

MAJOR LONG-HELD POLICY OBJECTIVES ACHIEVED

The 2025 legislative session saw key Indiana Chamber priorities successfully advance, including business personal property tax relief and steps to improve the health of the workforce. Both are key components of *Indiana Prosperity 2035*, the organization's vision plan for the state.

Indiana Chamber issue experts look back at this year's top policy victories:

Tax climate (passed in Senate Bill 1)

"Senate Bill 1 was the session's key property tax reform measure and provides near-term relief for homeowners, businesses and farmers while initiating long-term structural changes to the state's property tax system," relays David Ober, senior vice president of business operations and finance. "Among its provisions, SB 1 raises the de minimis threshold for business personal property tax from \$80,000 to \$2 million over the next two years and exempts newly acquired property from the 30% depreciation floor. These changes help create a better environment for capital investment and economic growth across Indiana."

Hoosier health (passed in House Bill 1001)

"The state budget included the first cigarette tax increase – \$2 per pack – in over 17 years," notes president and CEO Vanessa Green Sindere. "It shows we are taking the necessary steps to create healthier Hoosiers and slow the growth of Medicaid while also generating additional revenue. We also applaud state leaders for taking the additional action of raising the tax on vaping and other tobacco products – to send a message across the board about the perils of using tobacco."

"A healthy state is good for business. Reducing our smoking levels will increase employee wellness, lower healthcare costs for employers and reduce absenteeism in the workplace."

Housing (passed in House Bill 1005)

"Promoting housing development is critical and House Bill 1005 does this by addressing delays and inefficiencies in permitting and inspection processes, which are significant barriers to growth," Ober offers. "Creating clear timelines and expanding inspection options is needed to reduce costs and uncertainty for developers and support efforts to meet workforce housing demands. Additionally, prioritizing infrastructure funding for communities with pro-housing policies encourages local governments to adopt practices that facilitate economic development and address housing shortages."

Childcare (passed in House Bill 1253 and Senate Bill 463)

"Extending the employer childcare expenditure tax credit and promoting further investment in childcare services adds flexibility in staff-to-child ratios and group sizes and will help childcare providers improve care quality and meet demand, benefiting both providers and families in Indiana," shares Sindere. "Setting up a license category for multisite childcare centers will

also help streamline the application process for owners while also reducing the administrative burden to the state."

Road Funding (passed in House Bill 1461)

"Reliable infrastructure is foundational to business growth and regional economic development," Ober comments. "We're encouraged by the steps taken this session to strengthen Indiana's road funding framework in a way that supports long-term investment and ensures businesses across the state have the transportation connectivity they need to compete and grow."

Energy (passed in House Bill 1007 and Senate Bill 425)

"House Bill 1007 provides incentives for small modular reactors, which will enhance the framework to respond to large load customer demand," Ober notes. "The legislation also improves processes to review utility decisions to retire major generation assets."

"Senate Bill 425 also strengthens certainty for permitted energy projects and reuse of existing generation or former mine sites. These improvements will impact energy access and costs for Hoosier businesses and citizens."

Education and Workforce (passed in House Bills 1002 and 1634 and Senate Bills 365 and 448)

"Cleaning up outdated and unnecessary provisions and relieving compliance burdens for K-12 schools is important, and this marks the first of an envisioned three-year deregulation effort of Title 20 statutes governing Indiana's public schools," relays Jeff Brantley, senior vice president of political affairs. "Improvements in math education and career coaching programs also highlighted meaningful achievements this session."

"What's more, Senate Bill 448 improves alignment for postsecondary programs and sets a process to ensure market-driven stackable credentials, which will benefit both employers and potential employees."

Economic Development (passed in House Bill 1001 and Senate Bills 306 and 516)

"Increasing the aggregate tax credit by \$100 million over the biennium increases the Indiana Economic Development Corporation's ability to continue the momentum of the last decade in attracting companies and high-wage jobs to Indiana," states Adam H. Berry, vice president of economic development and technology.

He adds: "Repositioning the film and media tax credit as one that is transferable will attract productions and talent to Indiana that would not consider working in the state but for this more flexible credit. We know producers around the country were monitoring the progress of this bill and are now ready to make investments in Indiana."

"Creating a new state Office of Entrepreneurship and Innovation (see page 60 for more) will ultimately help Indiana's small business climate, a key to boosting our economy. It will be helpful to consolidate resources and information for those who want to start and grow their businesses in Indiana."

