

CRED

COMMUNITY REVITALIZATION ENHANCEMENT DISTRICT TAX CREDIT

CORPORATE INCOME TAX

Indiana's corporate adjusted gross income tax is calculated at a flat percentage of the company's adjusted gross income attributable to the company's Indiana sales. The applied corporate income tax rate is decreasing from the current 6.0% by 0.25% in July of each year until 2020 when we reach 5.25%. In 2021, the rate will fall one final time to 4.9%.

To determine Indiana's share of an interstate or international corporation's taxable income, a company's adjusted gross income is apportioned based upon a single sales factor with Indiana's portion based solely on the portion of the company's sales in Indiana. Adjusted gross income is a company's federal adjusted gross income with certain adjustments. This method of determination simplifies tax calculations for corporations and does not apply to S corporations and not-for-profit organizations.

PROJECT ELIGIBILITY

The credit is available to taxpayers that make qualified investments for the redevelopment or rehabilitation of property located within a revitalization district. Only those projects that the IEDC expects to have a positive return on investment will be considered.

- » A taxpayer is not eligible for more than one of the following tax credits for the same project:
- » Community revitalization enhancement district tax credit (CRED)
- » Redevelopment tax credit (beginning Jan 2020)
- » Industrial recovery tax credit (DINO) (expiring Dec. 31, 2019)
- » Hoosier business investment tax credit (HBI)
- » Venture capital investment tax credit (VCI)

ELIGIBLE QUALIFIED INVESTMENT COSTS

The applicant's qualified investment must be made for the redevelopment or rehabilitation of property located within a CRED, pursuant to a plan adopted by an advisory commission on industrial development per Indiana Code 36-7-13, and approved by the IEDC before the expenditure is made.

Eligible costs may include:

- » Acquisition costs, when necessary for redevelopment or rehabilitation

ELIGIBLE QUALIFIED INVESTMENT COSTS—cont.

- » Architectural and engineering fees
- » Construction management and demolition costs
- » Environmental remediation costs
- » FF&E, if nonmovable
- » Permitting costs directly related to rehabilitation
- » Other hard costs
- » Eligible costs do not include:
 - » Legal and accounting fees
 - » Developer fees
 - » Feasibility studies
 - » Property insurance
 - » FF&E, if movable
 - » Loan costs
 - » Other professional fees not directly related to rehabilitation of the property
 - » Reserves
 - » Other soft costs

CALCULATION & APPLICATION OF CREDIT

The credit amount is equal to the amount of qualified investment made by the taxpayer during the taxable year multiplied by 25%. The credit may be passed through (see Indiana Code 6-3.1-19-13). The credit is applied against the taxpayer's state or local tax liability, and may be carried forward to the immediately following taxable years.

APPLICATION

An application must be approved before an investment is made.

[Download Application](#)

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CRED EXPIRATION DATES

Pursuant to Indiana Code, eligible community revitalization enhancement districts expire on the following dates:

CRED	EXPIRATION DATE
Anderson	6/30/2030
Bloomington Downtown	Expired
Bloomington Thompson	Expired
Muncie Delco	Expired
Muncie ABB Industrial Centre	6/30/2028
Fort Wayne Downtown	6/30/2026
Fort Wayne Southtown Centre	6/30/2021
Indianapolis Lafayette Square	6/30/2023
Marion	Expired
South Bend	Expired