



# IRTC

## INDUSTRIAL RECOVERY TAX CREDIT

### DESCRIPTION

The Industrial Recovery Tax Credit (IRTC) 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 taxpayers that make qualified investments for the redevelopment of vacant industrial buildings that are at least 15 years old with 100,000 square feet or more of interior floor space. As of January 1, 2017, buildings that were demolished within the 5 years preceeding an application may qualify if demolished for health and safety concerns.

### ELIGIBLE QUALIFIED INVESTMENT COSTS

A qualified investment is made when the taxpayer incurs expenditures for the rehabilitation of a qualifying building or complex of buildings. 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
- Permitting costs directly related to rehabilitation
- Other hard costs

### INELIGIBLE INVESTMENT COSTS

- Legal and accounting fees
- Developer fees
- Feasibility studies
- Property insurance
- FF&E, if movable
- Loan costs
- Other professional fees not related to rehabilitation of the property
- Reserves
- Other soft costs

### CALCULATION

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 qualified investment multiplied by the 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

The credit may be claimed by the taxpayer, passed through, or assigned to a lessee. The credit is applied against the taxpayer's state tax liability and may be carried forward.

### APPLICATION

A complete application must be submitted before an investment is made. See the application on the IEDC's website for additional requirements.