

This millennium, the Indiana Chamber of Commerce has played a key role in many landmark public policy victories that have enhanced both the state's business climate and quality of life for Hoosiers. Below is a partial list of these achievements.

Chamber Helps Move Indiana Forward: Policy Victories

Tax relief for pass-through entities (2023) – Provides mechanism for pass-throughs to deduct all state and federal taxes paid on their federal returns, thus circumventing the \$10,000 deduction limit. The individual income tax rate phase-down was accelerated by two years providing additional tax relief.

Career advising grant program (2023) – Makes strides to “reinvent high school” with provisions to expand work-based learning opportunities for students, with graduation requirements more relevant to real-world expectations and funding flexibility.

Pathways for low-income students to pursue postsecondary education (2023) – Puts more students on promising career path by automatically enrolling eligible students in the 21st Century Scholars program (providing free college tuition at in-state schools) and requiring high school seniors to complete and submit the Free Application for Federal Student Aid (FAFSA) unless the student opts out (with consent).

State energy plan (2023) – Requires that when making decisions concerning Indiana's electric generation resource mix, energy infrastructure and electric service, the Indiana Utility Regulatory Commission must consider reliability, affordability, resiliency, stability and environmental sustainability.

Data privacy (2023) – Strikes a balance between companies' ability to use and monetize data and Hoosiers' ability to protect their personal information.

Health improvements (2023) – Establishing a framework to combat the state's mental health crisis and implementing changes recommended by the Governor's Public Health Commission are major steps to improving Indiana's woeful health rankings.

Increased incentives for economic development and talent attraction efforts (2023, 2022) – Bolsters Indiana's ability to market its communities for transformational projects and investment, as well as attract jobs and talent to mitigate projected losses to the state's workforce.

Enhanced early childcare access and quality (2023, 2022) – Provides tax credit for employers and providers that expand childcare access. Streamlines existing state regulations (not related to health and safety) and providing incentives for providers to enhance program quality.

Preschool program (2023, 2019, 2017, 2014) – Expanded On My Way Pre-K program eligibility and children from low-income families in any Indiana county can participate through an eligible provider.

Vaccine mandates (2022) – Successfully opposed legislation that would have prevented businesses from making autonomous decisions about vaccination and testing requirements for employees.

Venture Capital Investment (VCI) Tax Credit improvements (2022, 2021, 2019) – Veteran-owned businesses now eligible. Annual available credit amount increases to \$20 million, the credit percentage to 25% overall and 30% for minority or women-owned businesses. A new 20% credit for fund investors. Investors can transfer all/part of the VCI tax credit, subject to certain limitations.

Civil immunity related to COVID-19 (2021) – Protects employers that follow accepted safety guidelines from litigation regarding possible coronavirus exposure to employees or visitors.

Regional economic development program (2021) – Invests \$500 million in quality of place investments that will spur economic growth throughout the state via regional collaboration, planning and cooperation.

Tobacco reforms to decrease smoking and vaping rate (2021, 2020) – Increases purchase age to 21 for tobacco products and sets forth noncompliance penalties for retailers. Taxes vaping and e-liquid products like traditional tobacco products.

Broadband expansion (2021, 2019) – Promotes a higher level of broadband deployment in unserved and underserved portions of the state (via \$250 million in new funding), which is critical to long-term economic development.

Business personal property tax relief (2021, 2019, 2016, 2015) – Exempts small businesses which own less than \$80,000 (previously \$40,000) in machinery and equipment (based on acquisition costs) from having to pay the tax starting in July.

State water resources plan development (2021; 2015-2019) – Establishes steps toward a much-needed state plan, including an annual \$80 million in grants and enhanced data collection of existing resources, best practices and challenges.

School choice accessibility (2021, 2013, 2011) – Establishes the Indiana education savings account program that allows eligible families to receive an annual grant amount to pay for tuition/eligible expenses at an accredited nonpublic school. Previously created tuition scholarships for low- and middle-income students, plus removed the requirement to first attend a public school.

Health care cost transparency (2020) – Various new laws to lessen the incidence of “surprise billing” and creation of an all-payer claims database.

Unemployment insurance rate schedule (2020) – Provides certainty for employers regarding their rate and contribution levels through 2025.

Central Indiana Development Authority (2020) – Establishes a model for enhancing regional development to gain access to capital and programs.

Hate crimes law (2019) – Authorizes a judge to increase a defendant's sentence if the defendant committed the crime because of the defendant's bias towards the victim. Passage puts Indiana on a level playing field with other states when it comes to talent recruitment and retention.

Appointed state superintendent (2019, 2017) – Moves the State Superintendent of Public Instruction from an elected position to one appointed by the Governor beginning in 2021.

Software-as-a-service (SaaS) tax clarification (2018) – Enhances the growing software-as-a-service industry by exempting such transactions from sales taxes.

Chamber Helps Move Indiana Forward: Policy Victories

Computer science course offering (2018) – Incorporates computer science curriculum into all K-12 schools by 2021.

Workforce development framework (2018) – Focuses on developing an employer-driven system. Among the provisions: Next Level Jobs employer training grants and CTE (career and technical education) student data becoming available to local employers.

Various technology and innovation advances (2017-2018) – Enhancing early-stage and scale-up funding for promising Indiana business opportunities, an increased focus on innovation and entrepreneurship, better digital and physical connectivity with other parts of the world, funding for better use of big data, providing funding mechanisms to enhance regional infrastructure projects and expanding high-speed internet in the state.

Increased money for roads and highways (2017, 2016, 2014, 2013) – A multi-prong funding approach for the next two decades that will generate \$1.2 billion annually by 2024 to enhance Indiana's transportation infrastructure. Also includes allocation for local governments to boost their projects.

Lawsuit lending reform (2016) – Sets interest rate caps for repayment of advances made to plaintiffs in anticipation of winning their lawsuit; will encourage more settlements and decrease court time and expenses.

Early payoff of unemployment insurance loan (2015) – Indiana took out a loan from the federal government in 2008 when its underfunded unemployment trust fund was unable to meet Hoosier needs. The early loan payoff saved employers \$126 per employee – or \$327 million total – in 2016.

Elimination of the "throwback rule" (2015) – Business income apportioned to but not taxable in another state will no longer be "thrown back" into the sales attributable to Indiana and taxed, as of January 2016.

Common construction wage (2015) – Repeals the common construction wage statute (and those superseded by it) for state and local public construction projects. Will save property taxpayers tens of millions of dollars in future public construction costs.

Corporate income tax rate reduction (2014) – Reduces Indiana's corporate income tax rate from 6.5% to 4.9% in 2022, making it the second lowest in the nation. Prior efforts in 2011 decreased the rate from 8.5% to 6.5%.

Elimination of the state's inheritance tax (2013) – Repeals inheritance tax effective retroactively to January 1, 2013 (accelerating nine-year phaseout passed in 2012.)

Right-to-work for employees (2012) – Prohibits unions from forcing Indiana workers to join or pay dues and fees to a labor union to get or keep a job in this state; makes it the employees' choice. Does not eliminate unions or collective bargaining.

Statewide smoking ban (2012) – Outlaws smoking in the majority of workplaces (bars/taverns, gambling institutions are biggest exceptions) and within eight feet of a building's public entrance. Local governments may enact stricter ordinances.

Protection of property owner water rights (2012) – Clarifies the water usage laws to confirm that private property owners, not municipalities, have control of the underground wells on their property.

Charter school expansion (2011) – Removed administrative barriers limiting charter school growth, while also bringing more accountability into the authorization process and performance review.

Teacher performance evaluations and merit pay (2011) – A boost to the teacher evaluation process; it provides for performance-based pay and establishes a meaningful annual performance evaluation that holds teachers more accountable.

Expanded tax abatement (2011) – Expands tax abatement statute to provide up to 100% exemption from property taxes for new equipment purchases.

Removal of most township assessors (2008) – Eliminated nearly 1,000 township officials and transferred property assessing duties to county assessors.

Major Moves (2006) – A \$4.2 billion road improvement and job creation plan funded by the leasing of the Indiana Toll Road.

Telecommunications reform (2006) – Deregulated the telecommunications industry in the areas of broadband, advanced services, telecom and mobile services, plus utilized state video or cable franchising.

Observance of daylight saving time (2005) – Put the entire state on daylight saving time and in-line with rest of the country.

Economic development tax credits expanded (2005) – Substantial improvements were made to the state's economic toolkit with the extension and expansion of TIF (tax increment financing) and tax abatement, as well as expansions to the EDGE Tax Credit, the Hoosier Business Investment Tax Credit, the Venture Capital Tax Credit and the R&D Tax Credit.

Creation of the Indiana Economic Development Corporation (2003) – Public-private group established to manage and expand the state's economic development initiatives.

Tax restructuring (2002) – Monumental tax restructuring plan put in place to trim business taxes by \$800 million per year. Included the inventory tax elimination and corporate gross tax.



Indiana Chamber of Commerce
115 West Washington Street, Suite 850S
Indianapolis, IN 46204

p 317-264-3110
f 317-264-6855
www.indianachamber.com