

HQ Relocation Tax Credit

Headquarters Relocation Tax Credit (IC 6-3.1-30)

Indiana is home to national and international corporations, many of which have relocated from elsewhere to take advantage of the state's corporate tax environment. Indiana's competitive tax structure - including its flat state corporate tax rate on adjusted gross income, no gross receipts tax and no inventory tax - have attracted companies from all over the globe.

The Headquarters Relocation Tax Credit (HRTC) provides a tax credit to corporations that relocate their headquarters to Indiana. The credit equals half the moving costs and is assessed against the corporation's state tax liability.

Eligibility

The Indiana Economic Development Corporation and the Department of Revenue determine eligibility based on the following criteria:

- The corporation must have annual worldwide revenue of at least \$50 million in the taxable year immediately prior to the year in which application is made for the credit.
- After relocation, the corporation must have 75 employees in Indiana.
- The headquarters is defined as the principal office of the principal executives, the principal offices of a division or similar subdivision, or a research and development center.
- Must commit contractually to moving headquarters to Indiana.
- Currently maintains a headquarters outside Indiana and no previous headquarters in Indiana.

Calculation of Credit

The credit equals 50% of a corporation's costs of relocating its headquarters to Indiana. An eligible corporation may use the credit to offset the corporation's Indiana personal and corporate adjusted gross income tax and financial institutions tax. A nine-year carry forward applies to any unused part of the credit.