

## Indiana Enacts New Employer Tax Credit

Indiana has enacted a new tax credit designed to encourage job creation.

The credit's value is up to 10% of new employee wages over a 24 month period and applies against the corporate and personal income tax, the insurance premiums tax, and the financial institutions tax. In the case the taxpayer has no liability the credit can be carried forward for an additional 9 years.

The credit is not automatic, requires application, and applies prospectively. The minimum number of jobs created is 10.

## Indiana Opens Door to Negotiate Relief from Recapture

Taxpayers subject to recapture provisions for a number of negotiated incentives due to noncompliance with hiring or other requirements may negotiate a waiver or modification of their agreement if they can prove the failure was a result of factors outside the recipient's control.

Examples include: natural disaster; unforeseen industry trends; lack of available labor force; loss of a major supplier or market; or another circumstance beyond the recipient's control.

## Indiana Loosens Job Requirement for EDGE Job Credit Program

For taxable years beginning on or after January 1, 2010, the requirement that an applicant create 35 new jobs in order to be eligible for the Indiana EDGE Job Credit Program is eliminated.

This credit, the centerpiece of Indiana's job creation incentive program for the last decade, is not automatic, requires significant negotiation and application, and only applies prospectively.

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