

SENATE BILL No. 233

DIGEST OF INTRODUCED BILL

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

Synopsis: Business personal property tax exemption. Increases, from \$20,000 to \$40,000, the acquisition cost threshold for the business personal property tax exemption.

Effective: July 1, 2019.

Freeman

January 3, 2019, read first time and referred to Committee on Tax and Fiscal Policy.



First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

SENATE BILL No. 233

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.199-2016,
- 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2019]: Sec. 7.2. (a) This section applies to assessment dates
- 4 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 ~~twenty thousand dollars (\$20,000)~~ **forty thousand dollars (\$40,000)**
19 for that assessment date, the taxpayer's business personal property in
20 the county for that assessment date is exempt from taxation.

21 (e) Except as provided in subsection (f), a taxpayer that is eligible
22 for the exemption under this section for an assessment date shall
23 indicate on the taxpayer's personal property tax return that the
24 taxpayer's business personal property in the county is exempt from
25 property taxation for the assessment date.

26 (f) For purposes of the January 1, 2016, assessment date, a taxpayer
27 that is eligible for the exemption under this section may file with the
28 county assessor before May 17, 2016, a certification of the taxpayer's
29 eligibility for the exemption under this section instead of indicating the
30 taxpayer's eligibility for the exemption on the taxpayer's personal
31 property tax return.

32 **SECTION 2. [EFFECTIVE JULY 1, 2019] (a) IC 6-1.1-3-7.2, as**
33 **amended by this act, applies to assessment dates after December**
34 **31, 2019.**

35 **(b) This SECTION expires June 30, 2022.**

