

INCENTIVES

LOCAL INCENTIVES

REAL PROPERTY TAX ABATEMENT

Phase-in of real property tax obligation from the improvements being made. The phase-in can span a one to 10 year period. Tax abatement is granted based on qualifying new investment, retained and committed jobs, wages and economic impact of project. Metropolitan Development Commission and, in designated TIF districts, City County Council approval is required and must occur before construction permits are obtained.

PERSONAL PROPERTY TAX ABATEMENT

Manufacturing, research and development, information technology and logistics/distribution equipment phase-in of personal property (used directly in production, R&D, distribution processes) tax obligation over a one to 10 year period. Tax abatement is granted based on qualifying new investment, retained and committed jobs, wages and economic impact of project. Metropolitan Development Commission and, in designated TIF districts, City County Council approval is required and must occur prior to the equipment being operational.

FUNDING PROGRAMS

Several financing programs are available for companies at state and local levels. Taxable and tax exempt bonds, Tax Increment Financing (TIF) and various small business loan programs are available. Requirements are specific to each individual financing program and require government agency approval.

VACANT BUILDING ABATEMENT

Allows for abatement of a portion of current property taxes as well as any project-based increased taxes based on the occupation of a qualifying vacant building. Granted to a company according to local qualifications, including occupancy of a previously vacant building for commercial or industrial purposes. Approval of the Metropolitan Development Commission and, in designated TIF Districts, City County Council, must occur before occupying the facility.

TAX INCREMENT FINANCING DISTRICTS

The Indiana TIF process is formally established in Indiana Code (IC 36-7-14 and IC 36-7-25). The Metropolitan Development Commission and City-County Council must first designate either a Redevelopment Area (RDA) or an Economic Development Area (EDA), and then designate a TIF allocation area. TIF funds are utilized by issuance bonds against the future taxes resulting from a project. The proceeds of these TIF Bonds may then finance public infrastructure intended to stimulate private sector investment and job creation or as a grant or loan to the developer to finance the redevelopment project. Smaller grants from an existing TIF fund balance may be considered for infrastructure projects or to support workforce development programs.

MICROLENDING

Through Business Ownership Initiative Inc., a business unit of the Indy Chamber, microloans up to \$50,000 are issued to entrepreneurs that may not qualify for traditional bank lending. Applicants are asked to complete free business coaching and complete a feasible business plan to be reviewed by a committee before receiving the loan.

INTERNATIONAL MARKETPLACE CRED

Community Revitalization Enhancement Districts (CREDs) are special zones within which local units may acquire property or make improvements for redevelopment purposes. Projects are vetted by the International Marketplace Coalition, the CRED Advisory Commission and the City-Council prior to authorization of spending. The CRED funds can be used to alleviate the obstacles to redevelopment present in the CRED area.

H.I.R.E.D.

The program, in partnership with Develop Indy and Employ Indy, will offer enhanced tax abatement incentives to businesses in Marion County that agree to work with supportive service providers to employ workers re-entering the workforce after incarceration. The City has identified several area service providers that want to participate in the program as case managers and liaisons between DMD and business program partners.

INCENTIVES (CONT'D)

NEW MARKETS TAX CREDITS

The City has in the past been the recipient of federal New Markets Tax Credits. These federal income tax credits are awarded annually and highly competitive. Investors provide private capital to the City's Community Development Entity (CDE) which then invests in projects. The investor receives an income tax credit and the proceeds are invested in highly distressed census tracts, as designated by the federal government. Please contact the City for additional project and geographic eligibility requirements and current availability of Credits.

GROW INDIANAPOLIS FUND

The City has established a small business loan pool utilizing a portion of its 2016-2017 New Markets Tax Credits Allocation. The Fund can provide operating capital, debt restructuring or capital asset financing, for businesses located in Highly Distressed Census Tracts. Loans are issued with favorable terms, up to \$2,000,000 per project. Cambridge Capital administers the Grow Indianapolis Fund for the City.

OPPORTUNITY ZONES

The City will be participating in the newly established federal Opportunity Zones program. Private capital is invested in an Opportunity Fund, which can then be invested in projected in designated Opportunity Zones. Fund investors can defer capital gains tax for 3, 7 or 10 years, depending on the hold period for the asset improved with the program. The ownership of the asset can enjoy a exemption on capital gains resulting from the sale of an asset improved by the program, provided they hold the asset for 10 years. Indianapolis-Marion County has 36 Census Tracts designated as Opportunity Zones. Please contact the City for additional project and geographic eligibility requirements for the Opportunity Zones program.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

The Community Development Block Grant (CDBG) works to ensure decent affordable housing for all, provide services to the most vulnerable members of our community, create jobs and expand business opportunities, and provide a wide array of housing and social services. Examples include low-income home repair, public facility construction and rehabilitation, demolition of unsafe structures, summer youth programs, employment training and senior services. The program is an important tool in helping tackle the city's most serious community challenges. In order to be eligible under the CDBG program, all activities must meet one of the following national objectives for the program:

- Benefit low and moderate-income persons (Used for almost all projects);
- Prevent or eliminate slums or blight; or
- Community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community.

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

The HOME Investment Partnerships Program (HOME) is a federal grant from the U.S. Department of Housing and Urban Development (HUD) to expand the supply of safe, decent, affordable housing for low-income households.

City of Indianapolis HOME funds are awarded on a competitive basis to partner organizations to develop rental and homeownership housing units, provide down payment assistance, and offer tenant-based rental assistance. Individuals are not eligible to apply directly to the City for funding but may contact partner organizations for assistance.

Eligible activities for HOME funds include:

- Home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers;
- Building or rehabilitating housing for rent or ownership;
- "Other reasonable and necessary expenses related to the development of non-luxury housing," including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development and payment of relocation expenses; and
- Tenant-based rental assistance

INCENTIVES (CONT'D)

STATE INCENTIVES

ECONOMIC DEVELOPMENT FOR A GROWING ECONOMY TAX CREDIT

The Economic Development for a Growing Economy (EDGE) Tax Credit provides 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

The Headquarters Relocation Tax Credit (HRTC) provides a tax credit to corporations that relocate their headquarters to Indiana. The credit is assessed against the corporation's state tax liability.

HOOSIER ALTERNATIVE FUEL VEHICLE MANUFACTURER TAX CREDIT

A tax credit applied toward investment in the manufacturing of alternative fuel vehicles. The credit is assessed against the corporation's state tax liability.

HOOSIER BUSINESS INVESTMENT TAX CREDIT

Provides incentive to businesses to support jobs creation, capital investment and to improve the standard of living for Indiana residents. The non-refundable 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.

INDUSTRIAL DEVELOPMENT GRANT FUND

The Industrial Development Grant Fund (IDGF) provides assistance to municipalities and other eligible entities and may be provided to reimburse a portion (typically up to 50%) of eligible public infrastructure costs 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 companies to invest in former industrial facilities requiring significant rehabilitation or remodeling expense.

MOTORSPORTS SALES TAX EXEMPTION

Every racecar component/part sold in Indiana is exempt from state sales tax except for tires and accessories.

PATENT INCOME TAX EXEMPTION

Certain income derived from qualified patents and earned by a taxpayer are exempt from taxation.

RESEARCH AND DEVELOPMENT SALES TAX EXEMPTION

Taxpayers may receive a 100 percent sales tax exemption for the purchase of qualified research and development equipment.

RESEARCH EXPENSE TAX CREDIT

Taxpayers may receive a credit against their Indiana state income tax liability calculated as a percentage of qualified research expenses.

SKILLS ENHANCEMENT FUND

The Skills Enhancement Fund (SEF) provides assistance to businesses to support training and upgrading skills of employees required to support new capital investment. The grant may be provided to reimburse a portion (typically 50%) of eligible training costs over a period of two full calendar years from the commencement of the project.

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.

WORKFORCE 2.1

The Indiana Economic Development Corporation is offering Skills Enhancement Fund (SEF) assistance under a program called Workforce 2.1 for the purpose of training and providing job-specific certifications to current employees, prospective new hires, and students with plans to become employees. The grant may be provided to establish or develop training programs to fill a deficiency in the Indiana workforce. The IEDC has designated \$1 million of SEF funds for the Workforce 2.1 program through the end of 2013. The IEDC will consider proposals from training providers until the \$1 million is exhausted and intends to consider proposals beyond 2013 based on the program's effectiveness.



get HIRED

an innovative solution for sustainable employment.

The Hiring Incentive for Re-Entry Development (HIRED) program was created as an innovative tool to leverage City resources to encourage the hiring of individuals in Marion County who are returning to the workforce after incarceration. Those with prior justice involvement often have higher retention and job loyalty, decreasing turnover costs to the employer. This incentive will be offered to companies seeking tax abatement for qualified capital investment that commit to hiring and retaining these individuals and will grant participating companies an enhanced abatement of up to two additional years at up to 100 percent.

companies who participate

- access a pool of motivated, trained, and workforce ready individuals
- receive support and training of HIRED employees from a community service provider
- benefit financially from a tax abatement
- decrease recidivism, decrease in spending on corrections
- may be eligible for other financial incentives including the Work Opportunity Tax Credit and Federal Bonding Program

service provider support

- pre-employment services
- employment sourcing
- supportive services during employment to assist with housing, and transportation

training offered by the service providers in the following areas:

- Logistics (Certified Logistics Associate credential)
- Culinary Arts
- Hospitality
- Microsoft Office
- Construction
- Cable Installation
- Certified Nursing Aide
- Forklift Operations
- OSHA certifications
- Other certifications including:
HAZWOPER40, EPA608, RCRA

Other training needs may be discussed.

contact info@developindy to get HIRED.

WORKFORCE INCENTIVES

AVAILABLE WORKFORCE INCENTIVES

EARN Indiana

Indiana INTERNnet is a free internship-matching program managed by the Indiana Chamber of Commerce linking employers, students, high schools, colleges and universities. It is a dynamic, searchable database, matching and reporting system coupled with personal assistance—including a hotline to answer questions and provide internship guidance and resource materials. The goal is to help create or expand high-quality experiential opportunities within Indiana. EARN Eligible Employers can receive reimbursement for up to 50% of eligible wages per EARN eligible internship.

Jobs for America's Graduates (JAG)

Jobs for America's Graduates (JAG) is a state-based, national non-profit organization dedicated to helping high school students of promise who have experienced challenging or traumatic life experiences achieve success through graduation. JAG is a resiliency-building workforce preparation program that helps students learn in-demand employability skills and provides a bridge to post-secondary education and career advancement opportunities. JAG students receive adult mentoring while in school and one year of follow-up counseling after graduation. Indiana's program consistently graduates approximately 95 percent of participants, and many students choose to continue their education after high school. The JAG program is funded through grants provided by the Indiana Department of Workforce Development.

NextLevel Jobs

More than one million jobs must be filled in Indiana over the next 10 years. To help Hoosier employers fill these jobs, Indiana has created the Employer Training Grant. The Employer Training Grant reimburses employers who train, hire, and retain new or incumbent workers to fill in-demand positions within recognized job fields. The grant will reimburse employers up to \$5,000 per employee who is trained, hired, and retained for six months, up to \$50,000 per employer.

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