



DINO

INDUSTRIAL RECOVERY TAX CREDIT

DESCRIPTION

The Industrial Recovery (DINO) Tax Credit provides an incentive for investment in former industrial facilities requiring significant rehabilitation or remodeling expenses. The credit is established by Ind. Code 6-3.1-11.

PROJECT ELIGIBILITY

The credit is available to owners, developers, and certain lessees of buildings located in an industrial recovery site and placed in service at least 15 years ago. The buildings must have at least 50,000 interior square feet of space (at least 100,000 square feet beginning January 1, 2015) that is at least 75% vacant at the time that the application is made. Applications must demonstrate that the industrial facility would not be re-used without the credit.

A taxpayer is not eligible for more than one of the following tax credits for the same project:

- Industrial recovery tax credit (DINO)
- Community revitalization enhancement district tax credit (CReED)
- Hoosier business investment tax credit (HBI)
- Enterprise zone investment cost credit
- Venture capital investment tax credit (VCI)

ELIGIBLE QUALIFIED INVESTMENT COSTS

A qualified investment is made when the taxpayer incurs expenditures for the rehabilitation of real property located within an industrial recovery site. Rehabilitation expenditures include the remodeling, repair, betterment, enlargement, or extension of real property. Eligible costs may include:

- Acquisition costs, when made to enlarge or extend the industrial recovery site
- Architectural and engineering fees
- Construction management and demolition costs
- Environmental remediation costs
- FF&E, if nonmovable

ELIGIBLE QUALIFIED INVESTMENT COSTS—cont.

- 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 AND APPLICATION OF CREDIT

The IEDC intends to partner with local government in the revitalization of qualified industrial sites; therefore, any award under this program likely will not exceed the financial support offered by the locality. The credit amount is equal to the amount of the qualified investment multiplied by the applicable percentage, which can range from 15-25% (see Ind. Code 6-3.1-1-1).

The credit may be passed through (see Ind. Code 6-3.1-11-24). The credit is applied against the taxpayer's state tax liability, in the following order: adjusted gross income tax liability, insurance premiums tax liability, and financial institutions tax. The credit may be carried over to the immediately following taxable years if it exceeds the taxpayer's state tax liability.

APPLICATION

An application must be submitted before an investment is made. See the application for additional requirements. The application can be found on the IEDC's website.