

May 16, 2025



It's May in Indianapolis!

And that means racing! This month our hometown once again will host "The Greatest Spectacle in Racing" - the Indianapolis 500!

The [Indianapolis Motor Speedway](#) (IMS) and the [Indianapolis 500](#) contribute significantly to the Indiana economy, generating an estimated \$1 billion in annual economic activity. More than half of this total, \$566.4 million, is directly attributed to the Indianapolis 500 and related events in the month of May.

Indiana's economy is much on the minds of business and civic leaders as we face some degree of uncertainty - which legislators sought to address by passing a conservative biennial budget on April 25 at the end of this year's Indiana General Assembly.

[HEA 1001](#) (now a public law signed by **Gov. Mike Braun**) contains \$46.1 billion in state government spending over the next two years. The budget spends nearly half of that amount, or \$21.85 billion, on education. It also maintains what is expected to be a \$2.5 billion reserve by the end of 2027, which is just above 10% of the state's annual budget.

To make up for a projected \$2.4 billion revenue shortfall, the budget includes a \$2 per pack cigarette tax increase with a proportional increase for other tobacco products. State agencies and universities took a 5% across-the-board cut, and, in

several cases, an additional 5% was held back to be released by the **State Budget Committee** only if necessary.

The budget also borrows money from other funds and provides for a tax amnesty period. Tax amnesty provides Hoosiers who owe outstanding taxes a period during which they can pay without penalty. Similar past programs have generated up to \$244 million in revenue.

Even with this level of cost-cutting, more may be in store as [revenues fall](#) short of revised projections. One prominent Indiana economist believes we may have entered into a tariff-induced [recession](#) in March, so the state's economy and fiscal situation bears watching.

Stay tuned.

Odds & Ends

Indiana revenues [fall](#) \$51 million short of revised estimates through April.

A former state contractor was hacked resulting in a "[massive](#)" [phishing attack](#) from State of Indiana email accounts seeking **fraudulent toll payments** from unsuspecting Hoosiers.

The nonprofit **Indiana Historical Society** will keep its [headquarters](#) after reaching an agreement with the **Braun Administration**.

Indiana Secretary of State **Diego Morales (R)** announced his 2026 [reelection campaign](#) via video and was promptly [accused](#) of violating election law by Marion County Clerk **Kate Sweeney Bell (D)**.

The new [Office of School Safety](#) within the **Indiana Department of Homeland Security** will begin to provide guidance to the state's schools.

Eli Lilly & Company and **Purdue University** [announce](#) a \$250 million, eight-year partnership to invest in pharmaceutical innovations.
