



PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1008 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-3.1-13-13, AS AMENDED BY P.L.167-2014,
- 4 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 JANUARY 1, 2017 (RETROACTIVE)]: Sec. 13. (a) The corporation
- 6 may make credit awards under this chapter for any of the following:
- 7 (1) To foster job creation in Indiana.
- 8 (2) To foster job retention in Indiana.
- 9 (3) For taxable years beginning after December 31, 2014, and
- 10 before January 1, 2019, to foster employment in Indiana of
- 11 students who participate in a course of study that includes a
- 12 cooperative arrangement between an educational institution and
- 13 an employer for the training of students in high wage, high
- 14 demand jobs that require an industry certification.
- 15 (b) The credit shall be claimed for the taxable years specified in the
- 16 taxpayer's tax credit agreement.
- 17 SECTION 2. IC 6-3.1-13-14, AS AMENDED BY P.L.145-2016,
- 18 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 19 JANUARY 1, 2017 (RETROACTIVE)]: Sec. 14. (a) A person that
- 20 proposes a project to create new jobs in Indiana may apply, as provided
- 21 in section 15 of this chapter, to the corporation to enter into an

agreement for a tax credit under this chapter.

(b) A person that proposes to retain existing jobs in Indiana may apply, as provided in section 15.5 of this chapter, to the corporation to enter into an agreement for a tax credit under this chapter.

(c) This subsection applies to taxable years beginning after December 31, 2014, and before January 1, 2019. A person that proposes to employ in Indiana students who have participated in a course of study that includes a cooperative arrangement between an educational institution and an employer for the training of students in high wage, high demand jobs that require an industry certification may apply, as provided in section 15.7 of this chapter, to the corporation to enter into a agreement for a tax credit under this chapter.

(d) (c) The corporation shall prescribe the form of the application.

SECTION 3. IC 6-3.1-13-15.7 IS REPEALED [EFFECTIVE JANUARY 1, 2017 (RETROACTIVE)]. Sec. 15.7: (a) This section applies to an application proposing to employ students who have participated in a course of study that includes a cooperative arrangement between an educational institution and an employer for the training of students in high wage, high demand jobs that require an industry certification:

(b) A taxpayer who wishes to claim the credit provided by this chapter for employment of candidates to which this section applies may submit an application to the corporation after June 30, 2014, for a taxable year beginning after December 31, 2014, and before January 1, 2019, in the manner prescribed by the corporation:

(c) After receipt of an application, the corporation may enter into an agreement with the applicant for a tax credit under this chapter if the corporation determines that the applicant:

- (1) participates in at least one (1) cooperative arrangement with an educational institution for the training of students in high wage, high demand jobs that require an industry certification; and
- (2) meets any additional eligibility conditions established by the corporation:

(d) The corporation may consult with the Indiana career council to develop eligibility and performance conditions that an applicant must meet to qualify for a credit award to which this section applies:

(e) The aggregate amount of tax credits awarded under this section for a state fiscal year may not exceed two million five hundred thousand dollars (\$2,500,000):

SECTION 4. IC 6-3.1-13-19.7 IS REPEALED [EFFECTIVE JANUARY 1, 2017 (RETROACTIVE)]. Sec. 19.7: (a) In the case of a credit awarded for employment in Indiana of students who have participated in a course of study that includes a cooperative arrangement between an educational institution and an employer for the training of students in high wage, high demand jobs that require an industry certification, the corporation shall enter into an agreement

1 with an applicant that is awarded a credit under this chapter. The
2 agreement must include all the following:

3 (1) A detailed description of the applicant's own cooperative
4 arrangements between the applicant and educational institutions
5 for the training of students in high wage, high demand jobs that
6 require an industry certification.

7 (2) The duration of the tax credit and the first taxable year for
8 which the credit may be claimed.

9 (3) The credit amount that will be allowed for each taxable year.

10 (4) A requirement that the taxpayer shall maintain the applicant's
11 cooperative arrangements between the applicant and educational
12 institutions for the training of students in high wage, high demand
13 jobs that require an industry certification for at least two (2) years
14 following the last taxable year in which the applicant claims the
15 tax credit or carries over an unused part of the tax credit under
16 section 18 of this chapter. A taxpayer is subject to an assessment
17 under section 22 of this chapter for noncompliance with the
18 requirement described in this subdivision.

19 (5) A specific method for determining the number of employees
20 who:

21 (A) were students who participated in a course of study that
22 included a cooperative arrangement between an employer and
23 an educational institution for the training of students in high
24 wage, high demand jobs that require an industry certification;
25 and

26 (B) are employed during a taxable year.

27 (6) A requirement that the taxpayer annually shall report to the
28 corporation:

29 (A) the number of employees who participated in a course of
30 study that includes a cooperative arrangement between an
31 employer and an educational institution for the training of
32 students in high wage, high demand jobs that require an
33 industry certification;

34 (B) the income tax revenue withheld in connection with the
35 employees described in clause (A); and

36 (C) any other information the corporation needs to perform the
37 corporation's duties under this chapter.

38 (7) A requirement that the corporation is authorized to verify with
39 the appropriate state agencies the information reported under
40 subdivision (6); and after doing so shall issue a certificate to the
41 taxpayer stating that the information has been verified.

42 (8) A requirement that the taxpayer shall provide written
43 notification to the corporation not more than thirty (30) days after
44 the taxpayer makes or receives a proposal that would transfer the
45 taxpayer's state tax liability obligations to a successor taxpayer.

46 (9) Any other performance conditions that the corporation

determines are appropriate:

(b) A taxpayer who is awarded a credit under this chapter for employees who participated in a course of study that included a cooperative agreement between an employer and an educational institution for the training of students in high wage, high demand jobs that require an industry certification may claim the credit only for employees whose course of study included a cooperative arrangement between the taxpayer and an educational institution for the training of students in high wage, high demand jobs that require an industry certification:

SECTION 5. IC 6-3.1-35 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2017 (RETROACTIVE)]:

Chapter 35. Employer Training Tax Credits

Sec. 1. The purpose of this chapter is to give employers in Indiana incentives to encourage their employees to complete the requirements for portable workforce credentials that are required or beneficial for targeted employment that are critical to or emerging as needed by employers to conduct business in Indiana.

Sec. 2. As used in this chapter, "approved training provider" means any of the following:

- (1) A state educational institution.
- (2) A nonprofit college or university that operates in Indiana, provides an organized two (2) year or longer program of collegiate grade directly creditable toward a baccalaureate degree, and is accredited by a recognized regional accrediting agency.
- (3) A postsecondary credit bearing proprietary educational institution that is accredited by the board for proprietary education under IC 21-18.5-6 or an accrediting agency recognized by the United States Department of Education and operates in Indiana.
- (4) A postsecondary proprietary educational institution accredited under IC 22-4.1-21 that operates in Indiana.
- (5) The following secondary schools operating in Indiana:
 - (A) A career and technical education center, school, department, or program described in IC 20-37, including a cooperative program with an employer under IC 20-37-2-7.
 - (B) A charter school (as defined in IC 20-24-1-4), including an adult high school (as defined in IC 20-24-1-2.3).
 - (C) An accredited nonpublic school that is accredited under IC 20-19-2-8 or IC 20-19-2-10.

Sec. 3. As used in this chapter, "certificate" means an award granted by either an educational institution or independent education and training provider associated with successful completion of a specific program of study. Educational and

1 training programs teach students skills related to specific
 2 occupations. Certificate programs are generally created, taught,
 3 and assessed directly by the provider of a program. Students are
 4 awarded certificates after successfully completing instruction and
 5 demonstrating proficiency through provider administered exams.
 6 The term includes an associate degree requiring at least sixty (60)
 7 credit hours of instruction.

8 Sec. 4. As used in this chapter, "certification", when not issued
 9 by a governmental entity, means a type of award to an individual
 10 that demonstrates proficiency and knowledge, through
 11 examination, in a specific industry or trade. As opposed to a
 12 certificate, obtaining a certification award is not dependent on any
 13 actual education or training program. Instead, evaluating
 14 candidates for certification relies on independent, third party
 15 professional and industry based groups. These national
 16 organizations develop and maintain relevant proficiency standards
 17 that are assessed and sanctioned by industry approved examination
 18 facilities, independent of any educational institution or training
 19 program. Certifications often have an expiration date, requiring
 20 individuals to participate in continuing education or reexamination
 21 in order to stay current. This characterization of certification
 22 awards has been accepted and endorsed by national entities, such
 23 as the National Association of Manufacturers (NAM) and the
 24 American Association of Community Colleges.

25 Sec. 5. As used in this chapter, "cooperative credential
 26 assessment service" means a service that:

- 27 (1) provides testing or other examination services after June
 28 30, 2017, that assess competency for one (1) or more types of
 29 portable workforce credentials; and
- 30 (2) has a cooperative arrangement with an employer with a
 31 business location in Indiana to assess competency for and
 32 award portable workforce credentials to covered individuals
 33 for targeted employment that is critical to or emerging as
 34 needed by the employer to carry out the employer's business
 35 in Indiana.

36 Sec. 6. As used in this chapter, "cooperative training program"
 37 means a course of study initiated after June 30, 2017, through a
 38 cooperative arrangement between an approved training provider
 39 and an employer with a business location in Indiana, to prepare
 40 covered individuals or fulfill an instructional requirement for an
 41 award of one (1) or more types of portable workforce credentials
 42 that demonstrate knowledge, skills, and competencies for targeted
 43 employment that is critical to or emerging as needed by an
 44 employer seeking a tax credit under this chapter to carry out the
 45 employer's business in Indiana.

46 Sec. 7. As used in this chapter, "corporation" refers to the
 47 Indiana economic development corporation.

1 **Sec. 8. As used in this chapter, "covered individual" means the**
 2 **following:**

3 **(1) An employee of an employer claiming a tax credit under**
 4 **this chapter who is employed at a location in Indiana.**

5 **(2) A student enrolled in Indiana in a course of study at an**
 6 **approved training provider that prepares the student for or**
 7 **is an instructional requirement for a portable workforce**
 8 **credential.**

9 **The term does not include an individual who is an owner, a**
 10 **shareholder, a partner, or a member of a taxpayer claiming a tax**
 11 **credit or an individual making otherwise eligible expenditures or**
 12 **eligible donations so the same individual obtains instruction in a**
 13 **cooperative training program or a cooperative credential**
 14 **assessment service.**

15 **Sec. 9. As used in this chapter, "credit amount" means the**
 16 **amount determined under section 20 of this chapter.**

17 **Sec. 10. As used in this chapter, "eligible donation" means the**
 18 **amount that could be deducted in the taxpayer's federal tax return**
 19 **for property donated to an approved training provider (if the**
 20 **approved training provider was a nonprofit organization exempt**
 21 **from federal income taxation under Section 501(c)(3)) for property**
 22 **used exclusively in a cooperative training program or a cooperative**
 23 **credential assessment service.**

24 **Sec. 11. As used in this chapter, "eligible expense" means any**
 25 **combination of the following:**

26 **(1) Direct out-of-pocket labor costs or grants of a taxpayer for**
 27 **a covered individual while the covered individual is engaged**
 28 **in a cooperative training program or an assessment related to**
 29 **a cooperative credential assessment service, including**
 30 **instruction, instruction preparation, other program delivery**
 31 **time, and transportation to and from an approved training**
 32 **provider for a cooperative training program or cooperative**
 33 **credential assessment service.**

34 **(2) Tuition costs and fees paid by a taxpayer to an approved**
 35 **training provider for a cooperative training program or a**
 36 **cooperative credential assessment service for a covered**
 37 **individual.**

38 **(3) Direct out-of-pocket transportation costs of a taxpayer,**
 39 **including reimbursement to a covered individual, to transport**
 40 **a covered individual to and from the location of training in a**
 41 **cooperative training program or the location of an assessment**
 42 **related to a cooperative credential assessment service, other**
 43 **than commuting costs that would not be deductible by the**
 44 **covered individual on the covered individual's federal income**
 45 **tax return if the covered individual elected to itemize**
 46 **expenses.**

47 **(4) Direct out-of-pocket cost to a taxpayer of devoting**

facilities of the taxpayer in Indiana exclusively to the operation of a cooperative training program or a cooperative credential assessment service for use by covered individuals.

Sec. 12. As used in this chapter, "license" means a type of credential that is awarded by a governmental entity that permits a person to engage in an occupation or a profession, use a name or title associated with an occupation or a profession, or otherwise hold the person out as a person qualified to act within the scope of an occupation or a profession, regardless of whether the governmental entity prohibits persons without the credential to provide some or all of the same services. This award may be granted by a federal, state, or local governmental entity. A license signals that a person has completed or achieved certain standards. The term includes credentials denominated by names other than "license", such as "registration", "certification", and "endorsement", when the credential is awarded and regulated by a governmental entity.

Sec. 13. As used in this chapter, "pass through entity" means a:

- (1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) partnership;
- (3) trust;
- (4) limited liability company; or
- (5) limited liability partnership.

Sec. 14. (a) As used in this chapter, "portable workforce credential" refers to a certificate, certification, or license that:

- (1) is listed on the online search tool required by section 23 of this chapter;
- (2) demonstrates knowledge, skills, and competencies for targeted employment that is critical to or emerging as needed by a taxpayer seeking a tax credit under this chapter to carry out the taxpayer's business in Indiana; and
- (3) has portability, uniformity, and applicability in the industry in which the taxpayer is engaged in Indiana.

The term includes stackable, short term credentials with clear labor market value that build toward another portable workforce credential.

(b) A credential meets the criteria of:

- (1) portability, if competencies associated with the credential are authenticated by an impartial third party and the value and features of the credential are not bound to a particular region or employer;
- (2) uniformity, if the exams and demonstrations required for the award of a credential are standardized and help validate skills and knowledge consistently within an industry; and
- (3) applicability, if the requirements for the certification keep current with the latest industry standards and required

1 proficiencies.

2 **Sec. 15.** As used in this chapter, "state tax liability" means a
3 taxpayer's total tax liability that is incurred under:

- 4 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
5 (2) IC 27-1-18-2 (the insurance premiums tax); and
6 (3) IC 6-5.5 (the financial institutions tax);

7 as computed after the application of the credits that under
8 IC 6-3.1-1-2 are to be applied before the credit provided by this
9 chapter.

10 **Sec. 16.** As used in this chapter, "targeted employment" means
11 employment in Indiana in a high wage, high demand job that is
12 listed by the corporation on the online search tool required by
13 section 23 of this chapter and is in any of the following business
14 activities:

- 15 (1) Manufacturing.
16 (2) Health care.
17 (3) Information technology.
18 (4) Logistics.

19 **Sec. 17.** As used in this chapter, "taxpayer" means an individual
20 or an entity (including a corporation, a limited liability company,
21 a limited liability partnership, or a partnership) that has any state
22 tax liability.

23 **Sec. 18.** As used in this chapter, "tax credit" refers to a tax
24 credit for which a taxpayer is eligible under this chapter.

25 **Sec. 19.** A taxpayer that incurs an eligible expense or makes an
26 eligible donation after June 30, 2017, in a particular taxable year
27 beginning after December 30, 2016, is entitled to a tax credit under
28 this chapter for the taxable year.

29 **Sec. 20.** The credit amount of a tax credit to which a taxpayer
30 is entitled in a taxable year is equal to one hundred percent (100%)
31 of the sum of the taxpayer's eligible expenses and eligible donations
32 in that taxable year. However:

- 33 (1) a taxpayer is not eligible for a tax credit under this chapter
34 if the taxpayer claims a tax credit under another chapter in
35 this article for the same eligible expense or eligible donation;
36 (2) the maximum amount that a taxpayer may claim in any
37 one (1) taxable year for eligible expenses incurred and eligible
38 donations made in that taxable year is forty thousand dollars
39 (\$40,000); and
40 (3) the maximum amount that a taxpayer may claim for
41 eligible expenses for any one (1) individual in a taxable year
42 is five thousand dollars (\$5,000).

43 **Sec. 21. (a)** The credit amount of the tax credit that a taxpayer
44 uses during a particular taxable year may not exceed the sum of
45 the taxes imposed by IC 6-3 for the taxable year after the
46 application of all credits that under IC 6-3.1-1-2 are to be applied
47 before the credit provided by this chapter. If the tax credit

provided by this chapter exceeds that sum for the taxable year for which the tax credit is first claimed, the excess may be carried over to succeeding taxable years and used as a tax credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time the credit is carried over to a succeeding taxable year, the credit is to be reduced by the amount that was used as a tax credit during the immediately preceding taxable year. The tax credit provided by this chapter may be carried forward and applied to succeeding taxable years for ten (10) taxable years following the unused credit year.

(b) A tax credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (a).

(c) A taxpayer is not entitled to any carryback or refund of any unused credit.

Sec. 22. (a) If a pass through entity does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the credit amount determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

(b) The credit provided under subsection (a) is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter. However, a pass through entity and a shareholder, partner, or member of the pass through entity may not claim a credit under this chapter for the same qualified training expenses.

Sec. 23. (a) The corporation shall establish an online search tool that allows users to search for and identify portable workforce credentials that are required or beneficial for targeted employment that, if successfully awarded to an employee, entitle an employer to a tax credit under this chapter.

(b) The online search tool must permit a user to track and match essential portable workforce credentials to specific high wage, high demand jobs in the manufacturing, health care, information technology, or logistics sectors. The data base for the online search tool must include data that identifies and describes at least the following:

- (1) High wage, high demand jobs in the manufacturing, health care, information technology, or logistics sectors for which there is demand in Indiana, as determined by the corporation.
- (2) Portable workforce credentials that:
 - (A) either are required for employment in or substantially

1 contribute to competency for targeted employment,
 2 including stackable short term credentials with clear labor
 3 market value that build toward another portable
 4 workforce credential; and

5 (B) meet the criteria of portability, uniformity, and
 6 applicability;

7 as determined by the corporation.

8 (3) Contact information for training and accrediting
 9 providers, to the extent known by the corporation, that award
 10 or certify compliance with the requirements for each type of
 11 portable workforce credential listed under this section, as
 12 determined by the corporation.

13 (4) To the extent known by the corporation, the requirements
 14 to be eligible for each portable workforce credential described
 15 in this section.

16 (c) A user may rely on information in the online search tool as
 17 proof that successful completion of the requirements for and award
 18 of a portable workforce credential to an employee or former
 19 employee of an employer, as provided by this chapter, qualifies an
 20 employer for a tax credit under this chapter.

21 (d) State agencies and organizations that supervise or
 22 administer programs of career and technical education or
 23 coordinate career and technical education or policy shall assist the
 24 corporation, as requested by the corporation, to develop and
 25 operate the online search tool required by this section, including
 26 the following:

27 (1) The Indiana department of workforce development,
 28 including the office of career and technical schools.

29 (2) The Indiana career council.

30 (3) The department of labor.

31 (4) Indiana works councils.

32 (5) The state workforce innovation council.

33 (6) The state superintendent of public instruction, the
 34 department of education, and the state board of education,
 35 including the advisory committee on career and technical
 36 education.

37 (7) The commission for higher education and state
 38 educational institutions.

39 (8) The board for proprietary education.

40 In making its determinations under this section, the corporation is
 41 not limited to the terminology or characterizations of high wage,
 42 high demand jobs or essential credentials for high wage, high
 43 demand jobs used for other purposes by another state agency or
 44 organization.

45 (e) The corporation shall establish the online search tool as
 46 quickly as possible after June 30, 2017. The corporation shall add
 47 portable workforce credentials to, otherwise enhance, and correct

errors in the online search tool required by this section on the schedule determined by the corporation. The corporation is immune from civil liability and not subject to judicial proceedings for acts or omissions related to the online search tool required by this section.

Sec. 24. (a) A taxpayer claiming a credit under this chapter must claim the credit on the taxpayer's state tax returns for a taxable year beginning after December 31, 2016, in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue:

(1) proof that the taxpayer incurred eligible expenses and made eligible donations; and

(2) all information that the department of state revenue determines necessary for the calculation of the credit provided by this chapter and the determination of whether the credit was properly claimed.

(b) The aggregate amount of tax credits that may be awarded for all taxpayers under this chapter for eligible expenditures and eligible donations made in any particular state fiscal year beginning after June 30, 2017, and before July 1, 2021, may not exceed thirty million dollars (\$30,000,000). A tax credit is not allowed under this chapter for any eligible expenditures or eligible donations made before July 1, 2017.

(c) The department of state revenue shall record the time of filing of each application for a tax credit under this section and shall approve the applications, if the applicants otherwise qualify for a tax credit under this chapter, in the chronological order in which the applications are filed in the state fiscal year. When the total credits approved under this section equal the maximum amount allowable in a state fiscal year, no application thereafter filed for that same state fiscal year shall be approved. However, if an applicant for whom a credit has been approved fails to demonstrate that the taxpayer incurred eligible expenses and made eligible donations equal to an amount equal to the credit previously awarded to the applicant, the unused credit may be awarded to any subsequent applicant in the state fiscal year.

Sec. 25. The department of state revenue may adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, and issue nonrule policy documents, as necessary or appropriate, to carry out the purpose of this chapter.

Sec. 26. This chapter expires June 30, 2021. However, the expiration of this chapter does not prohibit a taxpayer from claiming a tax credit earned for a taxable year beginning before July 1, 2021, or from applying an unused tax credit in conformity with sections 21 and 22 of this chapter (before their expiration) in a taxable year ending after December 31, 2020."

Page 19, between lines 1 and 2, begin a new paragraph and insert:

1 "SECTION 31. IC 34-30-2-16.9 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2017]: **Sec. 16.9. IC 6-3.1-35-23 (Concerning**
4 **acts and omissions related to an employee training online search**
5 **tool).**".

6 Page 20, after line 3, begin a new paragraph and insert:
7 "SECTION 34. **An emergency is declared for this act.**".
8 Renumber all SECTIONS consecutively.
(Reference is to HB 1008 as printed February 21, 2017.)

Representative Clere