

IRTC

INDUSTRIAL RECOVERY TAX CREDIT

DESCRIPTION

The Industrial Recovery Tax Credit provides an incentive for companies to invest in former industrial facilities requiring significant rehabilitation or remodeling expense. The Industrial Recovery Tax Credit is established by I.C.6-3.1-11.

PROJECT ELIGIBILITY

This credit is open to occupants of, or investors in, industrial recovery sites consisting of a building or complex of buildings placed in service at least 15 years ago, with at least 50,000 interior square feet of space that is at least 75% vacant at the time that the application is made.

This program is intended to rehabilitate abandoned industrial facilities which would otherwise not be re-used. In this context, applications must demonstrate that the industrial facility would not be re-used without the tax credit. Projects that would occur regardless of incentives are not eligible.

The IEDC seeks to encourage the highest and best use of its incentive programs and will therefore evaluate applications according to the following:

PRIMARY EMPLOYERS

The IEDC will give preference and priority to applications involving primary employers who intend to create net new, full-time jobs. A primary employer is an employer that produces goods or services that are consumed outside its local market.

DEVELOPERS

Developers or other entities seeking the tax credit for assignment to a lessee under IC 6-3.1-11-16 are also eligible, with preference and priority given to applications that contemplate a primary employer as the lessee.

OTHERS

Applications involving other types of end users are eligible for consideration. Any tax credit amount awarded will be weighed against the net financial benefit of the project to the State as determined solely by the IEDC.

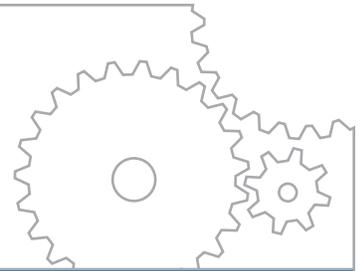
INELIGIBLE “QUALIFIED INVESTMENT” COSTS

- Purchase of building or land
- Production equipment
- Soft costs (contingency, engineering fees, etc.)

CALCULATION OF CREDITS

The IEDC intends to partner with the community in the revitalization of qualified industrial sites; therefore, any award under this program will not exceed the financial support offered by the community. The tax credit amount is equal to the amount of the qualified investment multiplied by the following applicable percentage:

- 15 percent for a plant placed in service between 15 and 29 years ago
- 20 percent for a plant placed in service between 30 and 39 years ago
- 25 percent for a plant placed in service at least 40 years ago



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The tax credit may be carried over to the immediately following taxable years if the credit exceeds the taxpayer's state tax liability.

The credit must be applied against the following owed taxes in the following order:

- Adjusted gross income tax liability
- Insurance premiums tax liability
- Financial institutions tax

APPLICATION

The application can be found at the following link: <http://iedc.in.gov/tax-credits-exemptions/industrial-recovery-tax-credit>

All applicants must include evidence of financial support from the elected official(s) of the county and/or municipality. Applicants must also clearly indicate all other state or federal grants, tax credits, or other public financing mechanisms sought for the project. The IEDC also reserves the right to request additional information from applicants in order to evaluate the project.