

HOUSE BILL No. 1556

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Enterprise zones. Eliminates the 30% minimum personal property tax depreciation floor for depreciable personal property that is located within an enterprise zone on an assessment date beginning after December 31, 2017. Amends the definition of "qualified investment" for purposes of an enterprise zone investment deduction after 2017 to include new information technology equipment, new research and development equipment, and new logical distribution equipment.

Effective: July 1, 2017.

GiaQuinta, Klinker

January 23, 2017, read first time and referred to Committee on Ways and Means.



First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

HOUSE BILL No. 1556

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 6-1.1-3-25 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2017]: **Sec. 25. (a) As used in this section, "enterprise zone"**
4 **refers to an enterprise zone created under IC 5-28-15.**

5 **(b) Beginning after December 31, 2017, assessable depreciable**
6 **personal property that is located within an enterprise zone on an**
7 **assessment date is not subject to the valuation limitations in 50**
8 **IAC 4.2-4-9 or 50 IAC 5.1-6-9.**

9 SECTION 2. IC 6-1.1-45-7, AS ADDED BY P.L.214-2005,
10 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2017]: Sec. 7. As used in this chapter, "qualified investment"
12 means any of the following expenditures relating to an enterprise zone
13 location on which a taxpayer's zone business is located:

- 14 (1) The purchase of a building.
- 15 (2) The purchase of new manufacturing or production equipment.
- 16 (3) Costs associated with the repair, rehabilitation, or
- 17 modernization of an existing building and related improvements.



- 1 (4) Onsite infrastructure improvements.
 2 (5) The construction of a new building.
 3 (6) Costs associated with retooling existing machinery.
 4 **(7) For property taxes first due and payable in 2018 and**
 5 **thereafter, the purchase of new information technology**
 6 **equipment that consists of equipment, including software,**
 7 **used in the fields of:**
 8 (A) information processing;
 9 (B) office automation;
 10 (C) telecommunication facilities and networks;
 11 (D) informatics;
 12 (E) network administration;
 13 (F) software development; and
 14 (G) fiber optics;
 15 **that is acquired in an arms length transaction from an entity**
 16 **that is not an affiliate of the taxpayer and that the taxpayer**
 17 **never used for any purpose in Indiana before the purchase.**
 18 **(8) For property taxes first due and payable in 2018 and**
 19 **thereafter, the purchase of new research and development**
 20 **equipment that consists of:**
 21 (A) laboratory equipment;
 22 (B) research and development equipment;
 23 (C) computers and computer software;
 24 (D) telecommunications equipment; or
 25 (E) testing equipment;
 26 **that is acquired in an arms length transaction from an entity**
 27 **that is not an affiliate of the taxpayer and that the taxpayer**
 28 **never used for any purpose in Indiana before the purchase.**
 29 **(9) For property taxes first due and payable in 2018 and**
 30 **thereafter, the purchase of new logistical distribution**
 31 **equipment that consists of:**
 32 (A) racking equipment;
 33 (B) scanning or coding equipment;
 34 (C) separators;
 35 (D) conveyors;
 36 (E) fork lifts or lifting equipment (including "walk
 37 behinds");
 38 (F) transitional moving equipment;
 39 (G) packaging equipment;
 40 (H) sorting and picking equipment; or
 41 (I) software for technology used in logistical distribution;
 42 **that is acquired in an arms length transaction from an entity**



1 **that is not an affiliate of the taxpayer and that the taxpayer**
2 **never used for any purpose in Indiana before the purchase.**

