

2019 POLICY VICTORIES

HOW THE INDIANA CHAMBER HELPED HOOSIER BUSINESSES

COST AND EASE OF DOING BUSINESS

- The double income tax is eliminated for Indiana companies that sell services to out-of-state customers. These businesses will pay only one income tax for each sale – to the state in which the delivery of the services occurs.
- The business personal property tax exemption threshold is doubled. Now, small businesses which own less than \$40,000 in machinery and equipment (based on acquisition costs) do not have to pay the tax.
- More companies can take advantage of the Hoosier Business Investment Tax Credit. Previously, the credit was only in effect when purchasing new manufacturing equipment. New qualifying purchases are for “retooled or refurbished machinery,” as well as equipment to reduce pollution, conserve energy and generate renewable energy.
- A marketplace facilitator (or online platform) is the designated responsible party for collecting sales tax from the customer during an online purchase instead of the individual businesses.
- Defeating a moratorium on new power plants that would have resulted in higher energy costs for business and residential ratepayers statewide.
- Greater access to high-speed broadband will be available to businesses (and consumers) in unserved and underserved portions of the state, making day-to-day operations run more efficiently and helping with economic development efforts.
- Water matters to companies – and to some, it’s integral to the very nature of the business. The Water Infrastructure Assistance Fund (with \$20 million appropriated annually) and program will promote sustainability of water resources and attempt to keep costs as low as possible.
- Businesses will no longer be subject to “extraterritorial powers” by a city or town in whose jurisdiction they are not situated. This was a problem in areas with close-together municipalities that had overlapping and different policies, which resulted in confusion and regulatory conflicts.
- Any employer who fully participates in the new state guidelines for substance use and treatment (culminating with implementation of a standardized system) will now receive the civil immunity protection for a negligent hiring. Previously, only those employers without an employee assistance program were eligible for the legal protection.



“A host of positive tax policy changes were ushered in this session, including providing relief for companies located in Indiana that do a lot of out-of-state business and upping the threshold so more can now take advantage of the personal property tax exemption for small businesses.”

– Bill Waltz

Vice president of taxation and public finance



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ENTREPRENEURISM AND INNOVATION



“Making Indiana more attractive for investment and businesses looking to relocate is a continued priority for the Indiana Chamber. In 2019, existing tax credits were made stronger and more appealing, highlighted by the transferability of the Venture Capital Investment Tax Credit.

– Adam H. Berry

Vice president of economic development and technology

- An investor can now transfer all or part of a Venture Capital Investment (VCI) Tax Credit, subject to certain limitations, beginning in July 2020. This makes Indiana more attractive for investment capital.
- The Small Business Investment Voucher allows small businesses to partner with Indiana’s colleges and universities (public or private), as well as other “authorized” entities for research and development, technology exploration, technical development and commercialization services.
- High-potential small businesses (those that receive \$4 million or more in venture capital) are eligible for a refundable Headquarters Relocation Tax Credit (a standard credit is nonrefundable). The credit is available for a company contractually agreeing to relocate either its headquarters or 80% of its payroll to Indiana.
- Local communities can lure large data centers to town via certain property, sales and use tax exemptions for the equipment used in these facilities. Example: The electricity used by a center would be exempt from the state’s sales tax. An added bonus is the very presence of a data center often attracts high technology companies in need of its services.

WORKFORCE ATTRACTION AND DEVELOPMENT

- Increase in the state’s investment in the Next Level Jobs training grants for employers to retrain their employees in high-growth areas and individuals to become knowledgeable in a high-demand field.
- Employer Aid Readiness Network (EARN) Indiana program expanded to high school students in addition to college. EARN Indiana provides financial assistance to employers who provide paid internships for qualified Hoosier students.
- The state’s expanded pre-K program will allow children from low-income families (part of the future workforce) in ANY Indiana county to participate through an eligible provider.
- Wage assignment for clothing rental and tool purchases. The employer pays the upfront costs, which are then deducted over time from employee wages. This arrangement relieves a monetary burden for employees and assists employers in the hiring process.
- A multistate nurse licensure compact means hospitals should feel relief from the shortage of registered nurses, who no longer need separate licenses for each state.
- A hate crimes law puts Indiana on a level playing field when it comes to talent recruitment and retention.



“With strong backing from the Indiana Chamber, state lawmakers doubled down on proposals aimed at better attracting and retaining talent, skilling up Hoosier workers and promoting closer alignment between the state’s education and employment sectors.”

– Jason Bearce

Vice president of education and workforce development

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