

SENATE BILL No. 150

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-3-7.2.

Synopsis: Business personal property tax exemption. Increases the acquisition cost threshold for the business personal property tax exemption from \$80,000 to \$250,000.

Effective: January 1, 2023.

Freeman

January 6, 2022, read first time and referred to Committee on Tax and Fiscal Policy.



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 BILL No. 150



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 6-1.1-3-7.2, AS AMENDED BY P.L.153-2021,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2023]: Sec. 7.2. (a) This section applies to assessment
4 dates occurring after December 31, 2015.
5 (b) As used in this section, "affiliate" means an entity that
6 effectively controls or is controlled by a taxpayer or is associated with
7 a taxpayer under common ownership or control, whether by
8 shareholdings or other means.
9 (c) As used in this section, "business personal property" means
10 personal property that:
11 (1) is otherwise subject to assessment and taxation under this
12 article;
13 (2) is used in a trade or business or otherwise held, used, or
14 consumed in connection with the production of income; and
15 (3) was:
16 (A) acquired by the taxpayer in an arms length transaction
17 from an entity that is not an affiliate of the taxpayer, if the



1 personal property has been previously used in Indiana before
 2 being placed in service in the county; or
 3 (B) acquired in any manner, if the personal property has never
 4 been previously used in Indiana before being placed in service
 5 in the county.

6 The term does not include mobile homes assessed under IC 6-1.1-7,
 7 personal property held as an investment, or personal property that is
 8 assessed under IC 6-1.1-8 and is owned by a public utility subject to
 9 regulation by the Indiana utility regulatory commission. However, the
 10 term does include the personal property of a telephone company or a
 11 communications service provider if that personal property meets the
 12 requirements of subdivisions (1) through (3), regardless of whether that
 13 personal property is assessed under IC 6-1.1-8 and regardless of
 14 whether the telephone company or communications service provider is
 15 subject to regulation by the Indiana utility regulatory commission.

16 (d) Notwithstanding section 7 of this chapter, if the acquisition cost
 17 of a taxpayer's total business personal property in a county is less than
 18 ~~eighty thousand dollars (\$80,000)~~ **two hundred fifty thousand dollars**
 19 **(\$250,000)** for that assessment date, the taxpayer's business personal
 20 property in the county for that assessment date is exempt from taxation.

21 (e) A taxpayer that is eligible for the exemption under this section
 22 for an assessment date shall include the following information on the
 23 taxpayer's personal property tax return:

- 24 (1) A declaration that the taxpayer's business personal property in
 25 the county is exempt from property taxation.
 26 (2) Whether the taxpayer's business personal property within the
 27 county is in one (1) location or multiple locations.
 28 (3) An address for the location of the property.

29 If the business personal property is in multiple locations within a
 30 county, the taxpayer shall provide an address for the location where the
 31 sum of acquisition costs for business personal property is greatest. If
 32 two (2) or more addresses contain the greatest equivalent sum of
 33 acquisition costs for business personal property within a given county,
 34 the taxpayer shall choose only one (1) address to list on the return.

