

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1365 be amended to read as follows:

- 1 Page 5, line 7, strike "an" and insert "**a state educational**".
- 2 Page 7, line 7, strike "of higher education".
- 3 Page 14, line 21, after "means" insert ",".
- 4 Page 14, line 22, after "year" delete ", is".
- 5 Page 25, between lines 26 and 27, begin a new paragraph and insert:
- 6 "SECTION 16. IC 6-3.1-26-8, AS ADDED BY P.L.224-2003,
- 7 SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JANUARY 1, 2004 (RETROACTIVE)]: Sec. 8. (a) As used in this
- 9 chapter, "qualified investment" means the amount of the taxpayer's
- 10 expenditures for:
- 11 (1) the purchase of new telecommunications, production,
- 12 manufacturing, fabrication, assembly, extraction, mining,
- 13 processing, refining, or finishing equipment;
- 14 (2) the purchase of new computers and related equipment;
- 15 (3) costs associated with the modernization of existing
- 16 telecommunications, production, manufacturing, fabrication,
- 17 assembly, extraction, mining, processing, refining, or finishing
- 18 facilities;
- 19 (4) onsite infrastructure improvements;
- 20 (5) the construction of new telecommunications, production,
- 21 manufacturing, fabrication, assembly, extraction, mining,
- 22 processing, refining, or finishing facilities;
- 23 (6) costs associated with retooling existing machinery and
- 24 equipment; and

1 (7) costs associated with the construction of special purpose
 2 buildings and foundations for use in the computer, software,
 3 biological sciences, or telecommunications industry.

4 ~~that are certified by the board under this chapter as being eligible for the~~
 5 ~~credit under this chapter.~~

6 (b) The term does not include property that can be readily moved
 7 outside Indiana.

8 SECTION 2. IC 6-3.1-26-10, AS ADDED BY P.L.224-2003,
 9 SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JANUARY 1, 2004 (RETROACTIVE)]: Sec. 10. As used in this
 11 chapter, "state tax liability growth" means the difference between a
 12 taxpayer's state tax liability in a taxable year minus ~~the greater of:~~

13 ~~(1) the taxpayer's state tax liability in the most recent prior taxable~~
 14 ~~year in which the taxpayer claimed part of a credit under this~~
 15 ~~chapter; or~~

16 ~~(2) the taxpayer's base state tax liability,~~

17 before the application of a credit under this chapter.

18 SECTION 3. IC 6-3.1-26-13, AS ADDED BY P.L.224-2003,
 19 SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2004 (RETROACTIVE)]: Sec. 13. A taxpayer that:

21 ~~(1) is awarded a tax credit under this chapter by the board; and~~

22 ~~(2) complies with the conditions set forth in this chapter and the~~
 23 ~~agreement entered into by the board and the taxpayer under this~~
 24 ~~chapter;~~

25 **(1) makes a qualified investment; or**

26 **(2) creates the number of jobs required under section 13.5 of**
 27 **this chapter;**

28 is entitled to a credit against the taxpayer's state tax liability in a taxable
 29 year.

30 SECTION 4. IC 6-3.1-26-13.5 IS ADDED TO THE INDIANA
 31 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 32 JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 13.5. To qualify for a**
 33 **credit under section 13(2) of this chapter, a taxpayer must**
 34 **increase in a particular taxable year the number of the taxpayer's**
 35 **employees working in Indiana by:**

36 **(1) at least ten (10), in the case of a taxpayer having at least**
 37 **one hundred (100) employees on the first day of the**
 38 **taxpayer's taxable year; or**

39 **(2) at least ten percent (10%), in the case of a taxpayer**
 40 **having less than one hundred (100) employees on the first**
 41 **day of the taxpayer's taxable year.**

42 SECTION 5. IC 6-3.1-26-14, AS ADDED BY P.L.224-2003,
 43 SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 44 JANUARY 1, 2004 (RETROACTIVE)]: Sec. 14. (a) **This section**
 45 **applies only to a taxpayer entitled to a credit under section 13(1)**

1 **of this chapter.**

2 (b) The total amount of a tax credit ~~claimed~~ **allowed** under this
3 chapter equals thirty percent (30%) of the amount of a qualified
4 investment made by the taxpayer in Indiana. **However, the maximum**
5 **amount of the credit that a taxpayer may claim in the taxable year**
6 **in which the taxpayer makes a qualified investment may not**
7 **exceed the taxpayer's state tax liability growth.**

8 ~~(b) In the taxable year in which a taxpayer makes a qualified~~
9 ~~investment, the taxpayer may claim a credit under this chapter in an~~
10 ~~amount equal to the lesser of:~~

11 ~~(1) thirty percent (30%) of the amount of the qualified investment;~~

12 ~~or~~

13 ~~(2) the taxpayer's state tax liability growth.~~

14 (c) The taxpayer may carry forward any unused credit.

15 SECTION 6. IC 6-3.1-26-14.5 IS ADDED TO THE INDIANA
16 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
17 JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 14.5. (a) This section**
18 **applies only to a taxpayer entitled to a credit under section 13(2)**
19 **of this chapter.**

20 (b) **The total amount of a tax credit allowed under this chapter**
21 **equals thirty percent (30%) of the amount of wages and benefits**
22 **paid to the taxpayer's new employees in the taxable year in which**
23 **the new employees were first employed. However, the maximum**
24 **amount of the credit that a taxpayer may claim in the taxable year**
25 **in which the new employees were first employed may not exceed**
26 **the taxpayer's state tax liability growth.**

27 (c) **The taxpayer may carry forward any unused credit.**

28 SECTION 7. IC 6-3.1-26-15, AS ADDED BY P.L.224-2003,
29 SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 15. (a) A taxpayer may**
31 **carry forward an unused credit for not more than nine (9) consecutive**
32 **taxable years beginning with the taxable year after the taxable year in**
33 **which the taxpayer makes the qualified investment or hires the**
34 **number of new employees required under section 13.5 of this**
35 **chapter.**

36 (b) The amount that a taxpayer may carry forward to a particular
37 taxable year under this section equals the lesser of the following:

38 (1) The taxpayer's state tax liability growth.

39 (2) The unused part of a credit allowed under this chapter.

40 (c) A taxpayer may:

41 (1) claim a tax credit under this chapter for a qualified investment
42 **or for hiring the number of new employees required under**
43 **section 13.5 of this chapter;** and

44 (2) carry forward a remainder for one (1) or more:

- 1 (A) different qualified investments; or
 2 (B) **credits claimed for hiring the number of new**
 3 **employees required under section 13.5 of this chapter;**
 4 in the same taxable year.

5 (d) The total amount of each tax credit claimed under this chapter
 6 may not exceed:

- 7 (1) thirty percent (30%) of the qualified investment for which the
 8 tax credit is claimed, **in the case of a taxpayer that qualifies for**
 9 **a tax credit under section 13(1) of this chapter; or**
 10 (2) **thirty percent (30%) of the amount of wages and benefits**
 11 **paid to the taxpayer's new employees in the taxable year in**
 12 **which the new employees were first employed, in the case of**
 13 **a taxpayer that qualifies for a tax credit under section 13(2)**
 14 **of this chapter.**

15 SECTION 8. IC 6-3.1-26-16, AS ADDED BY P.L.224-2003,
 16 SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JANUARY 1, 2004 (RETROACTIVE)]; Sec. 16. If a pass through
 18 entity does not have state tax liability ~~growth~~ against which the tax
 19 credit may be applied, a shareholder or partner of the pass through
 20 entity is entitled to a tax credit **against the shareholder's or partner's**
 21 **state tax liability** equal to:

- 22 (1) the tax credit determined for the pass through entity for the
 23 taxable year; multiplied by
 24 (2) the percentage of the pass through entity's distributive income
 25 to which the shareholder or partner is entitled.

26 SECTION 9. IC 6-3.1-26-19, AS ADDED BY P.L.224-2003,
 27 SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 2004 (RETROACTIVE)]; Sec. 19. A person is not entitled
 29 to claim the credit provided by this chapter for any jobs that the person
 30 relocates from one (1) site in Indiana to another site in Indiana.
 31 ~~Determinations under this section shall be made by the board.~~

32 SECTION 10. IC 6-3.1-26-27 IS ADDED TO THE INDIANA
 33 CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
 34 JANUARY 1, 2004 (RETROACTIVE)]; Sec. 27. **To receive the credit**
 35 **provided by this chapter, a taxpayer must claim the credit on the**
 36 **taxpayer's annual state tax return or returns in the manner**
 37 **prescribed by the department of state revenue. The taxpayer shall**
 38 **submit to the department of state revenue all information that**
 39 **the department of state revenue determines is necessary for the**
 40 **calculation of the credit provided by this chapter and for the**
 41 **determination of whether the taxpayer has made a qualified**
 42 **investment as required under section 13 of this chapter or hired**
 43 **the required number of new employees under section 13.5 of this**
 44 **chapter."**

- 1 Page 29, line 4, delete "a".
- 2 Page 29, line 16, after "means" insert ",".
- 3 Page 29, line 17, after "year" delete ", is".
- 4 Page 31, between lines 6 and 7, begin a new paragraph and insert:
- 5 "SECTION 11. THE FOLLOWING ARE REPEALED [EFFECTIVE
- 6 JANUARY 1, 2004 (RETROACTIVE)]: IC 6-3.1-26-2; IC 6-3.1-26-3;
- 7 IC 6-3.1-26-5; IC 6-3.1-26-12; IC 6-3.1-26-17; IC 6-3.1-26-18;
- 8 IC 6-3.1-26-20; IC 6-3.1-26-21; IC 6-3.1-26-22; IC 6-3.1-26-23;
- 9 IC 6-3.1-26-24; IC 6-3.1-26-25; IC 6-3.1-26-26; P.L.224-2003,
- 10 SECTION 198.
- 11 SECTION 12. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]
- 12 **Subject to carryovers authorized by IC 6-3.1-26-15, as amended by**
- 13 **this act, IC 6-3.1-26, as amended by this act, applies to taxable**
- 14 **years beginning after December 31, 2004.**
- 15 SECTION 13. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]
- 16 **IC 6-3.1-26-13.5, IC 6-3.1-26-14.5, and IC 6-3.1-26-27, all as added**
- 17 **by this act, apply to taxable years beginning after December 31,**
- 18 **2003."**
- 19 ReNUMBER all SECTIONS consecutively.
- (Reference is to HB 1365 as printed January 27, 2004.)

Representative Espich