



February 26, 2014

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## ENGROSSED HOUSE BILL No. 1001

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DIGEST OF HB 1001 (Updated February 25, 2014 10:43 am - DI 73)

**Citations Affected:** IC 5-22; IC 5-28; IC 6-1.1; IC 6-2.5; IC 6-3; IC 6-3.1; IC 6-5.5; IC 21-31; IC 36-7; noncode.

**Synopsis:** State and local taxation. Specifies that if the acquisition cost of a taxpayer's business personal property in a county is less than \$20,000 for a particular assessment date in 2016 or later: (1) the taxpayer is not required to file a personal property return for the taxpayer's business personal property in the county for that assessment date; and (2) the taxpayer's business personal property in the county is exempt from taxation for that assessment date. Specifies that this exemption does not apply to mobile homes assessed as personal property, personal property held as an investment, or personal property that is owned by certain utilities subject to regulation by the utility regulatory commission and is assessed as utility property. Requires the taxpayer to file an annual certification with the county assessor. Provides that the tax rate for certain tax increment financing areas shall be calculated as if this exemption were not in effect. Allows a designating body to grant a property tax abatement under the existing abatement laws for new business personal property that has an acquisition cost of at least \$3,000,000. Specifies that if an abatement  
(Continued next page)

**Effective:** Upon passage; July 1, 2014; January 1, 2015; July 1, 2015.

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### Turner, Brown T, Braun, Huston

(SENATE SPONSOR — HERSHMAN)

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January 13, 2014, read first time and referred to Committee on Ways and Means.  
January 27, 2014, reported — Do Pass.  
January 29, 2014, read second time, ordered engrossed. Engrossed.  
January 30, 2014, read third time, passed. Yeas 63, nays 33.

SENATE ACTION

February 4, 2014, read first time and referred to Committee on Tax and Fiscal Policy.  
February 25, 2014, amended, reported favorably — Do Pass.

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EH 1001—LS 7018/DI 73



## Digest Continued

is granted for such new business personal property for a taxpayer: (1) the abatement may not exceed 20 years (rather than the standard 10 year limit on the abatement); (2) the percentage amount of the abatement deduction must be the same for all years in which the abatement is allowed; and (3) the designating body may waive the application of minimum valuation rules to that new business personal property for specified assessment dates or for all assessment dates after the installation of the new business personal property (and the waiver of the minimum valuation continues to apply to the property, regardless of whether the abatement ordinance is amended or repealed). Provides that these abatement provisions do not apply to mobile homes assessed as personal property, personal property held as an investment, or personal property that is owned by certain utilities subject to regulation by the utility regulatory commission and is assessed as utility property. Provides that if a county or municipality receives a reimbursement, repayment, or penalty from a taxpayer on account of the taxpayer's failure to comply with the statement of benefits provided by the taxpayer as part of a property tax abatement or on account of the taxpayer's failure to comply with any other requirement to receive a property tax abatement, the county or municipal fiscal officer shall distribute the amount of the reimbursement, repayment, or penalty on a pro rata basis to each taxing unit that contains the property that was subject to the abatement deduction. Phases down the corporate income tax rate from 6.5% in 2015 to 4.9% after June 30, 2021. Phases down the financial institutions tax rate to 4.9% in calendar year 2023. Provides that a taxpayer is not entitled to: (1) a biodiesel tax credit in a taxable year beginning after 2014; (2) an ethanol production tax credit in a taxable year beginning after 2014; or (3) a new employer tax credit for wages paid in a taxable year beginning after 2014. Repeals the voluntary remediation tax credit statute. (Under current law, tax credits may not be awarded for taxable years after 2007, and the carryforward period has expired.) Repeals the energy savings tax credit. (Under current law, the tax credit may not be awarded for costs incurred after December 31, 2011, and may not be carried forward.) Provides that a retail merchant engaged in selling bulk propane at retail in Indiana shall claim a credit in April 2014 equal to the sales tax paid by the retail merchant's customers after December 31, 2013, and before April 1, 2014, on that part of the price of bulk propane that exceeded \$2.50 per gallon. Requires such a retail merchant to provide a credit to customers of the retail merchant on their next purchase of bulk propane occurring after March 31, 2014. Establishes the commission on business personal property and business taxation to study certain issues during the 2014.

**EH 1001—LS 7018/DI 73**



February 26, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1001

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 5-22-5-8, AS AMENDED BY P.L.148-2009,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 8. (a) This section does not apply to a political  
4 subdivision, except a school corporation (as defined in  
5 IC 20-18-2-16(a)).  
6 (b) As used in this section, "blended biodiesel" ~~has the meaning set~~  
7 ~~forth in IC 6-3-1-27-2:~~ **refers to a blend of biodiesel with petroleum**  
8 **diesel so that the percentage of biodiesel in the blend is at least two**  
9 **percent (2%) (B2 or greater). The term does not include biodiesel**  
10 **(B100).**  
11 (c) As used in this section, "diesel fueled vehicle" refers to a vehicle  
12 that is capable of using diesel to fuel its primary motor.  
13 (d) As used in this section, "ethanol" means agriculturally derived  
14 ethyl alcohol.  
15 (e) As used in this section, "E85" has the meaning set forth in  
16 IC 6-6-1.1-103.

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1 (f) As used in this section, "gasoline fueled vehicle" refers to a  
2 vehicle that is capable of using gasoline to fuel its primary motor.

3 (g) As used in this section "mid-level blend fuel" means a fuel blend  
4 consisting of:

- 5 (1) at least twenty percent (20%) but not more than seventy-three  
6 percent (73%) ethanol; and
- 7 (2) gasoline as the balance.

8 (h) As used in this section, "vehicle" includes the following:

- 9 (1) An automobile.
- 10 (2) A truck.
- 11 (3) A tractor.

12 (i) Except as provided by subsections (k) and (l), a governmental  
13 body shall whenever possible purchase mid-level blend fuel or E85 to  
14 fuel the gasoline fueled vehicles owned or operated by the  
15 governmental body.

16 (j) Except as provided by subsections (k) and (l), a governmental  
17 body shall whenever possible purchase blended biodiesel fuel to fuel  
18 the diesel fueled vehicles owned or operated by the governmental body.

19 (k) The following vehicles are exempt from the requirements of  
20 subsections (i) and (j):

- 21 (1) A vehicle that is leased by the governmental body for thirty  
22 (30) days or less.
- 23 (2) A vehicle that:
  - 24 (A) is primarily powered by an electric motor; or
  - 25 (B) can use only propane, compressed or liquified natural gas,  
26 or methanol as its fuel source.

27 (l) The following vehicles are exempt from the requirements of  
28 subsection (i) or (j), whichever is appropriate:

- 29 (1) A gasoline fueled vehicle in which the use of mid-level blend  
30 fuel or E85 has not been approved by the manufacturer.
- 31 (2) A diesel fueled vehicle in which the use of blended biodiesel  
32 fuel has not been approved by the manufacturer.
- 33 (3) A gasoline fueled vehicle in which the use of mid-level blend  
34 fuel is prohibited by the federal Clean Air Act (42 U.S.C. 7401 et  
35 seq.).

36 SECTION 2. IC 5-28-6-3, AS AMENDED BY P.L.122-2006,  
37 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 JULY 1, 2014]: Sec. 3. (a) The general assembly declares that the  
39 opportunity for the participation of underutilized small businesses,  
40 especially women and minority business enterprises, in the biodiesel  
41 and ethanol production industries is essential if social and economic  
42 parity is to be obtained by women and minority business persons and



1 if the economy of Indiana is to be stimulated as contemplated by this  
 2 section, IC 6-3.1-27, and IC 6-3.1-28. A recipient of a credit under this  
 3 chapter is encouraged to purchase goods and services from  
 4 underutilized small businesses, especially women and minority  
 5 business enterprises.

6 (b) The definitions in IC 6-3.1-27 and IC 6-3.1-28 apply throughout  
 7 this section. A term used in this section that is defined in both  
 8 IC 6-3.1-27 and IC 6-3.1-28 refers to the term as defined in:

9 (1) IC 6-3.1-27 whenever this section applies to the certification  
 10 of a person for a credit under IC 6-3.1-27; and

11 (2) IC 6-3.1-28 whenever this section applies to the certification  
 12 of a person for a credit under IC 6-3.1-28.

13 In addition, as used in this section, "person" refers to a taxpayer or a  
 14 pass through entity.

15 (c) As used in this section, "minority" means a member of a  
 16 minority group (as defined in IC 4-13-16.5-1).

17 (d) As used in this section, "minority business enterprise" has the  
 18 meaning set forth in IC 4-13-16.5-1.

19 (e) As used in this section, "women's business enterprise" has the  
 20 meaning set forth in IC 4-13-16.5-1.3.

21 (f) A person that:

22 (1) begins construction of a facility or an expansion of a facility  
 23 for the production of biodiesel, blended biodiesel, or ethanol in  
 24 Indiana after February 28, 2005; and

25 (2) wishes to claim a tax credit with respect to that facility or the  
 26 expansion of a facility under any combination of IC 6-3.1-27-8  
 27 **(before its expiration January 1, 2021)**, IC 6-3.1-27-9 **(before**  
 28 **its expiration January 1, 2021)**, or IC 6-3.1-28-7 **(before its**  
 29 **expiration January 1, 2024)**;

30 must apply to the corporation for a determination of the person's  
 31 eligibility for the tax credit. **However, a taxpayer may not be**  
 32 **awarded a credit under IC 6-3.1-27 after December 31, 2014, and**  
 33 **a taxpayer may not be awarded a credit under IC 6-3.1-28 after**  
 34 **December 31, 2014.**

35 (g) Subject to this section, the corporation shall issue to each  
 36 qualifying applicant a certification that:

37 (1) certifies the person as eligible for the tax credits for which the  
 38 person applied;

39 (2) identifies the facilities covered by the certification; and

40 (3) allocates to the person a credit under IC 6-3.1-27-8,  
 41 IC 6-3.1-27-9, or IC 6-3.1-28-11.

42 (h) To qualify for certification under subsection (g), a person must



- 1 do the following:
- 2 (1) Submit an application for the credit on the forms and in the
- 3 manner prescribed by the corporation for the credit that is the
- 4 subject of the application.
- 5 (2) Demonstrate through a business plan and other information
- 6 presented to the corporation that the level of production proposed
- 7 by the person is feasible and economically viable. In making a
- 8 determination under this subdivision, the corporation shall
- 9 consider:
- 10 (A) whether the person is sufficiently capitalized to complete
- 11 the project;
- 12 (B) the person's credit rating;
- 13 (C) whether the person has sufficient technical expertise to
- 14 build and operate a facility; and
- 15 (D) other relevant financial information as determined by the
- 16 corporation.
- 17 (i) The corporation shall record the time of filing of each application
- 18 submitted under this section. The corporation shall grant certifications
- 19 under this section to qualifying applicants in the chronological order in
- 20 which the applications for the same type of credit are filed until the
- 21 maximum allowable credit for that type of credit is fully allocated.
- 22 (j) The corporation may terminate a certification or reduce an
- 23 allocation of a credit granted under this section only if the corporation
- 24 determines, after a hearing, that the person granted the certification or
- 25 allocation has failed to:
- 26 (1) substantially comply with the business plan that is the basis
- 27 for the certification or allocation; or
- 28 (2) submit the information needed by the corporation to determine
- 29 whether the person has substantially complied with the business
- 30 plan that is the basis of the certification or allocation.
- 31 If an allocation of a credit is terminated or reduced, the unused credit
- 32 becomes available for allocation to other qualifying applicants in the
- 33 chronological order in which the applications for the same type of
- 34 credit are filed until the maximum allowable credit for that type of
- 35 credit is fully allocated. The corporation may approve an amendment
- 36 to a business plan or a transfer of a certificate of eligibility in
- 37 conformity with the terms and conditions specified by the corporation
- 38 in rules adopted by the corporation under IC 4-22-2.
- 39 (k) The corporation shall give the department of state revenue
- 40 written notice of each action taken under this section.
- 41 SECTION 3. IC 5-28-28-4, AS AMENDED BY P.L.288-2013,
- 42 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2014]: Sec. 4. As used in this chapter, "tax credit" means a  
2 state tax liability credit under any of the following:

- 3 (1) IC 6-3.1-7.  
4 (2) IC 6-3.1-13.  
5 (3) IC 6-3.1-26.  
6 (4) IC 6-3.1-27 (before its expiration January 1, 2021).  
7 (5) IC 6-3.1-28 (before its expiration January 1, 2024).  
8 (6) IC 6-3.1-30.  
9 (7) IC 6-3.1-31.9.  
10 (8) IC 6-3.1-33 (before its expiration January 1, 2024).

11 SECTION 4. IC 6-1.1-3-7.2 IS ADDED TO THE INDIANA CODE  
12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
13 1, 2015]: Sec. 7.2. (a) This section applies to assessment dates after  
14 February 29, 2016.

15 (b) As used in this section, "affiliate" has the meaning set forth  
16 in IC 6-1.1-12.1-1.

17 (c) As used in this section, "business personal property" means  
18 personal property that:

- 19 (1) is otherwise subject to assessment and taxation under this  
20 article;  
21 (2) is used in a trade or business or otherwise held, used, or  
22 consumed in connection with the production of income; and  
23 (3) was:  
24 (A) acquired by the taxpayer in an arms length transaction  
25 from an entity that is not an affiliate of the taxpayer, if the  
26 personal property has been previously used in Indiana  
27 before being placed in service in the county; or  
28 (B) acquired in any manner, if the personal property has  
29 never been previously used in Indiana before being placed  
30 in service in the county.

31 The term does not include mobile homes assessed under IC 6-1.1-7,  
32 personal property held as an investment, or personal property that  
33 is assessed under IC 6-1.1-8 and is owned by a public utility subject  
34 to regulation by the Indiana utility regulatory commission.  
35 However, the term does include the personal property of a  
36 telephone company or a communications service provider if that  
37 personal property meets the requirements of subdivisions (1)  
38 through (3), regardless of whether that personal property is  
39 assessed under IC 6-1.1-8 and regardless of whether the telephone  
40 company or communications service provider is subject to  
41 regulation by the Indiana utility regulatory commission.

42 (d) Notwithstanding section 7 of this chapter, if the acquisition



1 **cost of a taxpayer's business personal property in a county is less**  
 2 **than twenty thousand dollars (\$20,000) for a particular assessment**  
 3 **date, the taxpayer's business personal property in the county for**  
 4 **that assessment date is exempt from taxation.**

5 **(e) A taxpayer that is eligible for the exemption under this**  
 6 **section is not required to file a personal property return for the**  
 7 **taxpayer's business personal property in the county for that**  
 8 **assessment date. However, the taxpayer must, before the end of the**  
 9 **calendar year containing the assessment date, file with the county**  
 10 **assessor an annual certification stating that the taxpayer's business**  
 11 **personal property in the county is exempt from taxation under this**  
 12 **section for that assessment date. If a taxpayer that is required to**  
 13 **file an annual certification under this subsection does not file the**  
 14 **annual certification by the due date for the annual certification, the**  
 15 **taxpayer must pay to the county assessor a penalty of fifty dollars**  
 16 **(\$50). The county assessor shall deposit any such penalty collected**  
 17 **into the county general fund.**

18 SECTION 5. IC 6-1.1-3-22 IS AMENDED TO READ AS  
 19 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 22. (a) Except to the  
 20 extent that it conflicts with a statute and subject to subsection (f), 50  
 21 IAC 4.2 (as in effect January 1, 2001), which was formerly  
 22 incorporated by reference into this section, is reinstated as a rule.

23 (b) Tangible personal property within the scope of 50 IAC 4.2 (as  
 24 in effect January 1, 2001) shall be assessed on the assessment dates in  
 25 calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as  
 26 in effect January 1, 2001), **except that in the case of tangible**  
 27 **personal property that has been granted a deduction under**  
 28 **IC 6-1.1-12.1 as new business personal property and for which the**  
 29 **designating body has waived a minimum valuation:**

30 (1) a minimum valuation may not be applied to the total  
 31 valuation under 50 IAC 4.2-4-9 or any similar rule for that  
 32 new business personal property of the taxpayer;

33 (2) that new business personal property of the taxpayer may  
 34 not be considered in the calculation of any minimum  
 35 valuation for other property of the taxpayer; and

36 (3) subdivisions (1) and (2) continue to apply to that new  
 37 business personal property of the taxpayer for the assessment  
 38 dates specified by the designating body or, if specified by the  
 39 designating body, for all assessment dates after the  
 40 installation of the new business personal property, regardless  
 41 of whether the abatement ordinance is amended or repealed.

42 (c) The publisher of the Indiana Administrative Code shall publish





1 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative  
2 Code.

3 (d) 50 IAC 4.3 and any other rule to the extent that it conflicts with  
4 this section is void.

5 (e) A reference in 50 IAC 4.2 to a governmental entity that has been  
6 terminated or a statute that has been repealed or amended shall be  
7 treated as a reference to its successor.

8 (f) The department of local government finance may not amend or  
9 repeal the following (all as in effect January 1, 2001):

10 (1) 50 IAC 4.2-4-3(f).

11 (2) 50 IAC 4.2-4-7.

12 ~~(3) 50 IAC 4.2-4-9.~~

13 ~~(4) (3) 50 IAC 4.2-5-7.~~

14 ~~(5) (4) 50 IAC 4.2-5-13.~~

15 ~~(6) (5) 50 IAC 4.2-6-1.~~

16 ~~(7) (6) 50 IAC 4.2-6-2.~~

17 ~~(8) (7) 50 IAC 4.2-8-9.~~

18 **(g) The department of local government finance may amend 50**  
19 **IAC 4.2-4-9 to the extent necessary to comply with subsection (b),**  
20 **as amended during the 2014 regular session of the general**  
21 **assembly.**

22 SECTION 6. IC 6-1.1-12.1-1, AS AMENDED BY P.L.288-2013,  
23 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
24 JULY 1, 2014]: Sec. 1. For purposes of this chapter:

25 (1) "Economic revitalization area" means an area which is within  
26 the corporate limits of a city, town, or county which has become  
27 undesirable for, or impossible of, normal development and  
28 occupancy because of a lack of development, cessation of growth,  
29 deterioration of improvements or character of occupancy, age,  
30 obsolescence, substandard buildings, or other factors which have  
31 impaired values or prevent a normal development of property or  
32 use of property. The term "economic revitalization area" also  
33 includes:

34 (A) any area where a facility or a group of facilities that are  
35 technologically, economically, or energy obsolete are located  
36 and where the obsolescence may lead to a decline in  
37 employment and tax revenues; and

38 (B) a residentially distressed area, except as otherwise  
39 provided in this chapter.

40 (2) "City" means any city in this state, and "town" means any town  
41 incorporated under IC 36-5-1.

42 (3) "New manufacturing equipment" means tangible personal



- 1 property that a deduction applicant:  
 2 (A) installs on or before the approval deadline determined  
 3 under section 9 of this chapter, in an area that is declared an  
 4 economic revitalization area in which a deduction for tangible  
 5 personal property is allowed;  
 6 (B) uses in the direct production, manufacture, fabrication,  
 7 assembly, extraction, mining, processing, refining, or finishing  
 8 of other tangible personal property, including but not limited  
 9 to use to dispose of solid waste or hazardous waste by  
 10 converting the solid waste or hazardous waste into energy or  
 11 other useful products;  
 12 (C) acquires for use as described in clause (B):  
 13 (i) in an arms length transaction from an entity that is not an  
 14 affiliate of the deduction applicant, if the tangible personal  
 15 property has been previously used in Indiana before the  
 16 installation described in clause (A); or  
 17 (ii) in any manner, if the tangible personal property has  
 18 never been previously used in Indiana before the installation  
 19 described in clause (A); and  
 20 (D) has never used for any purpose in Indiana before the  
 21 installation described in clause (A).  
 22 (4) "Property" means a building or structure, but does not include  
 23 land.  
 24 (5) "Redevelopment" means the construction of new structures,  
 25 in economic revitalization areas, either:  
 26 (A) on unimproved real estate; or  
 27 (B) on real estate upon which a prior existing structure is  
 28 demolished to allow for a new construction.  
 29 (6) "Rehabilitation" means the remodeling, repair, or betterment  
 30 of property in any manner or any enlargement or extension of  
 31 property.  
 32 (7) "Designating body" means the following:  
 33 (A) For a county that does not contain a consolidated city, the  
 34 fiscal body of the county, city, or town.  
 35 (B) For a county containing a consolidated city, the  
 36 metropolitan development commission.  
 37 (8) "Deduction application" means:  
 38 (A) the application filed in accordance with section 5 of this  
 39 chapter by a property owner who desires to obtain the  
 40 deduction provided by section 3 of this chapter;  
 41 (B) the application filed in accordance with section 5.4 of this  
 42 chapter by a person who desires to obtain the deduction



- 1 provided by section 4.5 of this chapter; or  
 2 (C) the application filed in accordance with section 5.3 of this  
 3 chapter by a property owner that desires to obtain the  
 4 deduction provided by section 4.8 of this chapter.
- 5 (9) "Designation application" means an application that is filed  
 6 with a designating body to assist that body in making a  
 7 determination about whether a particular area should be  
 8 designated as an economic revitalization area.
- 9 (10) "Hazardous waste" has the meaning set forth in  
 10 IC 13-11-2-99(a). The term includes waste determined to be a  
 11 hazardous waste under IC 13-22-2-3(b).
- 12 (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a).  
 13 However, the term does not include dead animals or any animal  
 14 solid or semisolid wastes.
- 15 (12) "New research and development equipment" means tangible  
 16 personal property that:
- 17 (A) a deduction applicant installs on or before the approval  
 18 deadline determined under section 9 of this chapter, in an  
 19 economic revitalization area in which a deduction for tangible  
 20 personal property is allowed;
- 21 (B) consists of:
- 22 (i) laboratory equipment;
- 23 (ii) research and development equipment;
- 24 (iii) computers and computer software;
- 25 (iv) telecommunications equipment; or
- 26 (v) testing equipment;
- 27 (C) the deduction applicant uses in research and development  
 28 activities devoted directly and exclusively to experimental or  
 29 laboratory research and development for new products, new  
 30 uses of existing products, or improving or testing existing  
 31 products;
- 32 (D) the deduction applicant acquires for purposes described in  
 33 this subdivision:
- 34 (i) in an arms length transaction from an entity that is not an  
 35 affiliate of the deduction applicant, if the tangible personal  
 36 property has been previously used in Indiana before the  
 37 installation described in clause (A); or
- 38 (ii) in any manner, if the tangible personal property has  
 39 never been previously used in Indiana before the installation  
 40 described in clause (A); and
- 41 (E) the deduction applicant has never used for any purpose in  
 42 Indiana before the installation described in clause (A).



1 The term does not include equipment installed in facilities used  
 2 for or in connection with efficiency surveys, management studies,  
 3 consumer surveys, economic surveys, advertising or promotion,  
 4 or research in connection with literacy, history, or similar  
 5 projects.

6 (13) "New logistical distribution equipment" means tangible  
 7 personal property that:

8 (A) a deduction applicant installs on or before the approval  
 9 deadline determined under section 9 of this chapter, in an  
 10 economic revitalization area in which a deduction for tangible  
 11 personal property is allowed;

12 (B) consists of:

13 (i) racking equipment;

14 (ii) scanning or coding equipment;

15 (iii) separators;

16 (iv) conveyors;

17 (v) fork lifts or lifting equipment (including "walk  
 18 behinds");

19 (vi) transitional moving equipment;

20 (vii) packaging equipment;

21 (viii) sorting and picking equipment; or

22 (ix) software for technology used in logistical distribution;

23 (C) the deduction applicant acquires for the storage or  
 24 distribution of goods, services, or information:

25 (i) in an arms length transaction from an entity that is not an  
 26 affiliate of the deduction applicant, if the tangible personal  
 27 property has been previously used in Indiana before the  
 28 installation described in clause (A); and

29 (ii) in any manner, if the tangible personal property has  
 30 never been previously used in Indiana before the installation  
 31 described in clause (A); and

32 (D) the deduction applicant has never used for any purpose in  
 33 Indiana before the installation described in clause (A).

34 (14) "New information technology equipment" means tangible  
 35 personal property that:

36 (A) a deduction applicant installs on or before the approval  
 37 deadline determined under section 9 of this chapter, in an  
 38 economic revitalization area in which a deduction for tangible  
 39 personal property is allowed;

40 (B) consists of equipment, including software, used in the  
 41 fields of:

42 (i) information processing;



- 1 (ii) office automation;  
 2 (iii) telecommunication facilities and networks;  
 3 (iv) informatics;  
 4 (v) network administration;  
 5 (vi) software development; and  
 6 (vii) fiber optics;
- 7 (C) the deduction applicant acquires in an arms length  
 8 transaction from an entity that is not an affiliate of the  
 9 deduction applicant; and  
 10 (D) the deduction applicant never used for any purpose in  
 11 Indiana before the installation described in clause (A).
- 12 (15) "Deduction applicant" means an owner of tangible personal  
 13 property who makes a deduction application.
- 14 (16) "Affiliate" means an entity that effectively controls or is  
 15 controlled by a deduction applicant or is associated with a  
 16 deduction applicant under common ownership or control, whether  
 17 by shareholdings or other means.
- 18 (17) "Eligible vacant building" means a building that:  
 19 (A) is zoned for commercial or industrial purposes; and  
 20 (B) is unoccupied for at least one (1) year before the owner of  
 21 the building or a tenant of the owner occupies the building, as  
 22 evidenced by a valid certificate of occupancy, paid utility  
 23 receipts, executed lease agreements, or any other evidence of  
 24 occupation that the department of local government finance  
 25 requires.
- 26 **(18) "New business personal property" means tangible**  
 27 **personal property that:**  
 28 **(A) is otherwise subject to assessment and taxation under**  
 29 **this article and is used in a trade or business or otherwise**  
 30 **held, used, or consumed in connection with the production**  
 31 **of income;**  
 32 **(B) has an acquisition cost of at least three million dollars**  
 33 **(\$3,000,000);**  
 34 **(C) the deduction applicant installs on or before the**  
 35 **approval deadline determined under section 9 of this**  
 36 **chapter, in an area that is declared an economic**  
 37 **revitalization area in which a deduction for tangible**  
 38 **personal property is allowed;**  
 39 **(D) the deduction applicant acquires:**  
 40 **(i) in an arms length transaction from an entity that is**  
 41 **not an affiliate of the deduction applicant, if the tangible**  
 42 **personal property has been previously used in Indiana**



1           **before the installation described in clause (C); or**  
 2           **(ii) in any manner, if the tangible personal property has**  
 3           **never been previously used in Indiana before the**  
 4           **installation described in clause (C); and**

5           **(E) the deduction applicant has never used for any purpose**  
 6           **in Indiana before the installation described in clause (C).**

7           **The term does not include mobile homes assessed under**  
 8           **IC 6-1.1-7, personal property held as an investment, or**  
 9           **personal property that is assessed under IC 6-1.1-8 and is**  
 10          **owned by a public utility subject to regulation by the Indiana**  
 11          **utility regulatory commission. However, the term does include**  
 12          **the personal property of a telephone company or a**  
 13          **communications service provider if that personal property**  
 14          **meets the requirements of clause (A) through (E), regardless**  
 15          **of whether that personal property is assessed under IC 6-1.1-8**  
 16          **and regardless of whether the telephone company or**  
 17          **communications service provider is subject to regulation by**  
 18          **the Indiana utility regulatory commission. For purposes of**  
 19          **determining whether tangible personal property has an**  
 20          **acquisition cost of at least three million dollars (\$3,000,000),**  
 21          **the designating body may consider the total cost of all the**  
 22          **tangible personal property that is part of a particular**  
 23          **investment, installation, or project, as designated in the**  
 24          **statement of benefits.**

25          SECTION 7. IC 6-1.1-12.1-2, AS AMENDED BY P.L.288-2013,  
 26          SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27          JULY 1, 2014]: Sec. 2. (a) A designating body may find that a  
 28          particular area within its jurisdiction is an economic revitalization area.  
 29          However, the deduction provided by this chapter for economic  
 30          revitalization areas not within a city or town shall not be available to  
 31          retail businesses.

32          (b) In a county containing a consolidated city or within a city or  
 33          town, a designating body may find that a particular area within its  
 34          jurisdiction is a residentially distressed area. Designation of an area as  
 35          a residentially distressed area has the same effect as designating an  
 36          area as an economic revitalization area, except that the amount of the  
 37          deduction shall be calculated as specified in section 4.1 of this chapter  
 38          and the deduction is allowed for not more than the number of years  
 39          specified by the designating body under section 17 of this chapter. In  
 40          order to declare a particular area a residentially distressed area, the  
 41          designating body must follow the same procedure that is required to  
 42          designate an area as an economic revitalization area and must make all



1 the following additional findings or all the additional findings  
2 described in subsection (c):

3 (1) The area is comprised of parcels that are either unimproved or  
4 contain only one (1) or two (2) family dwellings or multifamily  
5 dwellings designed for up to four (4) families, including accessory  
6 buildings for those dwellings.

7 (2) Any dwellings in the area are not permanently occupied and  
8 are:

9 (A) the subject of an order issued under IC 36-7-9; or

10 (B) evidencing significant building deficiencies.

11 (3) Parcels of property in the area:

12 (A) have been sold and not redeemed under IC 6-1.1-24 and  
13 IC 6-1.1-25; or

14 (B) are owned by a unit of local government.

15 However, in a city in a county having a population of more than two  
16 hundred fifty thousand (250,000) but less than two hundred seventy  
17 thousand (270,000), the designating body is only required to make one  
18 (1) of the additional findings described in this subsection or one (1) of  
19 the additional findings described in subsection (c).

20 (c) In a county containing a consolidated city or within a city or  
21 town, a designating body that wishes to designate a particular area a  
22 residentially distressed area may make the following additional  
23 findings as an alternative to the additional findings described in  
24 subsection (b):

25 (1) A significant number of dwelling units within the area are not  
26 permanently occupied or a significant number of parcels in the  
27 area are vacant land.

28 (2) A significant number of dwelling units within the area are:

29 (A) the subject of an order issued under IC 36-7-9; or

30 (B) evidencing significant building deficiencies.

31 (3) The area has experienced a net loss in the number of dwelling  
32 units, as documented by census information, local building and  
33 demolition permits, or certificates of occupancy, or the area is  
34 owned by Indiana or the United States.

35 (4) The area (plus any areas previously designated under this  
36 subsection) will not exceed ten percent (10%) of the total area  
37 within the designating body's jurisdiction.

38 However, in a city in a county having a population of more than two  
39 hundred fifty thousand (250,000) but less than two hundred seventy  
40 thousand (270,000), the designating body is only required to make one  
41 (1) of the additional findings described in this subsection as an  
42 alternative to one (1) of the additional findings described in subsection



- 1 (b).
- 2 (d) A designating body is required to attach the following conditions
- 3 to the grant of a residentially distressed area designation:
- 4 (1) The deduction will not be allowed unless the dwelling is
- 5 rehabilitated to meet local code standards for habitability.
- 6 (2) If a designation application is filed, the designating body may
- 7 require that the redevelopment or rehabilitation be completed
- 8 within a reasonable period of time.
- 9 (e) To make a designation described in subsection (a) or (b), the
- 10 designating body shall use procedures prescribed in section 2.5 of this
- 11 chapter.
- 12 (f) The property tax deductions provided by section 3, 4.5, or 4.8 of
- 13 this chapter are only available within an area which the designating
- 14 body finds to be an economic revitalization area.
- 15 (g) The designating body may adopt a resolution establishing
- 16 general standards to be used, along with the requirements set forth in
- 17 the definition of economic revitalization area, by the designating body
- 18 in finding an area to be an economic revitalization area. The standards
- 19 must have a reasonable relationship to the development objectives of
- 20 the area in which the designating body has jurisdiction. The following
- 21 four (4) sets of standards may be established:
- 22 (1) One (1) relative to the deduction under section 3 of this
- 23 chapter for economic revitalization areas that are not residentially
- 24 distressed areas.
- 25 (2) One (1) relative to the deduction under section 3 of this
- 26 chapter for residentially distressed areas.
- 27 (3) One (1) relative to the deduction allowed under section 4.5 of
- 28 this chapter.
- 29 (4) One (1) relative to the deduction allowed under section 4.8 of
- 30 this chapter.
- 31 (h) A designating body may impose a fee for filing a designation
- 32 application for a person requesting the designation of a particular area
- 33 as an economic revitalization area. The fee may be sufficient to defray
- 34 actual processing and administrative costs. However, the fee charged
- 35 for filing a designation application for a parcel that contains one (1) or
- 36 more owner-occupied, single-family dwellings may not exceed the cost
- 37 of publishing the required notice.
- 38 (i) In declaring an area an economic revitalization area, the
- 39 designating body may:
- 40 (1) limit the time period to a certain number of calendar years
- 41 during which the economic revitalization area shall be so
- 42 designated;





- 1 (2) limit the type of deductions that will be allowed within the  
 2 economic revitalization area to the deduction allowed under  
 3 section 3 of this chapter, the deduction allowed under section 4.5  
 4 of this chapter, the deduction allowed under section 4.8 of this  
 5 chapter, or any combination of these deductions;  
 6 (3) limit the dollar amount of the deduction that will be allowed  
 7 with respect to new manufacturing equipment, new research and  
 8 development equipment, new logistical distribution equipment,  
 9 and new information technology equipment;  
 10 (4) limit the dollar amount of the deduction that will be allowed  
 11 with respect to redevelopment and rehabilitation occurring in  
 12 areas that are designated as economic revitalization areas;  
 13 (5) limit the dollar amount of the deduction that will be allowed  
 14 under section 4.8 of this chapter with respect to the occupation of  
 15 an eligible vacant building;  
 16 **(6) limit the dollar amount of the deduction that will be**  
 17 **allowed with respect to new business personal property; or**  
 18 ~~(7)~~ (7) impose reasonable conditions related to the purpose of this  
 19 chapter or to the general standards adopted under subsection (g)  
 20 for allowing the deduction for the redevelopment or rehabilitation  
 21 of the property or the installation of the new manufacturing  
 22 equipment, new research and development equipment, new  
 23 logistical distribution equipment, ~~or~~ new information technology  
 24 equipment, **or new business personal property.**

25 To exercise one (1) or more of these powers, a designating body must  
 26 include this fact in the resolution passed under section 2.5 of this  
 27 chapter.

28 (j) Notwithstanding any other provision of this chapter, if a  
 29 designating body limits the time period during which an area is an  
 30 economic revitalization area, that limitation does not:

- 31 (1) prevent a taxpayer from obtaining a deduction for new  
 32 manufacturing equipment, new research and development  
 33 equipment, new logistical distribution equipment, ~~or~~ new  
 34 information technology equipment, **or new business personal**  
 35 **property** installed on or before the approval deadline determined  
 36 under section 9 of this chapter, but after the expiration of the  
 37 economic revitalization area if the new manufacturing equipment,  
 38 new research and development equipment, new logistical  
 39 distribution equipment, ~~or~~ new information technology  
 40 equipment, **or new business personal property** was described in  
 41 a statement of benefits submitted to and approved by the  
 42 designating body in accordance with section 4.5 of this chapter



- 1 before the expiration of the economic revitalization area  
 2 designation; or  
 3 (2) limit the length of time a taxpayer is entitled to receive a  
 4 deduction to a number of years that is less than the number of  
 5 years designated under section 17 of this chapter.  
 6 (k) In addition to the other requirements of this chapter, if property  
 7 located in an economic revitalization area is also located in an  
 8 allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), a  
 9 taxpayer's statement of benefits concerning that property may not be  
 10 approved under this chapter unless a resolution approving the  
 11 statement of benefits is adopted by the legislative body of the unit that  
 12 approved the designation of the allocation area.  
 13 SECTION 8. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.288-2013,  
 14 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JULY 1, 2014]: Sec. 4.5. (a) An applicant must provide a statement of  
 16 benefits to the designating body. The applicant must provide the  
 17 completed statement of benefits form to the designating body before  
 18 the hearing specified in section 2.5(c) of this chapter or before the  
 19 installation of the new manufacturing equipment, new research and  
 20 development equipment, new logistical distribution equipment, ~~or~~ new  
 21 information technology equipment, **or new business personal**  
 22 **property** for which the person desires to claim a deduction under this  
 23 chapter. The department of local government finance shall prescribe a  
 24 form for the statement of benefits. The statement of benefits must  
 25 include the following information:  
 26 (1) A description of the new manufacturing equipment, new  
 27 research and development equipment, new logistical distribution  
 28 equipment, ~~or~~ new information technology equipment, **or new**  
 29 **business personal property** that the person proposes to acquire.  
 30 (2) With respect to:  
 31 (A) new manufacturing equipment not used to dispose of solid  
 32 waste or hazardous waste by converting the solid waste or  
 33 hazardous waste into energy or other useful products; and  
 34 (B) new research and development equipment, new logistical  
 35 distribution equipment, ~~or~~ new information technology  
 36 equipment, **or new business personal property**;  
 37 an estimate of the number of individuals who will be employed or  
 38 whose employment will be retained by the person as a result of  
 39 the installation of the new manufacturing equipment, new  
 40 research and development equipment, new logistical distribution  
 41 equipment, ~~or~~ new information technology equipment, **or new**  
 42 **business personal property** and an estimate of the annual



- 1 salaries of these individuals.
- 2 (3) An estimate of the cost of the new manufacturing equipment,  
3 new research and development equipment, new logistical  
4 distribution equipment, ~~or~~ new information technology  
5 equipment, **or new business personal property**.
- 6 (4) With respect to new manufacturing equipment used to dispose  
7 of solid waste or hazardous waste by converting the solid waste  
8 or hazardous waste into energy or other useful products, an  
9 estimate of the amount of solid waste or hazardous waste that will  
10 be converted into energy or other useful products by the new  
11 manufacturing equipment.
- 12 The statement of benefits may be incorporated in a designation  
13 application. Notwithstanding any other law, a statement of benefits is  
14 a public record that may be inspected and copied under IC 5-14-3-3.
- 15 (b) The designating body must review the statement of benefits  
16 required under subsection (a). The designating body shall determine  
17 whether an area should be designated an economic revitalization area  
18 or whether the deduction shall be allowed, based on (and after it has  
19 made) the following findings:
- 20 (1) Whether the estimate of the cost of the new manufacturing  
21 equipment, new research and development equipment, new  
22 logistical distribution equipment, ~~or~~ new information technology  
23 equipment, **or new business personal property** is reasonable for  
24 equipment of that type.
- 25 (2) With respect to:
- 26 (A) new manufacturing equipment not used to dispose of solid  
27 waste or hazardous waste by converting the solid waste or  
28 hazardous waste into energy or other useful products; and  
29 (B) new research and development equipment, new logistical  
30 distribution equipment, ~~or~~ new information technology  
31 equipment, **or new business personal property**;
- 32 whether the estimate of the number of individuals who will be  
33 employed or whose employment will be retained can be  
34 reasonably expected to result from the installation of the new  
35 manufacturing equipment, new research and development  
36 equipment, new logistical distribution equipment, ~~or~~ new  
37 information technology equipment, **or new business personal**  
38 **property**.
- 39 (3) Whether the estimate of the annual salaries of those  
40 individuals who will be employed or whose employment will be  
41 retained can be reasonably expected to result from the proposed  
42 installation of new manufacturing equipment, new research and



1 development equipment, new logistical distribution equipment, or  
 2 new information technology equipment, **or new business**  
 3 **personal property.**

4 (4) With respect to new manufacturing equipment used to dispose  
 5 of solid waste or hazardous waste by converting the solid waste  
 6 or hazardous waste into energy or other useful products, whether  
 7 the estimate of the amount of solid waste or hazardous waste that  
 8 will be converted into energy or other useful products can be  
 9 reasonably expected to result from the installation of the new  
 10 manufacturing equipment.

11 (5) Whether any other benefits about which information was  
 12 requested are benefits that can be reasonably expected to result  
 13 from the proposed installation of new manufacturing equipment,  
 14 new research and development equipment, new logistical  
 15 distribution equipment, or new information technology  
 16 equipment, **or new business personal property.**

17 (6) Whether the totality of benefits is sufficient to justify the  
 18 deduction.

19 The designating body may not designate an area an economic  
 20 revitalization area or approve the deduction unless it makes the  
 21 findings required by this subsection in the affirmative.

22 (c) Except as provided in subsection (f), and subject to subsection  
 23 (g) and section 15 of this chapter, an owner of new manufacturing  
 24 equipment, new research and development equipment, new logistical  
 25 distribution equipment, or new information technology equipment,  
 26 whose statement of benefits is approved is entitled to a deduction from  
 27 the assessed value of that equipment for the number of years  
 28 determined by the designating body under section 17 of this chapter.  
 29 Except as provided in subsection (d) and in section 2(i)(3) of this  
 30 chapter, and subject to subsection (g) and section 15 of this chapter,  
 31 the amount of the deduction that an owner is entitled to for a particular  
 32 year equals the product of:

33 (1) the assessed value of the new manufacturing equipment, new  
 34 research and development equipment, new logistical distribution  
 35 equipment, or new information technology equipment in the year  
 36 of deduction under the abatement schedule established under  
 37 section 17 of this chapter; multiplied by

38 (2) the percentage prescribed by the designating body under  
 39 section 17 of this chapter.

40 **The amount of the deduction that an owner is entitled to for a**  
 41 **particular year for new business personal property is equal to the**  
 42 **product of the assessed value of the new business personal property**



1 **multiplied by the deduction percentage specified under section**  
 2 **17(d) of this chapter.**

3 (d) With respect to new manufacturing equipment and new research  
 4 and development equipment installed before March 2, 2001, the  
 5 deduction under this section is the amount that causes the net assessed  
 6 value of the property after the application of the deduction under this  
 7 section to equal the net assessed value after the application of the  
 8 deduction under this section that results from computing:

- 9 (1) the deduction under this section as in effect on March 1, 2001;  
 10 and  
 11 (2) the assessed value of the property under 50 IAC 4.2, as in  
 12 effect on March 1, 2001, or, in the case of property subject to  
 13 IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

14 (e) The designating body shall determine the number of years the  
 15 deduction is allowed under section 17 of this chapter. However, **except**  
 16 **as provided in section 17(d) of this chapter**, the deduction may not  
 17 be allowed for more than ten (10) years. This determination shall be  
 18 made:

- 19 (1) as part of the resolution adopted under section 2.5 of this  
 20 chapter; or  
 21 (2) by resolution adopted within sixty (60) days after receiving a  
 22 copy of a property owner's certified deduction application from  
 23 the county auditor. A certified copy of the resolution shall be sent  
 24 to the county auditor.

25 A determination about the number of years the deduction is allowed  
 26 that is made under subdivision (1) is final and may not be changed by  
 27 following the procedure under subdivision (2).

28 (f) The owner of new manufacturing equipment that is directly used  
 29 to dispose of hazardous waste is not entitled to the deduction provided  
 30 by this section for a particular assessment year if during that  
 31 assessment year the owner:

- 32 (1) is convicted of a criminal violation under IC 13, including  
 33 IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or  
 34 (2) is subject to an order or a consent decree with respect to  
 35 property located in Indiana based on a violation of a federal or  
 36 state rule, regulation, or statute governing the treatment, storage,  
 37 or disposal of hazardous wastes that had a major or moderate  
 38 potential for harm.

39 (g) **If tangible personal property has been granted a deduction**  
 40 **under this chapter as new business personal property by a**  
 41 **designating body, this subsection does not apply to that new**  
 42 **business personal property for any assessment dates (if any) for**



1 **which the designating body has waived the minimum valuation for**  
 2 **that new business personal property.** For purposes of subsection (c),  
 3 the assessed value of new manufacturing equipment, new research and  
 4 development equipment, new logistical distribution equipment, or new  
 5 information technology equipment that is part of an owner's assessable  
 6 depreciable personal property in a single taxing district subject to the  
 7 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product  
 8 of:

9 (1) the assessed value of the equipment determined without  
 10 regard to the valuation limitation in 50 IAC 4.2-4-9 or 50  
 11 IAC 5.1-6-9; multiplied by

12 (2) the quotient of:

13 (A) the amount of the valuation limitation determined under  
 14 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's

15 depreciable personal property in the taxing district; divided by  
 16 (B) the total true tax value of all of the owner's depreciable  
 17 personal property in the taxing district that is subject to the  
 18 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9  
 19 determined:

20 (i) under the depreciation schedules in the rules of the  
 21 department of local government finance before any  
 22 adjustment for abnormal obsolescence; and

23 (ii) without regard to the valuation limitation in 50  
 24 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

25 SECTION 9. IC 6-1.1-12.1-5.4, AS AMENDED BY P.L.288-2013,  
 26 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JULY 1, 2014]: Sec. 5.4. (a) A person that desires to obtain the  
 28 deduction provided by section 4.5 of this chapter must file a certified  
 29 deduction schedule with the person's personal property return on a form  
 30 prescribed by the department of local government finance with the  
 31 township assessor of the township in which the new manufacturing  
 32 equipment, new research and development equipment, new logistical  
 33 distribution equipment, ~~or~~ new information technology equipment, **or**  
 34 **new business personal property** is located, or with the county  
 35 assessor if there is no township assessor for the township. Except as  
 36 provided in subsection (e), the deduction is applied in the amount  
 37 claimed in a certified schedule that a person files with:

38 (1) a timely personal property return under IC 6-1.1-3-7(a) or  
 39 IC 6-1.1-3-7(b); or

40 (2) a timely amended personal property return under  
 41 IC 6-1.1-3-7.5.

42 The township or county assessor shall forward to the county auditor a



1 copy of each certified deduction schedule filed under this subsection.  
 2 The township assessor shall forward to the county assessor a copy of  
 3 each certified deduction schedule filed with the township assessor  
 4 under this subsection.

5 (b) The deduction schedule required by this section must contain the  
 6 following information:

7 (1) The name of the owner of the new manufacturing equipment,  
 8 new research and development equipment, new logistical  
 9 distribution equipment, ~~or~~ new information technology  
 10 equipment, **or new business personal property.**

11 (2) A description of the new manufacturing equipment, new  
 12 research and development equipment, new logistical distribution  
 13 equipment, ~~or~~ new information technology equipment, **or new**  
 14 **business personal property.**

15 (3) The amount of the deduction claimed for the first year of the  
 16 deduction.

17 (c) If a determination about the number of years the deduction is  
 18 allowed has not been made in the resolution adopted under section 2.5  
 19 of this chapter, the county auditor shall notify the designating body, and  
 20 the designating body shall adopt a resolution under section 4.5(e)(2) of  
 21 this chapter.

22 (d) A deduction schedule must be filed under this section in the year  
 23 in which the new manufacturing equipment, new research and  
 24 development equipment, new logistical distribution equipment, ~~or~~ new  
 25 information technology equipment, **or new business personal**  
 26 **property** is installed and in each of the immediately succeeding years  
 27 the deduction is allowed.

28 (e) The township assessor, or the county assessor if there is no  
 29 township assessor for the township, may:

30 (1) review the deduction schedule; and

31 (2) before the March 1 that next succeeds the assessment date for  
 32 which the deduction is claimed, deny or alter the amount of the  
 33 deduction.

34 If the township or county assessor does not deny the deduction, the  
 35 county auditor shall apply the deduction in the amount claimed in the  
 36 deduction schedule or in the amount as altered by the township or  
 37 county assessor. A township or county assessor who denies a deduction  
 38 under this subsection or alters the amount of the deduction shall notify  
 39 the person that claimed the deduction and the county auditor of the  
 40 assessor's action. The county auditor shall notify the designating body  
 41 and the county property tax assessment board of appeals of all  
 42 deductions applied under this section.



1 (f) If the ownership of new manufacturing equipment, new research  
 2 and development equipment, new logistical distribution equipment, ~~or~~  
 3 new information technology equipment, **or new business personal**  
 4 **property** changes, the deduction provided under section 4.5 of this  
 5 chapter continues to apply to that equipment if the new owner:

6 (1) continues to use the equipment in compliance with any  
 7 standards established under section 2(g) of this chapter; and

8 (2) files the deduction schedules required by this section.

9 (g) The amount of the deduction is the percentage under section 4.5  
 10 of this chapter that would have applied if the ownership of the property  
 11 had not changed multiplied by the assessed value of the equipment for  
 12 the year the deduction is claimed by the new owner.

13 (h) A person may appeal a determination of the township or county  
 14 assessor under subsection (e) to deny or alter the amount of the  
 15 deduction by requesting in writing a preliminary conference with the  
 16 township or county assessor not more than forty-five (45) days after the  
 17 township or county assessor gives the person notice of the  
 18 determination. Except as provided in subsection (i), an appeal initiated  
 19 under this subsection is processed and determined in the same manner  
 20 that an appeal is processed and determined under IC 6-1.1-15.

21 (i) The county assessor is recused from any action the county  
 22 property tax assessment board of appeals takes with respect to an  
 23 appeal under subsection (h) of a determination by the county assessor.

24 SECTION 10. IC 6-1.1-12.1-5.6, AS AMENDED BY P.L.288-2013,  
 25 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JULY 1, 2014]: Sec. 5.6. (a) In addition to the requirements of section  
 27 5.4(b) of this chapter, a property owner who files a deduction schedule  
 28 under section 5.4 of this chapter must provide the county auditor and  
 29 the designating body with information showing the extent to which  
 30 there has been compliance with the statement of benefits approved  
 31 under section 4.5 of this chapter.

32 (b) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following  
 33 information is a public record if filed under this section:

34 (1) The name and address of the taxpayer.

35 (2) The location and description of the new manufacturing  
 36 equipment, new research and development equipment, new  
 37 logistical distribution equipment, ~~or~~ new information technology  
 38 equipment, **or new business personal property** for which the  
 39 deduction was granted.

40 (3) Any information concerning the number of employees at the  
 41 facility where the new manufacturing equipment, new research  
 42 and development equipment, new logistical distribution





1 equipment, ~~or~~ new information technology equipment, **or new**  
 2 **business personal property** is located, including estimated totals  
 3 that were provided as part of the statement of benefits.  
 4 (4) Any information concerning the total of the salaries paid to  
 5 those employees, including estimated totals that were provided as  
 6 part of the statement of benefits.  
 7 (5) Any information concerning the amount of solid waste or  
 8 hazardous waste converted into energy or other useful products by  
 9 the new manufacturing equipment.  
 10 (6) Any information concerning the assessed value of the new  
 11 manufacturing equipment, new research and development  
 12 equipment, new logistical distribution equipment, ~~or~~ new  
 13 information technology equipment, **or new business personal**  
 14 **property**, including estimates that were provided as part of the  
 15 statement of benefits.  
 16 (c) The following information is confidential if filed under this  
 17 section:  
 18 (1) Any information concerning the specific salaries paid to  
 19 individual employees by the owner of the new manufacturing  
 20 equipment, new research and development equipment, new  
 21 logistical distribution equipment, ~~or~~ new information technology  
 22 equipment, **or new business personal property**.  
 23 (2) Any information concerning the cost of the new  
 24 manufacturing equipment, new research and development  
 25 equipment, new logistical distribution equipment, ~~or~~ new  
 26 information technology equipment, **or new business personal**  
 27 **property**.  
 28 SECTION 11. IC 6-1.1-12.1-5.8, AS AMENDED BY P.L.146-2008,  
 29 SECTION 127, IS AMENDED TO READ AS FOLLOWS  
 30 [EFFECTIVE JULY 1, 2014]: Sec. 5.8. In lieu of providing the  
 31 statement of benefits required by section 3 or 4.5 of this chapter and the  
 32 additional information required by section 5.1 or 5.6 of this chapter, the  
 33 designating body may, by resolution, waive the statement of benefits if  
 34 the designating body finds that the purposes of this chapter are served  
 35 by allowing the deduction and the property owner has, during the  
 36 thirty-six (36) months preceding the first assessment date to which the  
 37 waiver would apply, installed new manufacturing equipment, new  
 38 research and development equipment, new logistical distribution  
 39 equipment, ~~or~~ new information technology equipment, **or new**  
 40 **business personal property** or developed or rehabilitated property at  
 41 a cost of at least ten million dollars (\$10,000,000) as determined by the  
 42 assessor of the township in which the property is located, or by the



1 county assessor if there is no township assessor for the township.

2 SECTION 12. IC 6-1.1-12.1-8, AS AMENDED BY P.L.154-2006,  
3 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2014]: Sec. 8. (a) Not later than December 31 of each year,  
5 the county auditor shall publish the following in a newspaper of general  
6 interest and readership and not one of limited subject matter:

7 (1) A list of the deduction applications that were filed under this  
8 chapter during that year that resulted in deductions being applied  
9 under this chapter for that year. The list must contain the  
10 following:

11 (A) The name and address of each person approved for or  
12 receiving a deduction that was filed for during the year.

13 (B) The amount of each deduction that was filed for during the  
14 year.

15 (C) The number of years for which each deduction that was  
16 filed for during the year will be available.

17 (D) The total amount for all deductions that were filed for and  
18 applied during the year.

19 (2) The total amount of all deductions for real property that were  
20 in effect under section 3 of this chapter during the year.

21 (3) The total amount of all deductions for new manufacturing  
22 equipment, new research and development equipment, new  
23 logistical distribution equipment, ~~or~~ new information technology  
24 equipment, **or new business personal property** that were in  
25 effect under section 4.5 of this chapter during the year.

26 (4) The total amount of all deductions for eligible vacant  
27 buildings that were in effect under section 4.8 of this chapter  
28 during the year.

29 (b) The county auditor shall file the information described in  
30 subsection (a)(2), (a)(3), and (a)(4) with the department of local  
31 government finance not later than December 31 of each year.

32 SECTION 13. IC 6-1.1-12.1-11.3, AS AMENDED BY  
33 P.L.288-2013, SECTION 18, IS AMENDED TO READ AS  
34 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 11.3. (a) This section  
35 applies only to the following requirements:

36 (1) Failure to provide the completed statement of benefits form to  
37 the designating body before the hearing required by section 2.5(c)  
38 of this chapter.

39 (2) Failure to submit the completed statement of benefits form to  
40 the designating body before the:

41 (A) initiation of the redevelopment or rehabilitation;

42 (B) installation of new manufacturing equipment, new



- 1 research and development equipment, new logistical  
 2 distribution equipment, ~~or~~ new information technology  
 3 equipment, **or new business personal property**; or  
 4 (C) occupation of an eligible vacant building;  
 5 for which the person desires to claim a deduction under this  
 6 chapter.
- 7 (3) Failure to designate an area as an economic revitalization area  
 8 before the initiation of the:  
 9 (A) redevelopment;  
 10 (B) installation of new manufacturing equipment, new  
 11 research and development equipment, new logistical  
 12 distribution equipment, ~~or~~ new information technology  
 13 equipment, **or new business personal property**;  
 14 (C) rehabilitation; or  
 15 (D) occupation of an eligible vacant building;  
 16 for which the person desires to claim a deduction under this  
 17 chapter.
- 18 (4) Failure to make the required findings of fact before  
 19 designating an area as an economic revitalization area or  
 20 authorizing a deduction for new manufacturing equipment, new  
 21 research and development equipment, new logistical distribution  
 22 equipment, ~~or~~ new information technology equipment, **or new**  
 23 **business personal property** under section 2, 3, 4.5, or 4.8 of this  
 24 chapter.
- 25 (5) Failure to file a:  
 26 (A) timely; or  
 27 (B) complete;  
 28 deduction application under section 5, 5.3, or 5.4 of this chapter.
- 29 (b) This section does not grant a designating body the authority to  
 30 exempt a person from filing a statement of benefits or exempt a  
 31 designating body from making findings of fact.
- 32 (c) A designating body may by resolution waive noncompliance  
 33 described under subsection (a) under the terms and conditions specified  
 34 in the resolution. Before adopting a waiver under this subsection, the  
 35 designating body shall conduct a public hearing on the waiver.
- 36 SECTION 14. IC 6-1.1-12.1-12.5 IS ADDED TO THE INDIANA  
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 2014]: **Sec. 12.5. Except as provided in**  
 39 **section 12(f) of this chapter, if a county or municipality receives a**  
 40 **reimbursement, repayment, or penalty from a taxpayer on account**  
 41 **of the taxpayer's failure to comply with the statement of benefits**  
 42 **provided by the taxpayer or on account of the taxpayer's failure to**



1 comply with any other requirement to receive a deduction under  
 2 this chapter, the county or municipal fiscal officer shall distribute  
 3 the amount of the reimbursement, repayment, or penalty on a pro  
 4 rata basis to each taxing unit that contains the property that was  
 5 subject to the deduction. The amount to be distributed to each  
 6 taxing unit that contains the property that was subject to the  
 7 deduction shall be determined according to the following formula:

8 **STEP ONE: Determine the total aggregate property tax rate**  
 9 **imposed in the preceding year by the taxing unit.**

10 **STEP TWO: Determine the sum of the STEP ONE amounts**  
 11 **for all taxing units that contain the property that was subject**  
 12 **to the deduction.**

13 **STEP THREE: Divide the STEP ONE amount by the sum**  
 14 **determined under STEP TWO.**

15 **STEP FOUR: Multiply the amount of the reimbursement,**  
 16 **repayment, or penalty by the STEP THREE quotient.**

17 SECTION 15. IC 6-1.1-12.1-16.8 IS ADDED TO THE INDIANA  
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 19 [EFFECTIVE JULY 1, 2014]: **Sec. 16.8. (a) If a designating body**  
 20 **grants a deduction under this chapter for new business personal**  
 21 **property, the designating body may by ordinance waive the**  
 22 **application of minimum valuation rules to that new business**  
 23 **personal property.**

24 **(b) The designating body may waive the application of minimum**  
 25 **valuation rules to that new business personal property for specified**  
 26 **assessment dates or for all assessment dates after the installation**  
 27 **of the new business personal property.**

28 **(c) If a waiver of the application of minimum valuation rules is**  
 29 **granted under this section for new business personal property,**  
 30 **IC 6-1.1-3-22(b)(1) through IC 6-1.1-3-22(b)(3) apply to that new**  
 31 **business personal property.**

32 SECTION 16. IC 6-1.1-12.1-17, AS AMENDED BY P.L.288-2013,  
 33 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JULY 1, 2014]: **Sec. 17. (a) A designating body may provide to a**  
 35 **business that is established in or relocated to a revitalization area and**  
 36 **that receives a deduction under section 4 or 4.5 of this chapter an**  
 37 **abatement schedule based on the following factors:**

38 (1) The total amount of the taxpayer's investment in real and  
 39 personal property.

40 (2) The number of new full-time equivalent jobs created.

41 (3) The average wage of the new employees compared to the state  
 42 minimum wage.



1           (4) The infrastructure requirements for the taxpayer's investment.  
 2           (b) This subsection applies to a statement of benefits approved after  
 3 June 30, 2013. A designating body shall establish an abatement  
 4 schedule for each deduction allowed under this chapter. An abatement  
 5 schedule must specify the percentage amount of the deduction for each  
 6 year of the deduction. **Except as provided in subsection (d)**, an  
 7 abatement schedule may not exceed ten (10) years.  
 8           (c) An abatement schedule approved for a particular taxpayer before  
 9 July 1, 2013, remains in effect until the abatement schedule expires  
 10 under the terms of the resolution approving the taxpayer's statement of  
 11 benefits.  
 12           **(d) An abatement schedule for new business personal property**  
 13 **may not exceed twenty (20) years. An abatement schedule for new**  
 14 **business personal property must specify the percentage amount of**  
 15 **the deduction for each year of the deduction. However, the**  
 16 **percentage amount of the deduction must be the same for all years**  
 17 **in which the deduction is allowed.**  
 18           SECTION 17. IC 6-1.1-40-10, AS AMENDED BY P.L.146-2008,  
 19 SECTION 300, IS AMENDED TO READ AS FOLLOWS  
 20 [EFFECTIVE JULY 1, 2014]: Sec. 10. (a) Subject to subsection (d), an  
 21 owner of new manufacturing equipment whose statement of benefits is  
 22 approved is entitled to a deduction from the assessed value of that  
 23 equipment for a period of ten (10) years. Except as provided in  
 24 subsections (b) and (c), and subject to subsection (d) and section 14 of  
 25 this chapter, for the first five (5) years, the amount of the deduction for  
 26 new manufacturing equipment that an owner is entitled to for a  
 27 particular year equals the assessed value of the new manufacturing  
 28 equipment. Subject to subsection (d) and section 14 of this chapter, for  
 29 the sixth through the tenth year, the amount of the deduction equals the  
 30 product of:  
 31           (1) the assessed value of the new manufacturing equipment;  
 32           multiplied by  
 33           (2) the percentage prescribed in the following table:  
 34           

YEAR OF DEDUCTION	PERCENTAGE
6th	100%
7th	95%
8th	80%
9th	65%
10th	50%
11th and thereafter	0%

  
 41           (b) A deduction under this section is not allowed in the first year the  
 42 deduction is claimed for new manufacturing equipment to the extent



1 that it would cause the assessed value of all of the personal property of  
 2 the owner in the taxing district in which the equipment is located to be  
 3 less than the assessed value of all of the personal property of the owner  
 4 in that taxing district in the immediately preceding year.

5 (c) If a deduction is not fully allowed under subsection (b) in the  
 6 first year the deduction is claimed, then the percentages specified in  
 7 subsection (a) apply in the subsequent years to the amount of deduction  
 8 that was allowed in the first year.

9 (d) For purposes of subsection (a), **and except as provided in**  
 10 **IC 6-1.1-3-22 for tangible personal property that has been granted**  
 11 **a deduction under IC 6-1.1-12.1 as new business personal property**  
 12 **and for which the designating body has waived a minimum**  
 13 **valuation**, the assessed value of new manufacturing equipment that is  
 14 part of an owner's assessable depreciable personal property in a single  
 15 taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or  
 16 50 IAC 5.1-6-9 is the product of:

17 (1) the assessed value of the equipment determined without  
 18 regard to the valuation limitation in 50 IAC 4.2-4-9 or 50  
 19 IAC 5.1-6-9; multiplied by

20 (2) the quotient of:

21 (A) the amount of the valuation limitation determined under  
 22 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's  
 23 depreciable personal property in the taxing district; divided by  
 24 (B) the total true tax value of all of the owner's depreciable  
 25 personal property in the taxing district that is subject to the  
 26 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9  
 27 determined:

28 (i) under the depreciation schedules in the rules of the  
 29 department of local government finance before any  
 30 adjustment for abnormal obsolescence; and

31 (ii) without regard to the valuation limitation in 50  
 32 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

33 SECTION 18. IC 6-2.5-5-49.5 IS ADDED TO THE INDIANA  
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 35 [EFFECTIVE UPON PASSAGE]: **Sec. 49.5. (a) This section applies**  
 36 **to a retail merchant engaged in selling bulk propane at retail in**  
 37 **Indiana.**

38 (b) **A retail merchant shall claim a credit against the state gross**  
 39 **retail or use tax on the retail merchant's return filed in April 2014**  
 40 **under IC 6-2.5-6-1 for March 2014.**

41 (c) **The amount of the credit is equal to the result determined**  
 42 **under the following STEPS:**

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1           **STEP ONE: Determine (for each customer to whom the retail**  
 2           **merchant sold bulk propane after December 31, 2013, and**  
 3           **before April 1, 2014) the greater of zero (0) or the result of:**

4           **(A) the amount of state gross retail tax collected by the**  
 5           **retail merchant after December 31, 2013, and before April**  
 6           **1, 2014, on the retail sale of bulk propane to the customer;**  
 7           **minus**

8           **(B) the amount of state gross retail tax that would have**  
 9           **been collected by the retail merchant after December 31,**  
 10           **2013, and before April 1, 2014, on the retail sale of bulk**  
 11           **propane to the customer if the cost of that bulk propane**  
 12           **had been two dollars and fifty cents (\$2.50) per gallon.**

13           **STEP TWO: Determine the sum of the STEP ONE amounts**  
 14           **for all customers of the retail merchant.**

15           **(d) A retail merchant that claims a credit under subsection (c)**  
 16           **shall provide a credit to each customer of the retail merchant for**  
 17           **whom an amount was determined under STEP ONE of subsection**  
 18           **(c). The credit is equal to the amount determined under STEP ONE**  
 19           **of subsection (c) for that customer. The credit under this**  
 20           **subsection shall be applied to the next purchase of bulk propane by**  
 21           **the customer from the retail merchant occurring after March 31,**  
 22           **2014.**

23           **(e) The department may audit credits claimed by a retail**  
 24           **merchant under subsection (c) and the credits provided by a retail**  
 25           **merchant under subsection (d).**

26           **(f) This section expires December 31, 2017.**

27           SECTION 19. IC 6-3-2-1, AS AMENDED BY P.L.205-2013,  
 28           SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29           JANUARY 1, 2015]: Sec. 1. (a) Each taxable year, a tax at the  
 30           following rate of adjusted gross income is imposed upon the adjusted  
 31           gross income of every resident person, and on that part of the adjusted  
 32           gross income derived from sources within Indiana of every nonresident  
 33           person:

34           (1) For taxable years beginning before January 1, 2015, three and  
 35           four-tenths percent (3.4%).

36           (2) For taxable years beginning after December 31, 2014, and  
 37           before January 1, 2017, three and three-tenths percent (3.3%).

38           (3) For taxable years beginning after December 31, 2016, three  
 39           and twenty-three hundredths percent (3.23%).

40           (b) Except as provided in section 1.5 of this chapter, each taxable  
 41           year, a tax at the following rate of adjusted gross income is imposed on  
 42           that part of the adjusted gross income derived from sources within



- 1 Indiana of every corporation:
- 2 (1) Before July 1, 2012, eight and five-tenths percent (8.5%).
- 3 (2) After June 30, 2012, and before July 1, 2013, eight percent
- 4 (8.0%).
- 5 (3) After June 30, 2013, and before July 1, 2014, seven and
- 6 five-tenths percent (7.5%).
- 7 (4) After June 30, 2014, and before July 1, 2015, seven percent
- 8 (7.0%).
- 9 (5) After June 30, 2015, **and before July 1, 2016**, six and
- 10 five-tenths percent (6.5%).
- 11 **(6) After June 30, 2016, and before July 1, 2017, six and**
- 12 **twenty-five hundredths percent (6.25%).**
- 13 **(7) After June 30, 2017, and before July 1, 2018, six percent**
- 14 **(6.0%).**
- 15 **(8) After June 30, 2018, and before July 1, 2019, five and**
- 16 **seventy-five hundredths percent (5.75%).**
- 17 **(9) After June 30, 2019, and before July 1, 2020, five and**
- 18 **five-tenths percent (5.5%).**
- 19 **(10) After June 30, 2020, and before July 1, 2021, five and**
- 20 **twenty-five hundredths percent (5.25%).**
- 21 **(11) After June 30, 2021, four and nine-tenths percent (4.9%).**
- 22 (c) If for any taxable year a taxpayer is subject to different tax rates
- 23 under subsection (b), the taxpayer's tax rate for that taxable year is the
- 24 rate determined in the last STEP of the following STEPS:
- 25 STEP ONE: Multiply the number of months in the taxpayer's
- 26 taxable year that precede the month the rate changed by the rate
- 27 in effect before the rate change.
- 28 STEP TWO: Multiply the number of months in the taxpayer's
- 29 taxable year that follow the month before the rate changed by the
- 30 rate in effect after the rate change.
- 31 STEP THREE: Divide the sum of the amounts determined under
- 32 STEPS ONE and TWO by twelve (12).
- 33 However, the rate determined under this subsection shall be rounded
- 34 to the nearest one-hundredth of one percent (0.01%).
- 35 SECTION 20. IC 6-3.1-23 IS REPEALED [EFFECTIVE
- 36 JANUARY 1, 2015]. (Voluntary Remediation Tax Credit).
- 37 SECTION 21. IC 6-3.1-27-9.5, AS AMENDED BY P.L.175-2007,
- 38 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 39 JULY 1, 2014]: Sec. 9.5. Except as provided in IC 6-3.1-28-11(c), the
- 40 total amount of credits allowed under:
- 41 (1) section 8 of this chapter;
- 42 (2) section 9 of this chapter; and





1           (3) IC 6-3.1-28 **(before its expiration January 1, 2024);**  
 2           may not exceed fifty million dollars (\$50,000,000) for all taxpayers and  
 3           all taxable years beginning after December 31, 2004. The corporation  
 4           shall determine the maximum allowable amount for each type of credit,  
 5           which must be at least four million dollars (\$4,000,000) for each type  
 6           of credit.

7           SECTION 22. IC 6-3.1-27-12, AS AMENDED BY P.L.191-2005,  
 8           SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9           JULY 1, 2014]: Sec. 12. (a) If the amount of the credit determined  
 10          under this chapter for a taxpayer in a taxable year exceeds the  
 11          taxpayer's state tax liability for that taxable year, the taxpayer may carry  
 12          over the excess to the following taxable years. The amount of the credit  
 13          carryover from a taxable year shall be reduced to the extent that the  
 14          carryover is used by the taxpayer to obtain a credit under this chapter  
 15          for any subsequent taxable year. A credit may not be carried forward  
 16          for more than six (6) taxable years following the taxable year in which  
 17          the taxpayer was first entitled to claim the credit.

18          (b) A taxpayer is not entitled to a carryback or refund of any unused  
 19          credit. A taxpayer may not sell, assign, convey, or otherwise transfer  
 20          the tax credit provided by this chapter.

21          **(c) A taxpayer may not be awarded a credit under this chapter**  
 22          **after December 31, 2014.**

23          **(d) This chapter expires January 1, 2021.**

24          SECTION 23. IC 6-3.1-28-7, AS AMENDED BY P.L.191-2005,  
 25          SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26          JULY 1, 2014]: Sec. 7. Subject to IC 6-3.1-27-9.5 **(before its**  
 27          **expiration January 1, 2021)** and section 11 of this chapter, a taxpayer  
 28          that has been certified by the corporation as eligible for a credit under  
 29          this section and produces ethanol at a facility is entitled to a credit  
 30          against the taxpayer's state tax liability equal to the product of:

31               (1) twelve and one-half cents (\$.125); multiplied by

32               (2) the number of gallons of ethanol produced at the Indiana  
 33               facility.

34          SECTION 24. IC 6-3.1-28-9, AS AMENDED BY P.L.175-2007,  
 35          SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36          JULY 1, 2014]: Sec. 9. (a) If the amount of the credit determined under  
 37          this chapter for a taxpayer in a taxable year exceeds the taxpayer's state  
 38          tax liability for that taxable year, the taxpayer may carry over the  
 39          excess to the following taxable years. The amount of the credit  
 40          carryover from a taxable year shall be reduced to the extent that the  
 41          carryover is used by the taxpayer to obtain a credit under this chapter  
 42          for any subsequent taxable year.



1 (b) A taxpayer is not entitled to a carryback or refund of any unused  
 2 credit. A taxpayer may not sell, assign, convey, or otherwise transfer  
 3 the tax credit provided by this chapter.

4 **(c) A taxpayer may not be awarded a credit under this chapter**  
 5 **after December 31, 2014.**

6 **(d) This chapter expires January 1, 2024.**

7 SECTION 25. IC 6-3.1-28-11, AS AMENDED BY P.L.175-2007,  
 8 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9 JULY 1, 2014]: Sec. 11. (a) As used in this section, "cellulosic ethanol"  
 10 means ethanol derived solely from lignocellulosic or hemicellulosic  
 11 matter.

12 (b) The corporation shall determine the maximum amount of credits  
 13 that a taxpayer (or if the person producing the ethanol is a pass through  
 14 entity, the shareholders, partners, or members of the pass through  
 15 entity) is eligible to receive under this section. The total amount of  
 16 credits allowed a taxpayer (or, if the person producing the ethanol is a  
 17 pass through entity, the shareholders, partners, or members of the pass  
 18 through entity) under this chapter may not exceed a total of the  
 19 following amounts for all taxable years:

20 (1) Two million dollars (\$2,000,000) in the case of a taxpayer  
 21 who produces at least forty million (40,000,000) but less than  
 22 sixty million (60,000,000) gallons of grain ethanol in a taxable  
 23 year.

24 (2) Three million dollars (\$3,000,000) in the case of a taxpayer  
 25 who produces at least sixty million (60,000,000) gallons of grain  
 26 ethanol in a taxable year.

27 (3) Twenty million dollars (\$20,000,000) for all taxpayers for all  
 28 taxable years, in the case of tax credits for a taxpayer who  
 29 produces at least twenty million (20,000,000) gallons of cellulosic  
 30 ethanol in a taxable year.

31 (c) The total amount of tax credits allowed under this chapter for a  
 32 taxpayer who produces at least twenty million (20,000,000) gallons of  
 33 cellulosic ethanol is not subject to the maximum amount of tax credits  
 34 imposed by IC 6-3.1-27-9.5 **(before its expiration January 1, 2021).**

35 (d) A taxpayer who is eligible for a credit under this chapter as a  
 36 result of producing at least twenty million (20,000,000) gallons of  
 37 cellulosic ethanol in a taxable year may apply the credit only against  
 38 the state tax liability attributable to business activity taking place at the  
 39 Indiana facility at which the cellulosic ethanol was produced.

40 SECTION 26. IC 6-3.1-31.5 IS REPEALED [EFFECTIVE JULY 1,  
 41 2014]. (Energy Savings Tax Credit).

42 SECTION 27. IC 6-3.1-33-9, AS AMENDED BY P.L.137-2012,



1 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2014]: Sec. 9. (a) Before January 1, ~~2017~~, **2015**, a corporation  
3 or pass through entity that desires to qualify for the new employer  
4 credit provided by this chapter may submit an application to the IEDC  
5 in the form and manner specified by the IEDC.

6 (b) The IEDC shall promptly review all applications submitted to  
7 the IEDC under this chapter.

8 (c) If the IEDC determines that an applicant for the tax credit  
9 provided by this chapter has furnished reliable evidence, as determined  
10 by the IEDC, that the applicant is reasonably capable of:

11 (1) employing at least ten (10) qualified employees in each month  
12 of the period specified in section 10(b) of this chapter during the  
13 taxable year; and

14 (2) meeting the requirements for the tax credit provided by this  
15 chapter;

16 the IEDC may issue the applicant a certificate of approval. If a  
17 certificate of approval is issued, the IEDC shall provide a copy of the  
18 certificate to the department.

19 (d) In making a determination of whether an applicant is qualified  
20 for a credit under this chapter, the IEDC may consider the following:

21 (1) The applicant's employment levels in previous years to  
22 determine if the applicant is hiring new individuals or rehiring  
23 individuals.

24 (2) Whether the applicant is the successor to part or all of the  
25 assets or business operations of another corporation or pass  
26 through entity that conducted business operations in Indiana in  
27 the same line of business to determine if the applicant is a new  
28 Indiana business under this chapter.

29 (e) If the IEDC determines that the applicant will not employ at least  
30 ten (10) qualified employees in each month of the period specified in  
31 section 10(b) of this chapter during the taxable year, is not a new  
32 Indiana business, or does not meet, or is unlikely to meet, any other  
33 requirements for the tax credit provided by this chapter, the IEDC shall  
34 notify the applicant of the IEDC's determination.

35 (f) The IEDC may not issue a certificate of approval under this  
36 chapter after December 31, ~~2016~~, **2014**.

37 SECTION 28. IC 6-3.1-33-13, AS ADDED BY P.L.110-2010,  
38 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 2014]: Sec. 13. (a) If the credit provided by this chapter  
40 exceeds the taxpayer's state tax liability for the taxable year for which  
41 the credit is first claimed, the excess may be carried forward to  
42 succeeding taxable years and used as a credit against the taxpayer's



1 state tax liability during those taxable years. Each time that the credit  
 2 is carried forward to a succeeding taxable year, the credit is to be  
 3 reduced by the amount that was used as a credit during the immediately  
 4 preceding taxable year. The credit provided by this chapter may be  
 5 carried forward and applied to succeeding taxable years for not more  
 6 than nine (9) taxable years following the first year the credit is claimed.

7 (b) A taxpayer is not entitled to any carryback or refund of any  
 8 unused credit.

9 **(c) A taxpayer is not entitled to a credit under this chapter for**  
 10 **wages paid in a taxable year beginning after December 31, 2014.**

11 **(d) This chapter expires January 1, 2024.**

12 SECTION 29. IC 6-5.5-2-1, AS AMENDED BY P.L.93-2013,  
 13 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2014]: Sec. 1. (a) There is imposed on each taxpayer a  
 15 franchise tax measured by the taxpayer's apportioned income for the  
 16 privilege of exercising its franchise or the corporate privilege of  
 17 transacting the business of a financial institution in Indiana. The  
 18 amount of the tax for a taxable year shall be determined by multiplying  
 19 the applicable rate under subsection (b) times the remainder of:

- 20 (1) the taxpayer's apportioned income; minus  
 21 (2) the taxpayer's deductible Indiana net operating losses as  
 22 determined under this section; minus  
 23 (3) the taxpayer's net capital losses minus the taxpayer's net  
 24 capital gains computed under the Internal Revenue Code for each  
 25 taxable year or part of a taxable year beginning after December  
 26 31, 1989, multiplied by the apportionment percentage applicable  
 27 to the taxpayer under this chapter for the taxable year of the loss.

28 A net capital loss for a taxable year is a net capital loss carryover to  
 29 each of the five (5) taxable years that follow the taxable year in which  
 30 the loss occurred.

31 (b) The following are the applicable tax rates to be used under  
 32 subsection (a):

- 33 (1) For taxable years beginning before January 1, 2014, eight and  
 34 five-tenths percent (8.5%).  
 35 (2) For taxable years beginning after December 31, 2013, and  
 36 before January 1, 2015, eight percent (8.0%).  
 37 (3) For taxable years beginning after December 31, 2014, and  
 38 before January 1, 2016, seven and five-tenths percent (7.5%).  
 39 (4) For taxable years beginning after December 31, 2015, and  
 40 before January 1, 2017, seven percent (7.0%).  
 41 (5) For taxable years beginning after December 31, 2016, **and**  
 42 **before January 1, 2019**, six and five-tenths percent (6.5%).



- 1           **(6) For taxable years beginning after December 31, 2018, and**  
 2           **before January 1, 2020, six and twenty-five hundredths**  
 3           **percent (6.25%).**
- 4           **(7) For taxable years beginning after December 31, 2019, and**  
 5           **before January 1, 2021, six percent (6.0%).**
- 6           **(8) For taxable years beginning after December 31, 2020, and**  
 7           **before January 1, 2022, five and five-tenths percent (5.5%).**
- 8           **(9) For taxable years beginning after December 31, 2021, and**  
 9           **before January 1, 2023, five percent (5.0%).**
- 10          **(10) For taxable years beginning after December 31, 2022,**  
 11          **four and nine-tenths percent (4.9%).**
- 12          (c) The amount of net operating losses deductible under subsection  
 13          (a) is an amount equal to the net operating losses computed under the  
 14          Internal Revenue Code, adjusted for the items set forth in IC 6-5.5-1-2,  
 15          that are:
- 16               (1) incurred in each taxable year, or part of a year, beginning after  
 17               December 31, 1989; and
- 18               (2) attributable to Indiana.
- 19          (d) The following apply to determining the amount of net operating  
 20          losses that may be deducted under subsection (a):
- 21               (1) The amount of net operating losses that is attributable to  
 22               Indiana is the taxpayer's total net operating losses under the  
 23               Internal Revenue Code for the taxable year of the loss, adjusted  
 24               for the items set forth in IC 6-5.5-1-2, multiplied by the  
 25               apportionment percentage applicable to the taxpayer under this  
 26               chapter for the taxable year of the loss.
- 27               (2) A net operating loss for any taxable year is a net operating loss  
 28               carryover to each of the fifteen (15) taxable years that follow the  
 29               taxable year in which the loss occurred.
- 30          (e) The following provisions apply to a combined return computing  
 31          the tax on the basis of the income of the unitary group when the return  
 32          is filed for more than one (1) taxpayer member of the unitary group for  
 33          any taxable year:
- 34               (1) Any net capital loss or net operating loss attributable to  
 35               Indiana in the combined return shall be prorated between each  
 36               taxpayer member of the unitary group by the quotient of:
- 37                       (A) the receipts of that taxpayer member attributable to  
 38                       Indiana under section 4 of this chapter; divided by
- 39                       (B) the receipts of all taxpayer members of the unitary group  
 40                       attributable to Indiana.
- 41               (2) The net capital loss or net operating loss for that year, if any,  
 42               to be carried forward to any subsequent year shall be limited to



- 1 the capital gains or apportioned income for the subsequent year  
 2 of that taxpayer, determined by the same receipts formula set out  
 3 in subdivision (1).
- 4 SECTION 30. IC 21-31-9-3, AS ADDED BY P.L.148-2009,  
 5 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2014]: Sec. 3. (a) As used in this section, "blended biodiesel"  
 7 **has the meaning set forth in IC 6-3.1-27-2: refers to a blend of**  
 8 **biodiesel with petroleum diesel so that the percentage of biodiesel**  
 9 **in the blend is at least two percent (2%) (B2 or greater). The term**  
 10 **does not include biodiesel (B100).**
- 11 (b) As used in this section, "diesel fueled vehicle" refers to a vehicle  
 12 that is capable of using diesel to fuel its primary motor.
- 13 (c) As used in this section, "ethanol" means agriculturally derived  
 14 ethyl alcohol.
- 15 (d) As used in this section, "E85" has the meaning set forth in  
 16 IC 6-6-1.1-103.
- 17 (e) As used in this section, "gasoline fueled vehicle" refers to a  
 18 vehicle that is capable of using gasoline to fuel its primary motor.
- 19 (f) As used in this section, "mid-level blend fuel" means a fuel blend  
 20 consisting of:
- 21 (1) at least twenty percent (20%) but not more than seventy-three  
 22 percent (73%) ethanol; and  
 23 (2) gasoline as the balance.
- 24 (g) As used in this section, "vehicle" includes the following:
- 25 (1) An automobile.  
 26 (2) A truck.  
 27 (3) A tractor.
- 28 (h) Except as provided by subsections (j) and (k), a state educational  
 29 institution shall whenever possible purchase mid-level blend fuel or  
 30 E85 to fuel the gasoline fueled vehicles owned or operated by the state  
 31 educational institution.
- 32 (i) Except as provided by subsections (j) and (k), a state educational  
 33 institution shall whenever possible purchase blended biodiesel fuel to  
 34 fuel the diesel fueled vehicles owned or operated by the state  
 35 educational institution.
- 36 (j) The following vehicles are exempt from the requirements of  
 37 subsections (h) and (i):
- 38 (1) A vehicle that is leased by the state educational institution for  
 39 thirty (30) days or less.  
 40 (2) A vehicle that:  
 41 (A) is primarily powered by an electric motor; or  
 42 (B) can use only propane, compressed or liquified natural gas,



- 1 or methanol as its fuel source.
- 2 (k) The following vehicles are exempt from the requirements of
- 3 subsection (h) or (i), whichever is appropriate:
- 4 (1) A gasoline fueled vehicle in which the use of mid-level blend
- 5 fuel or E85 has not been approved by the manufacturer.
- 6 (2) A diesel fueled vehicle in which the use of blended biodiesel
- 7 fuel has not been approved by the manufacturer.
- 8 (3) A gasoline fueled vehicle in which the use of mid-level blend
- 9 fuel is prohibited by the federal Clean Air Act (42 U.S.C. 7401 et
- 10 seq.).

11 SECTION 31. IC 36-7-14.2 IS ADDED TO THE INDIANA CODE

12 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE

13 JULY 1, 2015]:

14 **Chapter 14.2. Tax Rate Limitation**

15 **Sec. 1. As used in this chapter, "property taxes" means:**

16 **(1) property taxes, as described in:**

- 17 **(A) IC 6-1.1-39-5(g);**
- 18 **(B) IC 36-7-14-39(a);**
- 19 **(C) IC 36-7-14-39.2;**
- 20 **(D) IC 36-7-14-39.3(c);**
- 21 **(E) IC 36-7-14.5-12.5;**
- 22 **(F) IC 36-7-15.1-26(a);**
- 23 **(G) IC 36-7-15.1-26.2(c);**
- 24 **(H) IC 36-7-15.1-53(a);**
- 25 **(I) IC 36-7-15.1-55(c);**
- 26 **(J) IC 36-7-30-25(a)(3);**
- 27 **(K) IC 36-7-30-26(c);**
- 28 **(L) IC 36-7-30.5-30; or**
- 29 **(M) IC 36-7-30.5-31; and**

30 **(2) for allocation areas created under IC 8-22-3.5, the taxes**

31 **assessed on taxable tangible property in the allocation area.**

32 **Sec. 2. Notwithstanding any other law, for assessment dates on**

33 **or after March 1, 2016, a tax rate for property taxes described in**

34 **section 1 of this chapter must be calculated by including in the base**

35 **assessed value (for purposes of this section only) the amount of the**

36 **assessed value that would otherwise have been included in the base**

37 **assessed value if the exemption under IC 6-1.1-3-7.2 were not in**

38 **effect for the assessment date.**

39 SECTION 32. [EFFECTIVE UPON PASSAGE] (a) As used in this

40 SECTION, "commission" refers to the commission on business

41 personal property and business taxation established by subsection

42 (b).



1           **(b) The commission on business personal property and business**  
2 **taxation is established.**

3           **(c) The commission consists of the following members:**

4           **(1) Two (2) members of the senate appointed by the president**  
5 **pro tempore of the senate.**

6           **(2) One (1) member of the senate appointed by the minority**  
7 **leader of the senate.**

8           **(3) Two (2) members of the house of representatives**  
9 **appointed by the speaker of the house of representatives.**

10           **(4) One (1) member of the house of representatives appointed**  
11 **by the minority leader of the house of representatives.**

12           **(5) The governor or the governor's designee. An individual**  
13 **designated by the governor under this subdivision must be a**  
14 **state employee.**

15           **(6) One (1) member who is nominated by the Association of**  
16 **Indiana Counties and is appointed jointly by the chairman**  
17 **and the vice chairman of the legislative council.**

18           **(7) One (1) member who is nominated by the Indiana**  
19 **Association of Cities and Towns and is appointed jointly by**  
20 **the chairman and the vice chairman of the legislative council.**

21           **(8) One (1) member who is nominated by the Indiana State**  
22 **Chamber of Commerce and is appointed jointly by the**  
23 **chairman and the vice chairman of the legislative council.**

24           **(9) One (1) member who is nominated by the Indiana**  
25 **Manufacturers Association and is appointed jointly by the**  
26 **chairman and the vice chairman of the legislative council.**

27           **(10) One (1) member who is nominated by the Indiana**  
28 **Association of School Business Officials and is appointed**  
29 **jointly by the chairman and the vice chairman of the**  
30 **legislative council.**

31           **(11) One (1) member to represent agriculture who is**  
32 **appointed jointly by the chairman and the vice chairman of**  
33 **the legislative council.**

34           **(d) The president pro tempore of the senate shall appoint a**  
35 **legislative member of the commission to serve as chairperson of the**  
36 **commission. The speaker of the house of representatives shall**  
37 **appoint a legislative member of the commission to serve as vice**  
38 **chairperson of the commission.**

39           **(e) If a vacancy occurs on the commission, the appointing**  
40 **authority who appointed the member whose position is vacant shall**  
41 **appoint an individual to fill the vacancy.**

42           **(f) The commission shall do the following:**





- 1           **(1) Study issues concerning the taxation of business personal**  
 2           **property in Indiana and business taxation in general in**  
 3           **Indiana.**
- 4           **(2) Study issues related to the share of the overall tax burden**  
 5           **borne by businesses in Indiana.**
- 6           **(3) Study the competitive advantages and disadvantages for**  
 7           **businesses in Indiana that result from the structure of state**  
 8           **and local taxation of business.**
- 9           **(4) Study any special elements of the taxation of business**  
 10          **personal property.**
- 11          **(5) Study issues related to property taxes paid by taxpayers**  
 12          **(including individual taxpayers) other than business**  
 13          **taxpayers, and the relative share of the overall tax burden**  
 14          **borne by these taxpayers.**
- 15          **(6) Study the impact on local government of reducing business**  
 16          **personal property taxes.**
- 17          **(7) Study:**
- 18               **(A) the impact of circuit breaker credits under**  
 19               **IC 6-1.1-20.6 on local governments;**
- 20               **(B) the ability of local governments to provide necessary**  
 21               **services after the application of circuit breaker credits**  
 22               **under IC 6-1.1-20.6; and**
- 23               **(C) the existing mechanisms and tools that may be used by**  
 24               **local governments to address the effects of the circuit**  
 25               **breaker credits under IC 6-1.1-20.6, and the extent to**  
 26               **which these mechanisms and tools have been or have not**  
 27               **been adopted and used.**
- 28          **(8) Study the impact of tax increment financing, including the**  
 29          **impact of tax increment financing on local government.**
- 30          **(9) Study the issue of what number or percentage of votes by**  
 31          **a county option income tax council should be required to**  
 32          **eliminate property taxes on new business personal property**  
 33          **in a county, if the county option income tax councils are given**  
 34          **the authority to eliminate property taxes on such property.**
- 35          **(10) Study any other topics assigned by the legislative council**  
 36          **or as directed by the chair of the commission.**
- 37          **(g) The commission shall submit a final report of the results of**  
 38          **its study and any recommendations to the legislative council before**  
 39          **November 1, 2014. The report must be in an electronic format**  
 40          **under IC 5-14-6.**
- 41          **(h) The legislative services agency shall provide staff support to**  
 42          **the commission.**



1           **(i) The affirmative votes of a majority of the members**  
2           **appointed to the commission are required for the commission to**  
3           **take action on any measure, including a final report.**

4           **(j) Except as otherwise specifically provided in this SECTION,**  
5           **the commission shall operate under the rules of the legislative**  
6           **council.**

7           **(k) This SECTION expires January 1, 2015.**  
8           **SECTION 33. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1001, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1001 as introduced.)

Committee Vote: Yeas 13, Nays 8

Representative Brown T

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1001, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1001 as printed January 27, 2014.)

HERSHMAN, Chairperson

Committee Vote: Yeas 8, Nays 4.

