



January 23, 2019

SENATE BILL No. 233

DIGEST OF SB 233 (Updated January 22, 2019 11:39 am - DI 125)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Business personal property tax exemption. Increases, from \$20,000 to \$40,000, the acquisition cost threshold for the business personal property tax exemption. Specifies that a taxpayer who is eligible for a personal property tax exemption must include on the taxpayer's personal property tax return: (1) information concerning whether the taxpayer's business personal property within the county is in one location or multiple locations; and (2) an address for the location of the property. Provides that the appropriate county officer designated by the county executive (rather than the assessor, under current law) is responsible for: (1) maintaining data files of the geographic information system characteristics of each parcel in the county as of each assessment date; and (2) submitting those files to the geographic information office of the office of technology. Repeals provisions in current law that allow a county council to impose a local service fee on each person that has exempt business personal property because the business personal property does not exceed the acquisition threshold. Repeals provisions in current law that impose a \$25 penalty for failure to timely indicate on a taxpayer's personal property tax return that the taxpayer's business personal property is exempt. Removes outdated provisions.

Effective: July 1, 2019.

**Freeman, Garten, Holdman,
Messmer, Buchanan, Charbonneau,
Niezgodski**

January 3, 2019, read first time and referred to Committee on Tax and Fiscal Policy.
January 22, 2019, amended, reported favorably — Do Pass.

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January 23, 2019

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

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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 include the following information** on the taxpayer's personal
24 property tax return:

25 **(1) A declaration** that the taxpayer's business personal property
26 in the county is exempt from property taxation. ~~for the assessment~~
27 ~~date.~~

28 **(2) Whether the taxpayer's business personal property within**
29 **the county is in one (1) location or multiple locations.**

30 **(3) An address for the location of the property.**

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

38 (f) For purposes of the January 1, 2016, assessment date, a taxpayer
39 that is eligible for the exemption under this section may file with the
40 county assessor before May 17, 2016, a certification of the taxpayer's
41 eligibility for the exemption under this section instead of indicating the
42 taxpayer's eligibility for the exemption on the taxpayer's personal



1 property tax return.

2 SECTION 2. IC 6-1.1-3-7.3 IS REPEALED [EFFECTIVE JULY 1,
3 2019]. Sec. 7.3: (a) A county fiscal body may adopt an ordinance to
4 impose a local service fee on each person that indicates on the person's
5 personal property tax return or, for purposes of the January 1, 2016,
6 assessment date; on the person's certification under section 7.2(f) of
7 this chapter that the person's business personal property in the county
8 is exempt from taxation under section 7.2 of this chapter for an
9 assessment date after December 31, 2015.

10 (b) The county fiscal body shall specify the amount of the local
11 service fee in the ordinance. A local service fee imposed on a person
12 under this section may not exceed fifty dollars (\$50).

13 (c) A local service fee imposed for an assessment date is due and
14 payable at the same time that property taxes for that assessment date
15 are due and payable. A county may collect a delinquent local service
16 fee in the same manner as delinquent property taxes are collected.

17 (d) The revenue from a local service fee:

18 (1) shall be allocated in the same manner and proportion and at
19 the same time as property taxes are allocated to each taxing unit
20 in the county; and

21 (2) may be used by a taxing unit for any lawful purpose of the
22 taxing unit.

23 SECTION 3. IC 6-1.1-4-25, AS AMENDED BY P.L.203-2016,
24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2019]: Sec. 25. (a) Each township assessor and each county
26 assessor shall keep the assessor's reassessment data and records current
27 by securing the necessary field data and by making changes in the
28 assessed value of real property as changes occur in the use of the real
29 property. The township or county assessor's records shall at all times
30 show the assessed value of real property in accordance with this
31 chapter. The township assessor shall ensure that the county assessor
32 has full access to the assessment records maintained by the township
33 assessor.

34 (b) The township assessor (if any) in a county having a consolidated
35 city; the county assessor if there are no township assessors in a county
36 having a consolidated city; or the county assessor in every other county
37 shall:

38 (1) maintain an electronic data file of:

39 (A) the parcel characteristics and parcel assessments of all
40 parcels; **and**

41 (B) the personal property return characteristics and
42 assessments by return; **and**



- 1 ~~(C) the geographic information system characteristics of each~~
 2 ~~parcel;~~
 3 for each township in the county as of each assessment date;
 4 (2) maintain the electronic file in a form that formats the
 5 information in the file with the standard data, field, and record
 6 coding required and approved by:
 7 (A) the legislative services agency; and
 8 (B) the department of local government finance;
 9 (3) **before September 1 of each year**, transmit the data in the file
 10 with respect to the assessment date of **each that year before**
 11 **October 1 of a year ending before January 1, 2016, and before**
 12 **September 1 of a year beginning after December 31, 2015, to:**
 13 (A) the legislative services agency; and
 14 (B) the department of local government finance. ~~for data~~
 15 ~~described in subdivision (1)(A) and (1)(B); and~~
 16 ~~(B) the geographic information office of the office of~~
 17 ~~technology, for data described in subdivision (1)(C);~~
 18 **(c) The appropriate county officer, as designated by the county**
 19 **executive, shall:**
 20 **(1) maintain an electronic data file of the geographic**
 21 **information system characteristics of each parcel for each**
 22 **township in the county as of each assessment date;**
 23 **(2) maintain the electronic file in a form that formats the**
 24 **information in the file with the standard data, field, and**
 25 **record coding required and approved by the office of**
 26 **technology; and**
 27 **(3) before September 1 of each year, transmit the data in the**
 28 **file with respect to the assessment date of that year to the**
 29 **geographic information office of the office of technology.**
 30 **(d) An assessor under subsection (b) and an appropriate county**
 31 **officer under subsection (c) shall do the following:**
 32 **(1) Transmit the data** in a manner that meets the data export and
 33 transmission requirements in a standard format, as prescribed by
 34 the office of technology established by IC 4-13.1-2-1 and
 35 approved by the legislative services agency. ~~and~~
 36 ~~(2)~~ **(2) Resubmit the data** in the form and manner required under
 37 **this subsection (b) or (c)** upon request of the legislative services
 38 agency, the department of local government finance, or the
 39 geographic information office of the office of technology, as
 40 applicable, if data previously submitted under ~~this subsection (b)~~
 41 **or (c)** does not comply with the requirements of ~~this subsection;~~
 42 **subsection (b) or (c)**, as determined by the legislative services



1 agency, the department of local government finance, or the
 2 geographic information office of the office of technology, as
 3 applicable.

4 An electronic data file maintained for a particular assessment date may
 5 not be overwritten with data for a subsequent assessment date until a
 6 copy of an electronic data file that preserves the data for the particular
 7 assessment date is archived in the manner prescribed by the office of
 8 technology established by IC 4-13.1-2-1 and approved by the
 9 legislative services agency.

10 SECTION 4. IC 6-1.1-37-7, AS AMENDED BY P.L.199-2016,
 11 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2019]: Sec. 7. (a) If a person fails to file a required personal
 13 property return on or before the due date, the county auditor shall add
 14 a penalty of twenty-five dollars (\$25) to the person's next property tax
 15 installment. The county auditor shall also add an additional penalty to
 16 the taxes payable by the person if the person fails to file the personal
 17 property return within thirty (30) days after the due date. The amount
 18 of the additional penalty is twenty percent (20%) of the taxes finally
 19 determined to be due with respect to the personal property which
 20 should have been reported on the return.

21 (b) For purposes of this section, a personal property return is not due
 22 until the expiration of any extension period granted by the township or
 23 county assessor under IC 6-1.1-3-7(b).

24 (c) The penalties prescribed under this section do not apply to an
 25 individual or the individual's dependents if the individual:

- 26 (1) is in the military or naval forces of the United States on the
 27 assessment date; and
- 28 (2) is covered by the federal Servicemembers Civil Relief Act (50
 29 U.S.C. App. 501 et seq.) or IC 10-16-20.

30 (d) If a person subject to IC 6-1.1-3-7(c) fails to include on a
 31 personal property return the information, if any, that the department of
 32 local government finance requires under IC 6-1.1-3-9 or IC 6-1.1-5-13,
 33 the county auditor shall add a penalty to the property tax installment
 34 next due for the return. The amount of the penalty is twenty-five dollars
 35 (\$25).

36 (e) If the total assessed value that a person reports on a personal
 37 property return is less than the total assessed value that the person is
 38 required by law to report and if the amount of the undervaluation
 39 exceeds five percent (5%) of the value that should have been reported
 40 on the return, then the county auditor shall add a penalty of twenty
 41 percent (20%) of the additional taxes finally determined to be due as
 42 a result of the undervaluation. The penalty shall be added to the



1 property tax installment next due for the return on which the property
 2 was undervalued. If a person has complied with all of the requirements
 3 for claiming a deduction, an exemption, or an adjustment for abnormal
 4 obsolescence, then the increase in assessed value that results from a
 5 denial of the deduction, exemption, or adjustment for abnormal
 6 obsolescence is not considered to result from an undervaluation for
 7 purposes of this subsection.

8 (f) If a person required by IC 6-1.1-3-7.2(e) to indicate on the
 9 taxpayer's personal property tax return or, for purposes of the January
 10 1, 2016, assessment date, on the taxpayer's certification under
 11 IC 6-1.1-3-7.2(f) that the taxpayer's business personal property is
 12 exempt fails to timely file either the taxpayer's personal property tax
 13 return with the indication or, for purposes of the January 1, 2016,
 14 assessment date, the certification, the county auditor shall impose a
 15 penalty of twenty-five dollars (\$25) that must be paid by the person
 16 with the next property tax installment that is collected.

17 (f) **The penalties prescribed under this section do not apply to a**
 18 **person who fails to timely indicate on the taxpayer's personal**
 19 **property tax return that the taxpayer's business personal property**
 20 **is exempt as required by IC 6-1.1-3-7.2(e).**

21 (g) A penalty is due with an installment under subsection (a), (d), or
 22 (e) or (f) whether or not an appeal is filed under IC 6-1.1-15-5 with
 23 respect to the tax due on that installment.

24 SECTION 5. [EFFECTIVE JULY 1, 2019] (a) **IC 6-1.1-3-7.2, as**
 25 **amended by this act, applies to assessment dates after December**
 26 **31, 2019.**

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



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 233, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 21 through 25, begin a new paragraph and insert:

"(e) ~~Except as provided in subsection (f);~~ A taxpayer that is eligible for the exemption under this section for an assessment date shall ~~indicate~~ **include the following information** on the taxpayer's personal property tax return:

(1) A declaration that the taxpayer's business personal property in the county is exempt from property taxation. ~~for the assessment date.~~

(2) Whether the taxpayer's business personal property within the county is in one (1) location or multiple locations.

(3) An address for the location of the property.

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

Page 2, strike lines 26 through 31.

Page 2, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-3-7.3 IS REPEALED [EFFECTIVE JULY 1, 2019]. Sec. 7.3: (a) A county fiscal body may adopt an ordinance to impose a local service fee on each person that indicates on the person's personal property tax return or, for purposes of the January 1, 2016, assessment date, on the person's certification under section 7.2(f) of this chapter that the person's business personal property in the county is exempt from taxation under section 7.2 of this chapter for an assessment date after December 31, 2015:

(b) The county fiscal body shall specify the amount of the local service fee in the ordinance. A local service fee imposed on a person under this section may not exceed fifty dollars (\$50).

(c) A local service fee imposed for an assessment date is due and payable at the same time that property taxes for that assessment date are due and payable. A county may collect a delinquent local service fee in the same manner as delinquent property taxes are collected.

(d) The revenue from a local service fee:

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- (1) shall be allocated in the same manner and proportion and at the same time as property taxes are allocated to each taxing unit in the county; and
- (2) may be used by a taxing unit for any lawful purpose of the taxing unit.

SECTION 3. IC 6-1.1-4-25, AS AMENDED BY P.L.203-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 25. (a) Each township assessor and each county assessor shall keep the assessor's reassessment data and records current by securing the necessary field data and by making changes in the assessed value of real property as changes occur in the use of the real property. The township or county assessor's records shall at all times show the assessed value of real property in accordance with this chapter. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.

(b) The township assessor (if any) in a county having a consolidated city, the county assessor if there are no township assessors in a county having a consolidated city, or the county assessor in every other county shall:

- (1) maintain an electronic data file of:
- (A) the parcel characteristics and parcel assessments of all parcels; **and**
 - (B) the personal property return characteristics and assessments by return; **and**
 - ~~(C) the geographic information system characteristics of each parcel;~~
- for each township in the county as of each assessment date;
- (2) maintain the electronic file in a form that formats the information in the file with the standard data, field, and record coding required and approved by:
- (A) the legislative services agency; and
 - (B) the department of local government finance;
- (3) **before September 1 of each year**, transmit the data in the file with respect to the assessment date of **each that year before October 1 of a year ending before January 1, 2016, and before September 1 of a year beginning after December 31, 2015**; to:
- (A) the legislative services agency; and
 - (B) the department of local government finance. for data described in subdivision (1)(A) and (1)(B); and**
 - ~~(B) the geographic information office of the office of technology, for data described in subdivision (1)(C);~~



(c) The appropriate county officer, as designated by the county executive, shall:

(1) maintain an electronic data file of the geographic information system characteristics of each parcel for each township in the county as of each assessment date;

(2) maintain the electronic file in a form that formats the information in the file with the standard data, field, and record coding required and approved by the office of technology; and

(3) before September 1 of each year, transmit the data in the file with respect to the assessment date of that year to the geographic information office of the office of technology.

(d) An assessor under subsection (b) and an appropriate county officer under subsection (c) shall do the following:

(1) Transmit the data in a manner that meets the data export and transmission requirements in a standard format, as prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency. ~~and~~

~~(2)~~ **(2)** Resubmit the data in the form and manner required under ~~this subsection (b) or (c)~~ upon request of the legislative services agency, the department of local government finance, or the geographic information office of the office of technology, as applicable, if data previously submitted under ~~this subsection (b) or (c)~~ does not comply with the requirements of ~~this subsection; subsection (b) or (c)~~, as determined by the legislative services agency, the department of local government finance, or the geographic information office of the office of technology, as applicable.

An electronic data file maintained for a particular assessment date may not be overwritten with data for a subsequent assessment date until a copy of an electronic data file that preserves the data for the particular assessment date is archived in the manner prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency.

SECTION 4. IC 6-1.1-37-7, AS AMENDED BY P.L.199-2016, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 7. (a) If a person fails to file a required personal property return on or before the due date, the county auditor shall add a penalty of twenty-five dollars (\$25) to the person's next property tax installment. The county auditor shall also add an additional penalty to the taxes payable by the person if the person fails to file the personal property return within thirty (30) days after the due date. The amount



of the additional penalty is twenty percent (20%) of the taxes finally determined to be due with respect to the personal property which should have been reported on the return.

(b) For purposes of this section, a personal property return is not due until the expiration of any extension period granted by the township or county assessor under IC 6-1.1-3-7(b).

(c) The penalties prescribed under this section do not apply to an individual or the individual's dependents if the individual:

(1) is in the military or naval forces of the United States on the assessment date; and

(2) is covered by the federal Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) or IC 10-16-20.

(d) If a person subject to IC 6-1.1-3-7(c) fails to include on a personal property return the information, if any, that the department of local government finance requires under IC 6-1.1-3-9 or IC 6-1.1-5-13, the county auditor shall add a penalty to the property tax installment next due for the return. The amount of the penalty is twenty-five dollars (\$25).

(e) If the total assessed value that a person reports on a personal property return is less than the total assessed value that the person is required by law to report and if the amount of the undervaluation exceeds five percent (5%) of the value that should have been reported on the return, then the county auditor shall add a penalty of twenty percent (20%) of the additional taxes finally determined to be due as a result of the undervaluation. The penalty shall be added to the property tax installment next due for the return on which the property was undervalued. If a person has complied with all of the requirements for claiming a deduction, an exemption, or an adjustment for abnormal obsolescence, then the increase in assessed value that results from a denial of the deduction, exemption, or adjustment for abnormal obsolescence is not considered to result from an undervaluation for purposes of this subsection.

~~(f) If a person required by IC 6-1.1-3-7.2(e) to indicate on the taxpayer's personal property tax return or, for purposes of the January 1, 2016, assessment date, on the taxpayer's certification under IC 6-1.1-3-7.2(f) that the taxpayer's business personal property is exempt fails to timely file either the taxpayer's personal property tax return with the indication or, for purposes of the January 1, 2016, assessment date, the certification, the county auditor shall impose a penalty of twenty-five dollars (\$25) that must be paid by the person with the next property tax installment that is collected.~~

(f) The penalties prescribed under this section do not apply to a



person who fails to timely indicate on the taxpayer's personal property tax return that the taxpayer's business personal property is exempt as required by IC 6-1.1-3-7.2(e).

(g) A penalty is due with an installment under subsection (a), (d), **or** (e) ~~or~~ (f) whether or not an appeal is filed under IC 6-1.1-15-5 with respect to the tax due on that installment."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 233 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 12, Nays 0.

