

## **Completed Initiatives**

Since Economic Vision 2010 was established in 2000, the Indiana Chamber and its coalition partners have accomplished a number of initiatives. Each driver area has seen improvement. Among the significant advancements have been the historic 2002 tax restructuring, improved education standards and 2003 economic development initiatives.

### **Driver 1: Education/Workforce Development**

#### **Goal 1 – Create a world-class K-12 education system**

##### **Initiatives**

1. Developed world-class education performance standards by subject and grade level.
2. Developed accountability and continuous quality improvement system.
3. Increased parental options in education by enacting school choice and charter schools. Partially complete with the allowance of charter school and limited public school choice.
4. Provided consistent and accurate reporting of the following educational performance measures by school districts each year: high school graduation rates, attrition rates, percentage of students taking/completing Core 40 curriculum, percentage of students taking/completing academic honors diploma, percentage of students passing ISTEP, attendance rates, SAT and ACT scores.
5. Legislation passed to allow use of alternative teacher licenses for experienced professionals with various areas of specialty (e.g. chemists, lawyers, doctors, accountants).

#### **Goal 3 – Improve the state’s ability to educate/retrain existing employees**

##### **Initiatives**

1. Made incumbent worker training program permanent to help shift purchase decisions/spending of workforce training dollars to customers.

### **Driver 2: Business Costs**

#### **Goal 1 – Create a competitive state tax environment for Indiana businesses**

##### **Initiatives**

1. Passed legislation to eliminate inventory tax in 2002 special session.
2. Passed tax restructuring legislation to substantially reduce personal property tax burdens.
3. Doubled Research & Development income tax credit from 5% to 10%. Extended R&D tax credit additional 10 years. Addressed apportionment formula improvement. Enacted legislation to make the Research and Development (R&D) income tax credits fully applicable to all R&D expenditures made in Indiana.
4. Eliminated corporate gross income tax and supplemental net income tax in 2002 tax restructuring.
5. Eliminated equivalent property tax reduction of county welfare levies in 2002 tax restructuring by allocating 60% of the school general fund levy to the state.
6. Enacted numerous legislation/incentive programs to grow and retain Indiana jobs, including creation of Indiana Economic Development Corporation, expansion of 21st Century Research and Technology Fund, Hoosier Business Tax Credit, establishing bonding authority for the Indiana Port Commission and establishment of Value Added Research Fund.

7. Enacted additional enabling legislation and programs to retain and grow current Indiana companies with incentive programs (i.e. capital investment) that promote economic growth.
8. Eliminated the requirement for existing Indiana companies to “shop” their packages with other states.

Goal 3 – Aggressively promote a state policy that provides a reliable, adequate, cost-effective and diversified supply of energy

Initiatives

1. Developed assessment matrix to evaluate proposed energy legislation.

Goal 4 – Encourage the widest possible participation in the health care system

Initiatives

1. Health care premiums are now 100% deductible from federal and Indiana state taxes.
2. Actuarial analysis of proposed health care mandates now required as passed in HB 1019-03.

Driver 3: Government/Regulatory Environment

Goal 1 – Create a fundamental philosophical shift in Indiana’s regulatory environment to one where business is viewed as a “solutions partner”

Initiatives

1. Under the initiative to “require a fiscal analysis on all proposed laws and regulations to disclose impact on taxpayers and Indiana’s economic development environment,” the following has been accomplished:

- Regulations now reviewed by Administrative Rules Oversight Commission and health care mandate analysis enacted in HB 1019-03.
- Passed 2003 legislation requiring IDEM to justify going beyond a federal standard.

Driver 4: Infrastructure

Goal 1 – Drive the growth of Indiana’s advanced transportation, logistics, telecommunications and information systems infrastructure

Initiatives

1. Enacted I-Light legislation to enhance state Internet backbone.
2. Under initiative to increase availability and affordability of direct air service to and from Indiana’s major population centers, passed SB 520 that eliminates property tax on aircraft for airlines headquartered or incorporated in Indiana, eliminating a huge barrier for air service. Allows the possibility of more flights originating and concluding in Indiana. Allows airlines that pick up the routes between South Bend and Indianapolis, and Evansville and Indianapolis, to be property tax-free on aircraft used for those operations.
3. Under initiative to support completion of I-69, increased gas tax 3 cents in HB 1001ss.
4. Under initiative to develop high-speed passenger rail routes/ stops in Indiana cities, provided research and planning funding enacted in HB 1469-03.

Driver 5: Dynamism/Entrepreneurism

Goal 1 – Increase the number of university and private sector initiatives to research, develop and transfer new technologies to Indiana-based businesses

Initiatives

1. Increased and improved commercialization of university research and intellectual capital with increased funding for 21st Century Research & Technology Fund. Enacted Technology Grant Fund and funding for Technology Parks.

Goal 2 – Increase the availability of alternative financing for start-up and growth companies in Indiana

Initiatives

1. Passed legislation to enable/encourage PERF & TRF to invest in Indiana-based venture capital opportunities. Venture capital fellowship program passed in 2003 to work with Indiana Future Fund.

2. Enacted Venture Capital tax credit legislation to provide a 20% tax credit for venture capital investments in technology-oriented, high-skill, high-wage start-up companies.