

# SENATE BILL No. 164

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12.1-1.

**Synopsis:** Coordination among units for tax abatement. Provides that if a rehabilitation or redevelopment project in an economic revitalization area falls within the boundaries of an excluded city, a representative of the excluded city must be included as a voting member of the designating body.

**Effective:** July 1, 2022.

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January 4, 2022, read first time and referred to Committee on Local Government.

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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. 164



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 6-1.1-12.1-1, AS AMENDED BY P.L.288-2013,  
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2022]: Sec. 1. For purposes of this chapter:  
4 (1) "Economic revitalization area" means an area which is within  
5 the corporate limits of a city, town, or county which has become  
6 undesirable for, or impossible of, normal development and  
7 occupancy because of a lack of development, cessation of growth,  
8 deterioration of improvements or character of occupancy, age,  
9 obsolescence, substandard buildings, or other factors which have  
10 impaired values or prevent a normal development of property or  
11 use of property. The term "economic revitalization area" also  
12 includes:  
13 (A) any area where a facility or a group of facilities that are  
14 technologically, economically, or energy obsolete are located  
15 and where the obsolescence may lead to a decline in  
16 employment and tax revenues; and  
17 (B) a residentially distressed area, except as otherwise



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



- 1                   **a representative of the excluded city must be included as a**  
 2                   **voting member of the designating body.**  
 3                   (8) "Deduction application" means:  
 4                   (A) the application filed in accordance with section 5 of this  
 5                   chapter by a property owner who desires to obtain the  
 6                   deduction provided by section 3 of this chapter;  
 7                   (B) the application filed in accordance with section 5.4 of this  
 8                   chapter by a person who desires to obtain the deduction  
 9                   provided by section 4.5 of this chapter; or  
 10                   (C) the application filed in accordance with section 5.3 of this  
 11                   chapter by a property owner that desires to obtain the  
 12                   deduction provided by section 4.8 of this chapter.  
 13                   (9) "Designation application" means an application that is filed  
 14                   with a designating body to assist that body in making a  
 15                   determination about whether a particular area should be  
 16                   designated as an economic revitalization area.  
 17                   (10) "Hazardous waste" has the meaning set forth in  
 18                   IC 13-11-2-99(a). The term includes waste determined to be a  
 19                   hazardous waste under IC 13-22-2-3(b).  
 20                   (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a).  
 21                   However, the term does not include dead animals or any animal  
 22                   solid or semisolid wastes.  
 23                   (12) "New research and development equipment" means tangible  
 24                   personal property that:  
 25                   (A) a deduction applicant installs on or before the approval  
 26                   deadline determined under section 9 of this chapter, in an  
 27                   economic revitalization area in which a deduction for tangible  
 28                   personal property is allowed;  
 29                   (B) consists of:  
 30                   (i) laboratory equipment;  
 31                   (ii) research and development equipment;  
 32                   (iii) computers and computer software;  
 33                   (iv) telecommunications equipment; or  
 34                   (v) testing equipment;  
 35                   (C) the deduction applicant uses in research and development  
 36                   activities devoted directly and exclusively to experimental or  
 37                   laboratory research and development for new products, new  
 38                   uses of existing products, or improving or testing existing  
 39                   products;  
 40                   (D) the deduction applicant acquires for purposes described in  
 41                   this subdivision:  
 42                   (i) in an arms length transaction from an entity that is not an



- 1 affiliate of the deduction applicant, if the tangible personal  
 2 property has been previously used in Indiana before the  
 3 installation described in clause (A); or  
 4 (ii) in any manner, if the tangible personal property has  
 5 never been previously used in Indiana before the installation  
 6 described in clause (A); and  
 7 (E) the deduction applicant has never used for any purpose in  
 8 Indiana before the installation described in clause (A).  
 9 The term does not include equipment installed in facilities used  
 10 for or in connection with efficiency surveys, management studies,  
 11 consumer surveys, economic surveys, advertising or promotion,  
 12 or research in connection with literacy, history, or similar  
 13 projects.  
 14 (13) "New logistical distribution equipment" means tangible  
 15 personal property that:  
 16 (A) a deduction applicant installs on or before the approval  
 17 deadline determined under section 9 of this chapter, in an  
 18 economic revitalization area in which a deduction for tangible  
 19 personal property is allowed;  
 20 (B) consists of:  
 21 (i) racking equipment;  
 22 (ii) scanning or coding equipment;  
 23 (iii) separators;  
 24 (iv) conveyors;  
 25 (v) fork lifts or lifting equipment (including "walk  
 26 behinds");  
 27 (vi) transitional moving equipment;  
 28 (vii) packaging equipment;  
 29 (viii) sorting and picking equipment; or  
 30 (ix) software for technology used in logistical distribution;  
 31 (C) the deduction applicant acquires for the storage or  
 32 distribution of goods, services, or information:  
 33 (i) in an arms length transaction from an entity that is not an  
 34 affiliate of the deduction applicant, if the tangible personal  
 35 property has been previously used in Indiana before the  
 36 installation described in clause (A); and  
 37 (ii) in any manner, if the tangible personal property has  
 38 never been previously used in Indiana before the installation  
 39 described in clause (A); and  
 40 (D) the deduction applicant has never used for any purpose in  
 41 Indiana before the installation described in clause (A).  
 42 (14) "New information technology equipment" means tangible



- 1 personal property that:
- 2 (A) a deduction applicant installs on or before the approval
- 3 deadline determined under section 9 of this chapter, in an
- 4 economic revitalization area in which a deduction for tangible
- 5 personal property is allowed;
- 6 (B) consists of equipment, including software, used in the
- 7 fields of:
- 8 (i) information processing;
- 9 (ii) office automation;
- 10 (iii) telecommunication facilities and networks;
- 11 (iv) informatics;
- 12 (v) network administration;
- 13 (vi) software development; and
- 14 (vii) fiber optics;
- 15 (C) the deduction applicant acquires in an arms length
- 16 transaction from an entity that is not an affiliate of the
- 17 deduction applicant; and
- 18 (D) the deduction applicant never used for any purpose in
- 19 Indiana before the installation described in clause (A).
- 20 (15) "Deduction applicant" means an owner of tangible personal
- 21 property who makes a deduction application.
- 22 (16) "Affiliate" means an entity that effectively controls or is
- 23 controlled by a deduction applicant or is associated with a
- 24 deduction applicant under common ownership or control, whether
- 25 by shareholdings or other means.
- 26 (17) "Eligible vacant building" means a building that:
- 27 (A) is zoned for commercial or industrial purposes; and
- 28 (B) is unoccupied for at least one (1) year before the owner of
- 29 the building or a tenant of the owner occupies the building, as
- 30 evidenced by a valid certificate of occupancy, paid utility
- 31 receipts, executed lease agreements, or any other evidence of
- 32 occupation that the department of local government finance
- 33 requires.

