarters Relocation Tax Credit**
- 6 **Sec. 1. As used in this chapter, "corporate headquarters" means**
- 7 **the building or buildings where:**
- 8 **(1) the principal offices of the principal executive officers of**
- 9 **an eligible business are located; and**
- 10 **(2) at least two hundred fifty (250) employees are employed.**
- 11 **Sec. 2. As used in this chapter, "eligible business" means a**
- 12 **business that:**
- 13 **(1) is engaged in either interstate or intrastate commerce;**
- 14 **(2) maintains a corporate headquarters in a state other than**
- 15 **Indiana as of January 1, 2004;**
- 16 **(3) had annual worldwide revenues of at least one billion**
- 17 **dollars (\$1,000,000,000) for the taxable year immediately**
- 18 **preceding the business's application for a tax credit under**
- 19 **section 12 of this chapter; and**
- 20 **(4) commits contractually to relocating its corporate**
- 21 **headquarters to Indiana.**
- 22 **Sec. 3. As used in this chapter, "pass through entity" means:**
- 23 **(1) a corporation that is exempt from the adjusted gross**
- 24 **income tax under IC 6-3-2-2.8(2);**

- 1 (2) a partnership;
- 2 (3) a limited liability company; or
- 3 (4) a limited liability partnership.

4 Sec. 4. As used in this chapter, "qualifying project" means the
5 relocation of the corporate headquarters of an eligible business
6 from a location outside Indiana to a location in Indiana.

7 Sec. 5. As used in this chapter, "relocation costs" means the
8 reasonable and necessary expenses incurred by an eligible business
9 for a qualifying project. The term includes:

- 10 (1) moving costs and related expenses;
- 11 (2) the purchase of new or replacement equipment;
- 12 (3) capital investment costs; and
- 13 (4) property assembly and development costs, including:
 - 14 (A) the purchase, lease, or construction of buildings and
 - 15 land;
 - 16 (B) infrastructure improvements; and
 - 17 (C) site development costs.

18 The term does not include any costs that do not directly result from
19 the relocation of the business to a location in Indiana.

20 Sec. 6. As used in this chapter, "state tax liability" means a
21 taxpayer's total tax liability that is incurred under:

- 22 (1) IC 6-2.5 (state gross retail and use tax);
- 23 (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- 24 (3) IC 6-5.5 (the financial institutions tax); and
- 25 (4) IC 27-1-18-2 (the insurance premiums tax);

26 as computed after the application of the credits that under
27 IC 6-3.1-1-2 are to be applied before the credit provided by this
28 chapter.

29 Sec. 7. As used in this chapter, "taxpayer" means an individual
30 or entity that has any state tax liability.

31 Sec. 8. A taxpayer that:

- 32 (1) is an eligible business;
- 33 (2) completes a qualifying project; and
- 34 (3) incurs relocation costs;

35 is entitled to a credit against the person's state tax liability for the
36 taxable year in which the relocation costs are incurred. The credit
37 allowed under this section is equal to the amount determined under
38 section 9 of this chapter.

39 Sec. 9. (a) Subject to subsection (b), the amount of the credit to
40 which a taxpayer is entitled under section 8 of this chapter equals
41 the product of:

- 42 (1) fifty percent (50%); multiplied by
- 43 (2) the amount of the taxpayer's relocation costs in the taxable
44 year.

45 (b) The credit to which a taxpayer is entitled under section 8 of
46 this chapter may not reduce the taxpayer's state tax liability below
47 the amount of the taxpayer's state tax liability in the taxable year

1 immediately preceding the taxable year in which the taxpayer first
2 incurred relocation costs.

3 **Sec. 10. If a pass through entity is entitled to a credit under**
4 **section 8 of this chapter but does not have state tax liability against**
5 **which the tax credit may be applied, a shareholder, partner, or**
6 **member of the pass through entity is entitled to a tax credit equal**
7 **to:**

8 (1) the tax credit determined for the pass through entity for
9 the taxable year; multiplied by

10 (2) the percentage of the pass through entity's distributive
11 income to which the shareholder, partner, or member is
12 entitled.

13 **Sec. 11. (a) A credit allowed under section 8 of this chapter must**
14 **be taken in ten (10) annual installments, beginning with the year in**
15 **which the credit is granted. If the amount of an annual installment**
16 **exceeds the taxpayer's state tax liability in a particular taxable**
17 **year, the taxpayer may carry forward the amount of the excess to**
18 **subsequent taxable years. The amount of the credit carryover from**
19 **a taxable year shall be reduced to the extent that the carryover is**
20 **used by the taxpayer to obtain a credit under this chapter for any**
21 **subsequent taxable year.**

22 (b) The credit allowed under this chapter is not refundable.

23 **Sec. 12. To receive the credit provided by this chapter, a**
24 **taxpayer must claim the credit on the taxpayer's state tax return**
25 **or returns in the manner prescribed by the department. The**
26 **taxpayer shall submit to the department proof of the taxpayer's**
27 **relocation costs and all information that the department**
28 **determines is necessary for the calculation of the credit provided**
29 **by this chapter.**

30 **Sec. 13. In determining whether an expense of the eligible**
31 **business directly resulted from the relocation of the business, the**
32 **department shall consider whether the expense would likely have**
33 **been incurred by the eligible business if the business had not**
34 **relocated from its original location."**

35 Page 82, between lines 27 and 28, begin a new paragraph and insert:

36 "SECTION 65. [EFFECTIVE JANUARY 1, 2004] **IC 6-3.1-26, as**
37 **added by this act, applies to taxable years beginning after**
38 **December 31, 2003."**

39 Renumber all SECTIONS consecutively.

(Reference is to HB 2008 as printed February 26, 2003.)

Representative Turner