

Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

## SENATE ENROLLED ACT No. 145

AN ACT to amend the Indiana Code concerning taxation.

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

SECTION 1. IC 6-1.1-4-43.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2023]: Sec. 43.5. (a) This section applies to a commercial property with a structure, or a portion thereof, that:**

- (1) is at least one hundred thousand (100,000) square feet in area;**
- (2) is used for retail purposes;**
- (3) is occupied by a single retailer; and**
- (4) is assessed for the first time after December 31, 2022.**

**(b) This section does not apply to a property described in subsection (a) that:**

- (1) was vacated by the original occupant for which the property was constructed;**
- (2) was constructed more than five (5) years prior to the assessment date; or**
- (3) was substantially and adversely impacted by a change in a roadway or traffic pattern.**

**(c) If a single retailer leases or subleases small undivided portions of a structure, the structure shall still be considered occupied by a single retailer.**

**(d) For assessment dates beginning after December 31, 2022, the true tax value of a commercial property subject to this section shall**

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be determined by application of the cost approach. In applying the cost approach, estimates of depreciation and obsolescence shall not be based on data derived from the sales comparison or income capitalization approaches. The department of local government finance shall establish a standard construction cost per square foot for the purpose of applying the cost approach to commercial property subject to this section. The department shall update the standard construction cost per square foot annually. When requesting a review of an assessment under this section, a taxpayer may present an appraisal based on the cost approach as evidence that the taxpayer's actual construction cost was lower than the department's determined standard construction cost per square foot that was used to assess the property. Notwithstanding this section, the value of the land component may be determined based on the sales comparison approach.

(e) If the entire commercial property is occupied by a single retailer as a single economic unit, the entire commercial property shall be valued under this section. If only a portion of the commercial property forms a single economic unit occupied by a single retailer, then only that portion of the commercial property shall be valued under this section.

(f) Notwithstanding subsections (c), (d), and (e), the parties to any appeal filed under IC 6-1.1-15 may enter into a written agreement to stipulate to the true tax value of the property under appeal.

(g) If a taxpayer files a notice under IC 6-1.1-15 requesting a review of the assessment of the taxpayer's commercial property that is subject to this section, the fiscal officer of the county may establish a separate account for purposes of the review. The fiscal officer shall deposit in the account the greater of the tax receipts that are attributable to:

- (1) the property tax assessment that is the subject of the review minus the tax receipts attributable to the property tax assessment in the immediately prior year; or
- (2) twenty-five percent (25%) of the tax receipts attributable to the property tax assessment that is the subject of the review.

Money transferred to an account is not considered miscellaneous revenue. Both the taxing units and the department of local government finance shall disregard any balance in the account in the determination of the taxing units' property tax levy, property tax rate, and budget until the calendar year in which the money is



**released from the account. The fiscal officer of the county, following a final determination of the review, or final judgment on an appeal if the review is appealed, shall disburse the money deposited in the account in accordance with the final determination or final judgment.**



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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

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