

Indianapolis Region  
**Incentives**



Incentive/Credit	Description	Criteria /Requirements
Real Property Tax Abatement IC 6-1.1-12.1-17	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 IC 6-1.1-12.1-17	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 equipment is operational.
Sales Tax Exemption - Research and Development Equipment IC 6-2.5-5	Research and development equipment is exempt from state sales tax.	No requirements.
Sales Tax Exemption – Motorsports IC 6-2.5-5-37	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 IC 6-2.5-5	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 is 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. Must meet qualifications set by the Indiana Utility Regulatory Commission.
Sales Tax – Utilities IC 6-2.5-5	Utilities used in certain manufacturing capacities are tax exempt.	Utilities include electrical energy, natural or artificial gas, water, steam and steam heat. Qualifications are set by the Indiana Utility Regulatory Commission.
Economic Development for a Growing Economy (EDGE) - New Jobs IC 6-3.1-13	This program provides refundable tax credits based on the additional payroll for new jobs created in Indiana. EDGE can be awarded on eligible gross payroll for a period not to exceed 10 years	IEDC approval. Significant new Indiana job creation. Significant local participation. Average wage exceeds the industry sector average (NAICS). EDGE agreement required. Annual verification of amount of individual income taxes withheld will trigger release of credits.

The 9-county Indianapolis Region includes Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan and Shelby counties.

Last updated 3/16/2017

**Indy Partnership**

317-236-6262 or Toll Free 1-877-236-4332

E-mail: [info@indypartnership.com](mailto:info@indypartnership.com)

Website: [www.indypartnership.com](http://www.indypartnership.com)

Incentive/Credit	Description	Criteria /Requirements
Hoosier Business Investment Tax Credit (HBITC) IC 6-3.1-26	Tax credits for qualified investment made in Indiana facility.	IEDC approval. 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. Company must maintain operations in Indiana 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 IC 6-3.1-30	Provides non-refundable tax credits to relocating corporate headquarters based upon relocation costs.	IEDC approval. Credit is up to 50 percent of the qualified investment and carry forward not to exceed nine consecutive years. Currently maintains HQ outside Indiana and no previous HQ in Indiana. Prior year international revenue of at least \$50M. Commit contractually to moving HQ.
21st Century Fund IC 5-28-16	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. The fund is managed by Elevate Ventures.	IEDC Board approval. State Budget Committee review (public meeting).
Indiana Research Development Tax Credit (R&D) IC 6-3.1-4	Tax credit based on qualified research expense incurred for research conducted in Indiana.	Credit is the lesser of \$1M or the increment of Indiana qualified research expenses over the taxpayer's base amount multiplied by 15 percent. May be claimed when filing state income taxes by including the IT-20 REC form. May carry forward an unused credit for 10 years.
Venture Capital Investment Tax Credit IC 6-3.1-24	Investors who provide qualified debt or equity capital to Indiana companies receive a credit against their Indiana income tax liability.	IEDC approval. 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 IC 6-3-2-21.7	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.

Incentive/Credit	Description	Criteria /Requirements
Certified Technology Parks (CTP) IC 36-7-32	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	IEDC approval. 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.
Community Revitalization Enhancement District Tax Credit (CRED) IC 6-3.1-19	Tax credit available to companies located in a designated CRED. Credits are for 25 percent of qualified investment.	IEDC approval. 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) IC 5-28-25	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.	IEDC approval. Contributions made to tax-exempt, 501c organizations. 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. * contributes to an IEDC approved neighborhood organization and plan.
Industrial Recovery Site Tax Credit IC 6-3.1-11	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.	No requirements.
Enterprise Zone Credits	Various incentive opportunities exist for companies within EZ. Available credits to qualified businesses: Loan Interest Tax Credit (IC 6-3.1-7), Gross Income Tax Exemption, Wage Exemptions, Investment Credit and Investment Cost Credit (IC 6-3.1-10).	IEDC approval. Credits are assignable. Limited carry forward of credits Requirements are specific to individual incentive programs.

Incentive/Credit	Description	Criteria /Requirements
Vacant Building Tax Abatement IC 6-1.1-12.1-16	One 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.	Prior approval by local government agency. Approval must happen before occupying the facility. Three years at 100% if certain conditions met.
Skills Enhancement Fund IC 5-28-7	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.	IEDC approval.
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.
Recycling Market Development Program IC 4-23-5.5-14	Recycling Market Development Program (RMDP) helps recyclers by providing funding for equipment specifically needed to remanufacture recyclable materials into finished products or industrial feedstocks.	The RMDP is administered by the Indiana Department of Environmental Management and operates under the Recycling Market Development Board. The board determines all final funding for eligible projects. Approval of funding is announced at subsequent Board meetings.
Voluntary Remediation Tax Credits IC 13-25-5	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.
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.
Brownfield Tax Reduction/Wavier IC6-1.1-45.5	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.

Incentive/Credit	Description	Criteria /Requirements
Renewable Energy Property Tax Exemption IC 6-1.1-12-35.5	Commercial and industrial operations, as well as residential households, with systems that generate energy using solar, wind, hydropower, or geothermal resources – including geothermal heat pumps – are exempt from property tax.	Exemption is allowed every year that a qualifying system functions. The entire renewable energy system and affiliated equipment that is unique to the system, including equipment for storage and distribution, are exempt from the property tax. The exemption applies to both real property and mobile homes equipped with renewable energy systems, and may only be claimed by property owners.
Brownfield Revolving Loan Fund	The purpose of the Indiana Brownfields Program's Revolving Loan Fund (RLF) Incentive is to facilitate the redevelopment of brownfield sites by making low-cost funding available through low-to-zero interest loans to finance environmental cleanups and facilitate the public or private redevelopment of brownfield sites throughout the state.	Application with the Indiana Department of Environmental Management. Site must meet definition of brownfield as determined by the State of Indiana.
Hoosier Alternative Fuel Vehicle Manufacturer Tax Credit IC 6-3.1-31.9	A tax credit applied toward investment in the manufacturing of alternative fuel vehicles. The credit is assessed against the corporation's tax liability.	The manufacturer must compensate its employees at least 150% of the state's hourly minimum wage and agree to maintain operations for at least 10 years. Additional restrictions apply. For the purpose of this incentive, AFVs are defined as vehicles designed to operate on E85, biodiesel, natural gas, liquefied petroleum gas (propane), hydrogen, methanol, coal-derived liquid fuels, non-alcohol fuels derived from biological material, P-Series fuels, or electricity. IEDC must review and approved applications for this incentive.
Information Technology Personal Property Exemption IC 6-1.1-10-44	Enterprise information technology equipment is exempt from personal property taxation for a period agreed to by local designating body.	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 operating 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 and average employee wage of the entity is at least 125% of the county average wage.