

## Indiana Tax Credit Summary

(Revised draft 2/20/15, based on LSA studies conducted 2012-2013)

Tax Credit	Code	Purpose	Date of Origin	Year of Review	HB1349	SB441	Avg Number of Filers <sup>1</sup>	Avg Benefit estimate <sup>2</sup>	Total claimed in last year studied or mean of total <sup>3</sup>
<b>21st Century Scholars Program Tax Credit</b>	IC 6-3-3-5.1	The 21st Century Scholars Program Tax Credit (IC 6-3-3-5.1) was established to promote private contributions to the 21st Century Scholars Program Support Fund.	1990	2013			188	\$ 110	\$ 20,755
<b>Airport Development Zone Employment Expense Credit</b>	IC 8-22-3.5-14; 6-3-3-10	The Employment Expense Credit was established to encourage businesses to hire qualified employees in airport development zones (ADZs). ADZs are special taxing districts created to provide benefits to taxpayers for economic development projects.	1991	2012			25	\$ 469	\$ 11,723
<b>Airport Development Zone Investment Cost Credit</b>	IC 8-22-3.5-14; 6-3.1-10	The Investment Cost Credit was established to encourage individuals to purchase of ownership interests in businesses located in airport development zones (ADZs). ADZs are special taxing districts created to provide benefits to taxpayers for economic development projects.	1991	2012			Not reported	\$ 1,006	\$ 1,501
<b>Airport Development Zone Loan Interest Credit</b>	IC 8-22-3.5-14; 6-3.1-7	The Loan Interest Credit was established to encourage loans to businesses located within airport development zones (ADZs). ADZs are special taxing districts created to provide benefits to taxpayers for economic development projects. They are similar to enterprise zones (IC 5-28-15).	1991	2012			Not reported	\$ 545	\$ 545
<b>Airport Development Zones</b>	IC 8-22-3.5	Airport development zones (ADZ) are special taxing districts that provide benefits to taxpayers for economic development projects. ADZs are similar to enterprise zones (IC 5-28-15).	1991	2012					
<b>Biodiesel Sales and Production Tax Credits</b>	IC 6-3.1-27	The Biodiesel Sales and Production Tax Credits (IC 6-3.1-27) were established to encourage the use and production of biodiesel and blended biodiesel in Indiana.	2003	2013			4	\$ 38,418	\$ 396,651
<b>Blended Biodiesels Tax Credit</b>	IC 6-3.1-27		2003						
<b>Capital Investment Credit</b>	IC 6-3.1-13.5	The Capital Investment Credit was created to encourage capital investments in projects costing over \$75 M in Shelby County.	2001	2012			35	\$ 15,697	\$ 519,411
<b>Coal Combustion Product Credit</b>	IC 6-3.1-25.2	The Coal Combustion Product Credit was established to encourage the recycling of coal ash, also known as coal combustion products (CCP), from Indiana coal-fired power plants.	2003	2012			Not reported		
<b>Coal Gasification Technology Investment Credit</b>	IC 6-3.1-29	The Coal Gasification Technology Investment Credit (IC 6-3.1-29) was established to encourage the use of Indiana coal to produce synthesis gas to generate electricity and for the production of synthesis gas to be used as a substitute for natural gas.	2005	2013			0	0	0

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<b>Community Revitalization Enhancement District Credit</b>	IC 36-7-13; 6-3.1-19	The Community Revitalization Enhancement District Credit was established to encourage qualified investments for the redevelopment or rehabilitation of property within a community revitalization enhancement district (CRED). CREDs are special zones within which local units may acquire property and make improvements for industrial development purposes.	1998	2012			56	\$ 122,788	\$ 6,876,144
<b>Community Revitalization Enhancement Districts</b>	IC 36-7-13	Community Revitalization Enhancement Districts (CREDs) are special zones within which local units may acquire property or make improvements for industrial development purposes. P.L.125-1998 [IC 36-7-13] authorized the first CRED to be designated in Bloomington. The statute has since been amended to allow additional CREDs to be designated for specified sites in specified local units. In addition, P.L. 224-2003 [IC 36-7-13-10.1] expanded the CRED program to allow any 1st or 2nd class city to designate one new CRED.	1998	2012					
<b>Earned Income Tax Credit</b>	IC 6-3.1-21	The Indiana Earned Income Tax Credit (EITC) was created to provide an additional refundable credit to certain low-income working families and individuals who claimed a federal earned income tax credit.	1999	2012	recouples		483,865	\$ 194	\$ 93,773,883
<b>Economic Development for a Growing Economy (EDGE) Credit</b>	IC 6-3.1-13	The Economic Development for a Growing Economy (EDGE) Credit was created to provide an incentive for businesses to either create new jobs in Indiana or undertake projects to retain existing jobs in Indiana.	1994	2012			725	\$ 46,429	\$ 33,661,260
<b>Energy Savings Tax Credit</b>	IC 6-3.1-31.5	The Energy Savings Tax Credit (IC 6-3.1-31.5) was established to encourage the purchase of certain energy-efficient products.	2007	2013			10,540	\$ 95	\$ 1,000,456
<b>Enterprise Zone Employment Expense Credit</b>	IC 5-28-15; 6-3-3-10	The Employment Expense Credit was established to encourage businesses to hire qualified employees in enterprise zones (EZs). EZs are special districts created to provide benefits to taxpayers for economic development projects.	1983	2012			240	\$ 4,858	\$ 1,165,912
<b>Enterprise Zone Investment Cost Credit</b>	IC 5-28-15; 6-3-3-10	The Investment Cost Credit was established to encourage individuals to purchase ownership interests in businesses located in enterprise zones (EZs). EZs are special districts created to provide benefits to taxpayers for economic development projects.	1983	2012			20	\$ 5,657	\$ 113,147
<b>Enterprise Zone Loan Interest Credit</b>	IC 5-28-15; 6-3-3-7	The Loan Interest Credit was established to encourage loans to businesses located within enterprise zones (EZs). EZs are special taxing districts created to provide benefits to taxpayers for economic development projects.	1983	2012			79	\$ 23,422	\$ 1,850,333

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<b>Enterprise Zones</b>	IC 5-28-15	Indiana's Enterprise Zone (EZ) program was established by P.L. 23-1983 [IC 5-28-15] and allows EZs to be located in municipalities or on former military installations. The first EZs established were located in Evansville, Fort Wayne, Michigan City, Richmond, and South Bend in 1984. Currently, there are 24 EZs operating in the state.	2005	2012					
<b>Ethanol Production Tax Credit</b>	IC 6-3.1-28	The Ethanol Production Tax Credit (IC 6-3.1-28) was established to encourage the production of both grain and cellulosic ethanol at Indiana facilities.	2003	2013			44	\$ 13,069	\$ 575,037
<b>Headquarters Relocation Credit</b>	IC 6-3.1-30	The Headquarters Relocation Credit was created as an incentive for businesses to relocate their corporate headquarters to Indiana.	2005	2012			Not reported	\$ 1,782	\$ 1,782
<b>Health Benefit Plan Tax Credit</b>	IC 6-3.1-31	The Health Benefit Plan Tax Credit (IC 6-3.1-31) was created to encourage certain employers to begin offering health benefit plans to employees, regardless of whether such an employer paid any of the premium cost of the plan.	2007	2013			193	\$ 673	\$ 129,931
<b>Historic Rehabilitation Tax Credit</b>	IC 6-3.1-16	The Historic Rehabilitation Tax Credit (HRTC) (IC 6-3.1-16) was established to encourage the rehabilitation or preservation of historic properties that are at least 50 years old and are income-producing.	1993	2013	repeals (replaced w/grant in budget)				
							42	\$ 3,160	\$ 132,735
<b>Hoosier Alternative Fuel Vehicle Manufacturer Investment Credit</b>	IC 6-3.1-31.9	The Hoosier Alternative Fuel Vehicle Manufacturer Investment Credit was enacted to foster job creation and higher wages, reduce dependence on imported energy sources, and reduce air pollution as the result of the manufacture or assembly of alternative fuel vehicles (AFV).	2007	2012			7.6	\$ 72	\$ 549
<b>Hoosier Business Investment Credit</b>	IC 6-3.1-26	The Hoosier Business Investment (HBI) Credit was established to provide businesses with an incentive to create jobs, make capital investments, and provide higher wages to Indiana residents.	2003	2012			226	\$ 40,049	\$ 9,051,110
<b>Income Tax Credit for Property Taxes Paid on Homesteads</b>	IC 6-3.1-20		2001						
<b>Indiana 529 College Savings Contribution Credit</b>	IC 6-3-3-12	The Indiana 529 College Savings Contribution Tax Credit (IC 6-3-3-12) was established to encourage college savings through Indiana's CollegeChoice 529 education savings plan.	2006	2013			67,452	\$ 667	\$ 44,982,291

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<b>Indiana College Contribution Tax Credit</b>	IC 6-3-3-5	The Indiana College Contribution Credit (ICCC) (IC 6-3-3-5) was established to encourage donations to Indiana colleges and universities.	1963	2013			88,558	\$ 98	\$ 8,658,532
<b>Indiana Comprehensive Health Insurance Association (ICHIA) Assessment</b>	IC 27-8-10-2.4	The ICHIA Assessment Tax Credit (IC 27-8-10-2.4) is for insurers that paid assessments to help fund Indiana's high-risk health insurance pool called the Indiana Comprehensive Health Insurance Association (ICHIA).	2004	2013			7	\$ 134,683	\$ 942,784
<b>Indiana Insurance Guaranty Association Credit</b>	IC 27-6-8-15 & IC 27-8-8-16	The Indiana Insurance Guaranty Association Credit (IC 27-6-8-15 & IC 27-8-8-16) and the Indiana Life and Health Insurance Guarantee Association Credit are for insurers that pay assessments to the guaranty associations.	1971	2013			73	\$ 4,247	\$ 309,996
<b>Individual Development Account Tax Credit</b>	IC 6-3.1-18	The Individual Development Account (IDA) Tax Credit (IC 6-3.1-18) was created to encourage contributions to community development corporations (CDC) that participate in IDA programs.	1997	2013	repeals	repeals	91	\$ 965	\$ 87,804
<b>Industrial Recovery Credit</b>	IC 6-3.1-11	The Industrial Recovery Credit was established to encourage investment towards the rehabilitation or remodeling of vacant industrial facilities in a designated industrial recovery site.	1987	2012			6	\$ 13,680	\$ 80,082
<b>Lake County Residential Property Tax Credit</b>	IC 6-3.1-20	The Lake County Residential Property Tax Credit (IC 6-3.1-20) was created to provide property tax relief to low-income individual taxpayers who own and reside in a home within Lake County.	2001	2013			29,050	\$ 290	\$ 8,414,751
<b>Maternity Home Tax Credit</b>	IC 6-3.1-14	The Maternity Home Tax Credit (IC 6-3.1-14) was established to provide assistance to owners who operated a registered maternity home that provided a temporary residence to at least one unrelated pregnant woman for at least 60 consecutive days during her pregnancy.	1990	2013			10	\$ 391	\$ 3,912
<b>Media Production Expenditure Credit</b>	IC 6-3.1-32 (Repealed)	The Media Production Expenditure Credit was established to encourage additional spending by the media production industry in Indiana by providing individuals and businesses with a refundable tax credit.	2007 (expired 2012)	2012			42	\$ 1,248	\$ 52,409
<b>Military Base Investment Cost Credit</b>	IC 6-3.1-11.6	The Military Base Investment Cost Credit was created to encourage individuals to purchase ownership interests in businesses located in a military base, military base reuse area, an economic development area, a military base recovery site, or a military base enhancement area.	2004	2012			Not reported	Not reported	\$ 950
<b>Military Base Recovery Credit</b>	IC 6-3.1-11.5	The Military Base Recovery Credit was created to encourage the rehabilitation of real property located in a military base recovery site. A military base recovery site is a vacant military base facility that was placed into service at least 20 years ago.	1998	2012			21	\$ 484	\$ 10,164

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Natural Gas Powered Vehicles	IC 6-3.1-34.6		2014						
Neighborhood Assistance Tax Credit	IC 6-3.1-9	The Neighborhood Assistance Tax Credit (IC 6-3.1-9) was created to encourage taxpayers to contribute to neighborhood organizations for certain neighborhood-based programs and projects.	1984	2013			3,267	\$ 602	\$ 1,966,195
New Employer Credit	IC 6-3.1-33	The New Employer Credit was established to encourage businesses with at least 10 qualified employees to relocate, start new operations, or expand existing operations in Indiana.	2010	2012			102	\$ 1,593	\$ 162,435
Prison Investment Tax Credit	IC 6-3.1-6	The Prison Investment Tax Credit (IC 6-3.1-6) was established to encourage taxpayers to invest in Indiana prisons to create jobs for offenders.	1984	2013			11	\$ 10,394	\$ 114,330
Research Expense Credit	IC 6-3.1-4	The Research Expense Credit provides an incentive for businesses to increase their research activities conducted in Indiana.	1984	2012			1,054	\$ 25,282	\$ 26,646,877
Research Expense Tax Credit	IC 6-3.1-4	The Research Expense Tax Credit (IC 6-3.1-4) provides an incentive for businesses to increase their research activities conducted in Indiana.	1984	2013			1,131	\$ 28,198	\$ 31,891,408
Residential Historic Rehabilitation Tax Credit	IC 6-3.1-22	The Residential Historic Rehabilitation Tax Credit (RHRC) (IC 6-3.1-22) is for the rehabilitation or preservation of a historic property that is at least 50 years old and is the taxpayer's primary residence.	2001	2013	repeals		203	\$ 1,217	\$ 247,035
Riverboat Building Tax Credit	IC 6-3.1-17	The Riverboat Building Tax Credit (RBTC) (IC 6-3.1-17) is available to taxpayers that build or refurbish a riverboat licensed to conduct legal gambling in Indiana.	1994	2013			Not reported	Not reported	\$ 258,339
School Scholarship Contribution Tax Credit	IC 6-3.1-30.5	The School Scholarship Contribution Tax Credit (IC 6-3.1-30.5) was established to encourage donations to nonprofit K-12 scholarship-granting organizations (SGOs).	2009	2013			766	\$ 1,766	\$ 1,352,492
Small Employer Wellness Program Tax Credit	IC 6-3.1-31.2	The Small Employer Wellness Program Tax Credit (IC 6-3.1-31.2) was established to encourage small employers to offer qualified wellness programs to their employees. The taxpayer had to be actively engaged in business and employ between 2 and 100 employees.	2007	2013			146	\$ 1,717	\$ 250,634

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<b>Teacher Summer Employment Tax Credit</b>	IC 6-3.1-2	The Teacher Summer Employment Tax Credit (IC 6-3.1-2) was established to encourage businesses to hire certain teachers during their summer vacation.	1984	2013			21	\$ 729	\$ 15,317
<b>Unified Tax Credit for the Elderly</b>	IC 6-3.3-9	The Unified Tax Credit for the Elderly (UTCE) (IC 6-3.3-9) provides a refundable income tax credit to low-income Indiana residents who are at least 65 years old.	1982	2013			156,816	\$ 72	\$ 11,353,380
<b>Venture Capital Investment Credit</b>	IC 6-3.1-24	The Venture Capital Investment Credit was created to encourage investment in early-stage firms.	2002	2012			360	\$ 36,486	\$ 13,134,951
<b>Voluntary Remediation Tax Credit</b>	IC 6-3.1-23	The Voluntary Remediation Tax Credit (IC 6-3.1-23) is for qualified investments involving redevelopment of a brownfield or environmental remediation.	2001	2013			63	\$ 346	\$ 21,826
<b>Footnotes</b>	1 - LSA Study included number of Individual and/or Corporate Filers, and averaged where data was available. 2 - LSA Study often included average claim by filer; where not included, total claimed was divided by number of filers. 3 - LSA Study included total claims filed, or where data is incomplete, a mean over last several years.								
<b>Source</b>	The Indiana Income Tax Credit Study divides the credits for review over 2 years. 2012 review is at <a href="http://www.in.gov/legislative/interim/committee/2012/committee/reports/STFPFB1.pdf">http://www.in.gov/legislative/interim/committee/2012/committee/reports/STFPFB1.pdf</a> and the 2013 review is at <a href="http://www.in.gov/legislative/interim/committee/2013/committee/prelim/STFP05.pdf">http://www.in.gov/legislative/interim/committee/2013/committee/prelim/STFP05.pdf</a>								