

# HOUSE BILL No. 1241

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.1-35.

**Synopsis:** Employee relocation tax credit. Provides an individual income tax credit against state income tax liability of an individual that relocates to Indiana to accept employment with an Indiana employer in a high demand, unfilled job in: (1) manufacturing; or (2) science, technology, engineering, or mathematics. Requires the Indiana department of work force development (DWD) to establish a registry of high demand, unfilled jobs for purposes of determining eligibility for the tax credit. Requires the DWD to collaborate with private employers and other entities in determining the jobs that are placed on the registry. Provides that an individual is entitled to the tax credit if the individual: (1) relocates to Indiana from out of state to accept a high demand, unfilled job in Indiana; (2) applies for and is issued a tax credit certificate from the DWD; (3) is a resident of Indiana; and (4) during the taxable year, is employed with the same employer that initially hired the individual. Provides that the tax credit may be claimed for: (1) the taxable year in which the individual relocates to Indiana to accept employment with an Indiana employer; and (2) the next four consecutively succeeding taxable years (the tax credit may not be claimed in more than five taxable years). Provides that the tax credit amount is 100% of the individual's adjusted gross income tax liability for the taxable year.

**Effective:** July 1, 2018; January 1, 2019.

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**Smith M, Bacon**

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January 11, 2018, read first time and referred to Committee on Ways and Means.

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Second Regular Session of the 120th General Assembly (2018)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2017 Regular Session of the General Assembly.

# HOUSE BILL No. 1241

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-3.1-35 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2018]:

4 **Chapter 35. Employee Relocation Tax Credit**

5 **Sec. 1. As used in this chapter, "high demand, unfilled job"**  
6 **means a job that meets the following requirements:**

7 (1) **The job requires specific skills or training that is in high**  
8 **demand in the labor market in Indiana as determined by the**  
9 **department of workforce development using both short term**  
10 **and long term job growth projection data.**

11 (2) **Vacancies for the job typically remain unfilled for at least**  
12 **one hundred eighty (180) days due to a lack of qualified job**  
13 **candidates.**

14 (3) **The inability to fill the job vacancy impedes economic**  
15 **expansion in Indiana as determined by the department of**  
16 **workforce development.**

17 **Sec. 2. As used in this chapter, "registry" means the high**



1 demand, unfilled jobs registry established by the department of  
2 workforce development under section 5 of this chapter.

3 **Sec. 3. As used in this chapter, "tax credit certificate" means a**  
4 **tax credit certificate issued by the department of workforce**  
5 **development to a taxpayer under section 6 of this chapter.**

6 **Sec. 4. As used in this chapter, "taxpayer" means an individual**  
7 **that has any state income tax liability.**

8 **Sec. 5. (a) The department of workforce development shall**  
9 **establish and maintain a registry of high demand, unfilled jobs in**  
10 **the following occupational classifications or categories in Indiana:**

11 (1) Manufacturing.

12 (2) Science, technology, engineering, and mathematics.

13 (b) The department of workforce development shall collaborate  
14 with the following persons in determining the jobs that are placed  
15 on the registry:

16 (1) Private employers.

17 (2) The Indiana economic development corporation.

18 (3) The department of labor.

19 (4) The Indiana works councils.

20 (5) The state workforce innovation council.

21 (6) The Indiana manufacturers association.

22 (c) A person described in subsection (b) may submit a written  
23 recommendation to the department of workforce development that  
24 a job be placed on the registry for purposes of this chapter.

25 (d) The department of workforce development shall annually  
26 review job growth projection data in Indiana and update the  
27 registry under this section as needed.

28 **Sec. 6. (a) A taxpayer may apply to the department of workforce**  
29 **development for a tax credit certificate for purposes of claiming a**  
30 **tax credit under this chapter not later than ten (10) days after the**  
31 **taxpayer's initial hiring date with an employer in Indiana.**

32 (b) A taxpayer that applies for a tax credit certificate under  
33 subsection (a) must provide the department of workforce  
34 development with all information that the department of  
35 workforce development considers necessary for the department of  
36 workforce development to:

37 (1) confirm the taxpayer's new employment with an employer  
38 in Indiana; and

39 (2) determine whether the taxpayer's new job is a high  
40 demand, unfilled job that is listed on the registry established  
41 under section 5 of this chapter on the taxpayer's initial hiring  
42 date.



1           (c) The department of workforce development shall review an  
 2 application for a tax credit certificate under this section and must  
 3 either issue a tax credit certificate to the taxpayer, or notify the  
 4 taxpayer in writing that the applicant does not meet the  
 5 requirements for a tax credit certificate, within thirty (30) days of  
 6 receipt of the application.

7           (d) The department of workforce development may establish an  
 8 online application platform for taxpayer's to submit an application  
 9 for a tax credit certificate under this section.

10          Sec. 7. (a) Subject to subsection (b), a taxpayer that meets the  
 11 following requirements is entitled to a tax credit under this chapter  
 12 for the taxable year:

13           (1) The taxpayer relocates to Indiana from outside the state to  
 14 accept a job that is listed as a high demand, unfilled job on the  
 15 department of workforce development registry as of the  
 16 taxpayer's initial hiring date with the Indiana employer.

17           (2) The taxpayer has a valid tax credit certificate issued by the  
 18 department of workforce development under section 6 of this  
 19 chapter.

20           (3) The taxpayer is employed with the same employer that  
 21 initially hired the taxpayer under subdivision (1) during the  
 22 taxable year.

23           (4) The taxpayer continuously maintains residency in Indiana  
 24 following the taxpayer's relocation from outside the state  
 25 under subdivision (1).

26          (b) A taxpayer may claim a credit under this chapter:

27           (1) for the taxable year in which the taxpayer relocates to  
 28 Indiana from outside the state to accept employment with an  
 29 Indiana employer; and

30           (2) for the next four (4) consecutively succeeding taxable years  
 31 following the taxable year described in subdivision (1).

32          A taxpayer may not claim a credit under this chapter for more  
 33 than five (5) taxable years.

34          Sec. 8. (a) Subject to subsection (b), the credit amount of a tax  
 35 credit to which a taxpayer is entitled in a taxable year is equal to  
 36 one hundred percent (100%) of the taxpayer's adjusted gross  
 37 income tax liability for the taxable year.

38          (b) The credit amount of the tax credit that a taxpayer uses  
 39 during a particular taxable year may not exceed the sum of the  
 40 taxes imposed by IC 6-3 for the taxable year after the application  
 41 of all credits that under IC 6-3.1-1-2 are to be applied before the  
 42 credit provided by this chapter. A taxpayer is not entitled to any



1 carryover, carryback, or refund of any unused credit.

2 **Sec. 9. (a) A taxpayer claiming a credit under this chapter must**  
3 **claim the credit on the taxpayer's state tax return in the manner**  
4 **prescribed by the department of state revenue.**

5 **(b) For each taxable year in which a taxpayer claims a credit**  
6 **under this chapter, the taxpayer shall submit to the department of**  
7 **state revenue:**

8 **(1) a copy of the tax credit certificate issued to the taxpayer by**  
9 **the department of workforce development under section 6 of**  
10 **this chapter;**

11 **(2) proof of the taxpayer's continuous employment during the**  
12 **taxable year with the same employer for which the tax credit**  
13 **certificate was issued; and**

14 **(3) all other information that the department of state revenue**  
15 **determines necessary for purposes of this chapter.**

16 **SECTION 2. [EFFECTIVE JANUARY 1, 2019] (a) IC 6-3.1-35, as**  
17 **added by this act, applies to taxable years beginning after**  
18 **December 31, 2018.**

19 **(b) The SECTION expires January 1, 2022.**

