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## State of Indiana – Tax Credits & Exemptions

### Economic Development for a Growing Economy Tax Credit

The [Economic Development for a Growing Economy \(EDGE\)](#) Tax Credit provides an incentive to businesses to support jobs creation, capital investment and to improve the standard of living for Indiana residents. The refundable corporate income tax credit is calculated as a percentage (not to exceed 100%) of the expected increased tax withholdings generated from new jobs creation. The credit certification is phased in annually for up to 10 years based upon the employment ramp-up outlined by the business.

### Headquarters Relocation Tax Credit Economy Tax Credit

The [Headquarters Relocation Tax Credit \(HRTC\)](#) provides a tax credit to a business that relocates their headquarters to Indiana. The credit is assessed against the corporation's state tax liability.

### Hoosier Business Investment Tax Credit

The [Hoosier Business Investment \(HBI\)](#) Tax Credit provides incentive to businesses to support jobs creation, capital investment and to improve the standard of living for Indiana residents. The nonrefundable corporate income tax credits are calculated as a percentage of the eligible capital investment to support the project. The credit may be certified annually, based on the phase-in of eligible capital investment, over a period of two full calendar years from the commencement of the project.

### Hoosier Business Investment Tax Credit for Logistics

The [Hoosier Business Investment Tax Credit for Logistics \(HBI-L\)](#) provides incentive to businesses in support of certain eligible logistics investment. The non-refundable corporate income tax credits are calculated as a percentage (determined by the IEDC, not to exceed 25%) of the eligible logistics investment to support the project. The credit may be certified annually, based on the phase-in of eligible logistics investment, over a period of two full calendar years from the commencement of the project.

### Industrial Recovery Tax Credit

The [Industrial Recovery Tax Credit](#) provides an incentive for investment in former industrial facilities requiring significant rehabilitation or remodeling expenses. The credit is established by IC 6-3.1-11.

### Patent Income Exemption

Certain income derived from qualified patents and earned by a taxpayer are exempt from taxation. The [Tax Exemption for Patent-derived Income](#) defines qualified patents to include only utility patents and plant patents. The total amount of exemptions claimed by a taxpayer in a taxable year may not exceed \$5 million. The exemption provides that a taxpayer may not claim an exemption for income derived from a particular patent for more than 10 taxable years. The exemption percentage begins at 50 percent of income derived from a qualified patent for each of the first five taxable years, and decreases over the next five taxable years to 10 percent in the 10th taxable year. It also specifies that a taxpayer is eligible to claim the exemption only if the taxpayer is domiciled in Indiana and is either an individual or corporation with not more than 500 employees including employees in the individual's or corporation's affiliates or is a nonprofit organization or corporation. The Tax Exemption for Patent-Derived Income is established by IC 6-3-2-21.7.

## Venture Capital Investment Tax Credit

The [Venture Capital Investment Tax Credit](#) program improves access to capital for fast growing Indiana companies by providing individual and corporate investors an additional incentive to invest in early stage firms. Investors who provide qualified debt or equity capital to Indiana companies receive a credit against their Indiana tax liability. The Venture Capital Investment Tax Credit is established by I.C. 6-3.1-24.

## R&D Sales Tax Exemption

The state of Indiana offers [two tax incentives targeted at encouraging investments in research and development](#). Taxpayers may receive a credit against their Indiana state income tax liability calculated as a percentage of qualified research expenses. Additionally, taxpayers may be refunded sales tax paid from purchases of qualified research and development equipment. The Indiana Department of Revenue oversees these incentive programs.

## Full detail of State Incentives

[iedc.in.gov/incentives](http://iedc.in.gov/incentives)

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## Hancock County – Local Incentive Programs

### Tax Abatement

Up to ten-years on both real and personal property. Length of abatement is based on job creation, wages, and capital investment.

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