

## SENATE BILL No. 72

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### DIGEST OF INTRODUCED BILL

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

**Synopsis:** Taxation of farm property. Makes new farm equipment eligible for local tax abatement using the same procedures for tax abatement under current law for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, and new information technology equipment. Limits an abatement schedule for new farm equipment to not more than five years. Eliminates the annual adjustments (or "trending") for agricultural land for assessment dates beginning after December 31, 2021. Retains the provisions in current law that require four year cyclical reassessments for agricultural land.

**Effective:** July 1, 2021.

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## Niemeyer

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January 4, 2021, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

## SENATE BILL No. 72

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 6-1.1-4-4.5, AS AMENDED BY P.L.86-2018,
- 2 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2021]: Sec. 4.5. (a) The department of local government
- 4 finance shall adopt rules establishing a system for annually adjusting
- 5 the assessed value of real property to account for changes in value in
- 6 those years since a reassessment under section 4.2 of this chapter for
- 7 the property last took effect.
- 8 (b) Subject to ~~subsection (c)~~, **subsections (e) and (h)**, the system
- 9 must be applied to adjust assessed values beginning with the 2006
- 10 assessment date and each year thereafter that is not a year in which a
- 11 reassessment under section 4.2 of this chapter for the property becomes
- 12 effective.
- 13 (c) The rules adopted under subsection (a) must include the
- 14 following characteristics in the system:
- 15 (1) Promote uniform and equal assessment of real property within
- 16 and across classifications.
- 17 (2) Require that assessing officials:



- 1 (A) reevaluate the factors that affect value;  
 2 (B) express the interactions of those factors mathematically;  
 3 (C) use mass appraisal techniques to estimate updated property  
 4 values within statistical measures of accuracy; and  
 5 (D) provide notice to taxpayers of an assessment increase that  
 6 results from the application of annual adjustments.
- 7 (3) Prescribe procedures that permit the application of the  
 8 adjustment percentages in an efficient manner by assessing  
 9 officials.
- 10 (d) The department of local government finance must review and  
 11 certify each annual adjustment determined under this section.
- 12 (e) In making the annual determination of the base rate to satisfy the  
 13 requirement for an annual adjustment for each assessment date, the  
 14 department of local government finance shall not later than March 1 of  
 15 each year determine the base rate using the methodology reflected in  
 16 Table 2-18 of Book 1, Chapter 2 of the department of local government  
 17 finance's Real Property Assessment Guidelines (as in effect on January  
 18 1, 2005), except that the department shall adjust the methodology as  
 19 follows:
- 20 (1) Use a six (6) year rolling average adjusted under subdivision  
 21 (3) instead of a four (4) year rolling average.
- 22 (2) Use the data from the six (6) most recent years preceding the  
 23 year in which the assessment date occurs for which data is  
 24 available, before one (1) of those six (6) years is eliminated under  
 25 subdivision (3) when determining the rolling average.
- 26 (3) Eliminate in the calculation of the rolling average the year  
 27 among the six (6) years for which the highest market value in use  
 28 of agricultural land is determined.
- 29 (4) After determining a preliminary base rate that would apply for  
 30 the assessment date without applying the adjustment under this  
 31 subdivision, the department of local government finance shall  
 32 adjust the preliminary base rate as follows:
- 33 (A) If the preliminary base rate for the assessment date would  
 34 be at least ten percent (10%) greater than the final base rate  
 35 determined for the preceding assessment date, a capitalization  
 36 rate of eight percent (8%) shall be used to determine the final  
 37 base rate.
- 38 (B) If the preliminary base rate for the assessment date would  
 39 be at least ten percent (10%) less than the final base rate  
 40 determined for the preceding assessment date, a capitalization  
 41 rate of six percent (6%) shall be used to determine the final  
 42 base rate.



- 1 (C) If neither clause (A) nor clause (B) applies, a capitalization  
 2 rate of seven percent (7%) shall be used to determine the final  
 3 base rate.
- 4 (D) In the case of a market value in use for a year that is used  
 5 in the calculation of the six (6) year rolling average under  
 6 subdivision (1) for purposes of determining the base rate for  
 7 the assessment date:
- 8 (i) that market value in use shall be recalculated by using the  
 9 capitalization rate determined under clauses (A) through (C)  
 10 for the calculation of the base rate for the assessment date;  
 11 and
- 12 (ii) the market value in use recalculated under item (i) shall  
 13 be used in the calculation of the six (6) year rolling average  
 14 under subdivision (1).
- 15 (f) For assessment dates after December 31, 2009, an adjustment in  
 16 the assessed value of real property under this section shall be based on  
 17 the estimated true tax value of the property on the assessment date that  
 18 is the basis for taxes payable on that real property.
- 19 (g) The department shall release the department's annual  
 20 determination of the base rate on or before March 1 of each year.
- 21 **(h) For an assessment date beginning after December 31, 2021:**  
 22 **(1) this section does not apply to agricultural land; and**  
 23 **(2) the assessed value of agricultural land shall not be**  
 24 **annually adjusted under the provisions of this section.**
- 25 SECTION 2. IC 6-1.1-4-27.5, AS AMENDED BY P.L.5-2015,  
 26 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JULY 1, 2021]: Sec. 27.5. (a) The auditor of each county shall establish  
 28 a property reassessment fund. The county treasurer shall deposit all  
 29 collections resulting from the property taxes that the county levies for  
 30 the county's property reassessment fund.
- 31 (b) With respect to a reassessment of real property under a county's  
 32 reassessment plan under section 4.2 of this chapter, the county council  
 33 of each county shall, for property taxes due each year, levy against all  
 34 the taxable property in the county an amount equal to the estimated  
 35 costs of the reassessment under section 28.5 of this chapter for the  
 36 group of parcels to be reassessed in that year.
- 37 (c) The county assessor may petition the county fiscal body to  
 38 increase the levy under subsection (b) to pay for the costs of:
- 39 (1) a reassessment of one (1) or more groups of parcels under a  
 40 county's reassessment plan prepared under section 4.2 of this  
 41 chapter;
- 42 (2) verification under 50 IAC 27-4-7 of sales disclosure forms



1 forwarded to the county assessor under IC 6-1.1-5.5-3; or  
 2 (3) processing annual adjustments under section 4.5 of this  
 3 chapter.

4 The assessor must document the needs and reasons for the increased  
 5 funding.

6 **(d) This subsection applies to an assessment date beginning after**  
 7 **December 31, 2021. If a county fiscal body increased the levy under**  
 8 **subsection (b) to pay for the costs of processing annual adjustments**  
 9 **under section 4.5 of this chapter, the county fiscal body shall**  
 10 **reduce the levy under subsection (b) by an amount equal to the**  
 11 **part of the prior increase imposed to pay for the costs of processing**  
 12 **annual adjustments before January 1, 2021, that is attributable to**  
 13 **the costs of processing annual adjustments for agricultural land.**

14 ~~(d)~~ (e) If the county fiscal body denies a petition under subsection  
 15 (c), the county assessor may appeal to the department of local  
 16 government finance. The department of local government finance shall:

17 (1) hear the appeal; and

18 (2) determine whether the additional levy is necessary.

19 SECTION 3. IC 6-1.1-12.1-1, AS AMENDED BY P.L.288-2013,  
 20 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2021]: Sec. 1. For purposes of this chapter:

22 (1) "Economic revitalization area" means an area which is within  
 23 the corporate limits of a city, town, or county which has become  
 24 undesirable for, or impossible of, normal development and  
 25 occupancy because of a lack of development, cessation of growth,  
 26 deterioration of improvements or character of occupancy, age,  
 27 obsolescence, substandard buildings, or other factors which have  
 28 impaired values or prevent a normal development of property or  
 29 use of property. The term "economic revitalization area" also  
 30 includes:

31 (A) any area where a facility or a group of facilities that are  
 32 technologically, economically, or energy obsolete are located  
 33 and where the obsolescence may lead to a decline in  
 34 employment and tax revenues; ~~and~~

35 (B) a residentially distressed area, except as otherwise  
 36 provided in this chapter; **and**

37 **(C) an area of land classified as agricultural land for**  
 38 **property tax purposes that, as a condition of being**  
 39 **designated an economic revitalization area, will be**  
 40 **predominately used for agricultural purposes for a period**  
 41 **specified by the designating body.**

42 (2) "City" means any city in this state, and "town" means any town



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



- 1 (B) the application filed in accordance with section 5.4 of this  
2 chapter by a person who desires to obtain the deduction  
3 provided by section 4.5 of this chapter; or  
4 (C) the application filed in accordance with section 5.3 of this  
5 chapter by a property owner that desires to obtain the  
6 deduction provided by section 4.8 of this chapter.
- 7 (9) "Designation application" means an application that is filed  
8 with a designating body to assist that body in making a  
9 determination about whether a particular area should be  
10 designated as an economic revitalization area.
- 11 (10) "Hazardous waste" has the meaning set forth in  
12 IC 13-11-2-99(a). The term includes waste determined to be a  
13 hazardous waste under IC 13-22-2-3(b).
- 14 (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a).  
15 However, the term does not include dead animals or any animal  
16 solid or semisolid wastes.
- 17 (12) "New research and development equipment" means tangible  
18 personal property that:
- 19 (A) a deduction applicant installs on or before the approval  
20 deadline determined under section 9 of this chapter, in an  
21 economic revitalization area in which a deduction for tangible  
22 personal property is allowed;
- 23 (B) consists of:
- 24 (i) laboratory equipment;
- 25 (ii) research and development equipment;
- 26 (iii) computers and computer software;
- 27 (iv) telecommunications equipment; or
- 28 (v) testing equipment;
- 29 (C) the deduction applicant uses in research and development  
30 activities devoted directly and exclusively to experimental or  
31 laboratory research and development for new products, new  
32 uses of existing products, or improving or testing existing  
33 products;
- 34 (D) the deduction applicant acquires for purposes described in  
35 this subdivision:
- 36 (i) in an arms length transaction from an entity that is not an  
37 affiliate of the deduction applicant, if the tangible personal  
38 property has been previously used in Indiana before the  
39 installation described in clause (A); or
- 40 (ii) in any manner, if the tangible personal property has  
41 never been previously used in Indiana before the installation  
42 described in clause (A); and



- 1 (E) the deduction applicant has never used for any purpose in  
 2 Indiana before the installation described in clause (A).  
 3 The term does not include equipment installed in facilities used  
 4 for or in connection with efficiency surveys, management studies,  
 5 consumer surveys, economic surveys, advertising or promotion,  
 6 or research in connection with literacy, history, or similar  
 7 projects.
- 8 (13) "New logistical distribution equipment" means tangible  
 9 personal property that:
- 10 (A) a deduction applicant installs on or before the approval  
 11 deadline determined under section 9 of this chapter, in an  
 12 economic revitalization area in which a deduction for tangible  
 13 personal property is allowed;
- 14 (B) consists of:
- 15 (i) racking equipment;
- 16 (ii) scanning or coding equipment;
- 17 (iii) separators;
- 18 (iv) conveyors;
- 19 (v) fork lifts or lifting equipment (including "walk  
 20 behinds");
- 21 (vi) transitional moving equipment;
- 22 (vii) packaging equipment;
- 23 (viii) sorting and picking equipment; or
- 24 (ix) software for technology used in logistical distribution;
- 25 (C) the deduction applicant acquires for the storage or  
 26 distribution of goods, services, or information:
- 27 (i) in an arms length transaction from an entity that is not an  
 28 affiliate of the deduction applicant, if the tangible personal  
 29 property has been previously used in Indiana before the  
 30 installation described in clause (A); and
- 31 (ii) in any manner, if the tangible personal property has  
 32 never been previously used in Indiana before the installation  
 33 described in clause (A); and
- 34 (D) the deduction applicant has never used for any purpose in  
 35 Indiana before the installation described in clause (A).
- 36 (14) "New farm equipment" means tangible personal  
 37 property that:
- 38 (A) a deduction applicant installs after June 30, 2021, and  
 39 on or before the approval deadline determined under  
 40 section 9 of this chapter, in an area that will be  
 41 predominately used for agricultural purposes for a period  
 42 specified by the designating body as a condition of being





- 1           **declared an economic revitalization area;**  
 2           **(B) is used in the direct production, extraction, harvesting,**  
 3           **or processing of agricultural commodities for sale on land**  
 4           **classified as agricultural land for property tax purposes;**  
 5           **(C) was acquired for use as described in clause (B) in an**  
 6           **arms length transaction from an entity that is not an**  
 7           **affiliate of the deduction applicant; and**  
 8           **(D) the deduction applicant never used for any purpose in**  
 9           **Indiana before the installation described in clause (A).**
- 10       ~~(14)~~ **(15)** "New information technology equipment" means  
 11       tangible personal property that:  
 12           (A) a deduction applicant installs on or before the approval  
 13           deadline determined under section 9 of this chapter, in an  
 14           economic revitalization area in which a deduction for tangible  
 15           personal property is allowed;  
 16           (B) consists of equipment, including software, used in the  
 17           fields of:  
 18               (i) information processing;  
 19               (ii) office automation;  
 20               (iii) telecommunication facilities and networks;  
 21               (iv) informatics;  
 22               (v) network administration;  
 23               (vi) software development; and  
 24               (vii) fiber optics;  
 25           (C) the deduction applicant acquires in an arms length  
 26           transaction from an entity that is not an affiliate of the  
 27           deduction applicant; and  
 28           (D) the deduction applicant never used for any purpose in  
 29           Indiana before the installation described in clause (A).
- 30       ~~(15)~~ **(16)** "Deduction applicant" means an owner of tangible  
 31       personal property who makes a deduction application.
- 32       ~~(16)~~ **(17)** "Affiliate" means an entity that effectively controls or is  
 33       controlled by a deduction applicant or is associated with a  
 34       deduction applicant under common ownership or control, whether  
 35       by shareholdings or other means.
- 36       ~~(17)~~ **(18)** "Eligible vacant building" means a building that:  
 37           (A) is zoned for commercial or industrial purposes; and  
 38           (B) is unoccupied for at least one (1) year before the owner of  
 39           the building or a tenant of the owner occupies the building, as  
 40           evidenced by a valid certificate of occupancy, paid utility  
 41           receipts, executed lease agreements, or any other evidence of  
 42           occupation that the department of local government finance



1 requires.

2 SECTION 4. IC 6-1.1-12.1-2, AS AMENDED BY P.L.288-2013,  
3 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2021]: Sec. 2. (a) A designating body may find that a  
5 particular area within its jurisdiction is an economic revitalization area.  
6 However, the deduction provided by this chapter for economic  
7 revitalization areas not within a city or town shall not be available to  
8 retail businesses.

9 (b) In a county containing a consolidated city or within a city or  
10 town, a designating body may find that a particular area within its  
11 jurisdiction is a residentially distressed area. Designation of an area as  
12 a residentially distressed area has the same effect as designating an  
13 area as an economic revitalization area, except that the amount of the  
14 deduction shall be calculated as specified in section 4.1 of this chapter  
15 and the deduction is allowed for not more than the number of years  
16 specified by the designating body under section 17 of this chapter. In  
17 order to declare a particular area a residentially distressed area, the  
18 designating body must follow the same procedure that is required to  
19 designate an area as an economic revitalization area and must make all  
20 the following additional findings or all the additional findings  
21 described in subsection (c):

22 (1) The area is comprised of parcels that are either unimproved or  
23 contain only one (1) or two (2) family dwellings or multifamily  
24 dwellings designed for up to four (4) families, including accessory  
25 buildings for those dwellings.

26 (2) Any dwellings in the area are not permanently occupied and  
27 are:

28 (A) the subject of an order issued under IC 36-7-9; or

29 (B) evidencing significant building deficiencies.

30 (3) Parcels of property in the area:

31 (A) have been sold and not redeemed under IC 6-1.1-24 and  
32 IC 6-1.1-25; or

33 (B) are owned by a unit of local government.

34 However, in a city in a county having a population of more than two  
35 hundred fifty thousand (250,000) but less than two hundred seventy  
36 thousand (270,000), the designating body is only required to make one  
37 (1) of the additional findings described in this subsection or one (1) of  
38 the additional findings described in subsection (c).

39 (c) In a county containing a consolidated city or within a city or  
40 town, a designating body that wishes to designate a particular area a  
41 residentially distressed area may make the following additional  
42 findings as an alternative to the additional findings described in



- 1 subsection (b):
- 2 (1) A significant number of dwelling units within the area are not
- 3 permanently occupied or a significant number of parcels in the
- 4 area are vacant land.
- 5 (2) A significant number of dwelling units within the area are:
- 6 (A) the subject of an order issued under IC 36-7-9; or
- 7 (B) evidencing significant building deficiencies.
- 8 (3) The area has experienced a net loss in the number of dwelling
- 9 units, as documented by census information, local building and
- 10 demolition permits, or certificates of occupancy, or the area is
- 11 owned by Indiana or the United States.
- 12 (4) The area (plus any areas previously designated under this
- 13 subsection) will not exceed ten percent (10%) of the total area
- 14 within the designating body's jurisdiction.
- 15 However, in a city in a county having a population of more than two
- 16 hundred fifty thousand (250,000) but less than two hundred seventy
- 17 thousand (270,000), the designating body is only required to make one
- 18 (1) of the additional findings described in this subsection as an
- 19 alternative to one (1) of the additional findings described in subsection
- 20 (b).
- 21 (d) A designating body is required to attach the following conditions
- 22 to the grant of a residentially distressed area designation:
- 23 (1) The deduction will not be allowed unless the dwelling is
- 24 rehabilitated to meet local code standards for habitability.
- 25 (2) If a designation application is filed, the designating body may
- 26 require that the redevelopment or rehabilitation be completed
- 27 within a reasonable period of time.
- 28 (e) To make a designation described in subsection (a) or (b), the
- 29 designating body shall use procedures prescribed in section 2.5 of this
- 30 chapter.
- 31 (f) The property tax deductions provided by section 3, 4.5, or 4.8 of
- 32 this chapter are only available within an area which the designating
- 33 body finds to be an economic revitalization area.
- 34 (g) The designating body may adopt a resolution establishing
- 35 general standards to be used, along with the requirements set forth in
- 36 the definition of economic revitalization area, by the designating body
- 37 in finding an area to be an economic revitalization area. The standards
- 38 must have a reasonable relationship to the development objectives of
- 39 the area in which the designating body has jurisdiction. The following
- 40 ~~four (4)~~ **five (5)** sets of standards may be established:
- 41 (1) One (1) relative to the deduction under section 3 of this
- 42 chapter for economic revitalization areas that are not residentially



- 1 distressed areas.
- 2 (2) One (1) relative to the deduction under section 3 of this
- 3 chapter for residentially distressed areas.
- 4 (3) One (1) relative to the deduction allowed under section 4.5 of
- 5 this chapter.
- 6 (4) One (1) relative to the deduction allowed under section 4.8 of
- 7 this chapter.
- 8 **(5) One (1) relative to property granted a deduction for an**
- 9 **agricultural purpose.**
- 10 (h) A designating body may impose a fee for filing a designation
- 11 application for a person requesting the designation of a particular area
- 12 as an economic revitalization area. The fee may be sufficient to defray
- 13 actual processing and administrative costs. However, the fee charged
- 14 for filing a designation application for a parcel that contains one (1) or
- 15 more owner-occupied, single-family dwellings may not exceed the cost
- 16 of publishing the required notice.
- 17 (i) In declaring an area an economic revitalization area, the
- 18 designating body may:
- 19 (1) limit the time period to a certain number of calendar years
- 20 during which the economic revitalization area shall be so
- 21 designated;
- 22 (2) limit the type of deductions that will be allowed within the
- 23 economic revitalization area to the deduction allowed under
- 24 section 3 of this chapter, the deduction allowed under section 4.5
- 25 of this chapter, the deduction allowed under section 4.8 of this
- 26 chapter, or any combination of these deductions;
- 27 (3) limit the dollar amount of the deduction that will be allowed
- 28 with respect to new manufacturing equipment, **new farm**
- 29 **equipment**, new research and development equipment, new
- 30 logistical distribution equipment, and new information technology
- 31 equipment;
- 32 (4) limit the dollar amount of the deduction that will be allowed
- 33 with respect to redevelopment and rehabilitation occurring in
- 34 areas that are designated as economic revitalization areas;
- 35 (5) limit the dollar amount of the deduction that will be allowed
- 36 under section 4.8 of this chapter with respect to the occupation of
- 37 an eligible vacant building; or
- 38 (6) impose reasonable conditions related to the purpose of this
- 39 chapter or to the general standards adopted under subsection (g)
- 40 for allowing the deduction for the redevelopment or rehabilitation
- 41 of the property or the installation of the new manufacturing
- 42 equipment, **new farm equipment**, new research and development



1 equipment, new logistical distribution equipment, or new  
2 information technology equipment.

3 To exercise one (1) or more of these powers, a designating body must  
4 include this fact in the resolution passed under section 2.5 of this  
5 chapter.

6 (j) Notwithstanding any other provision of this chapter, if a  
7 designating body limits the time period during which an area is an  
8 economic revitalization area, that limitation does not:

9 (1) prevent a taxpayer from obtaining a deduction for new  
10 manufacturing equipment, **new farm equipment**, new research  
11 and development equipment, new logistical distribution  
12 equipment, or new information technology equipment installed on  
13 or before the approval deadline determined under section 9 of this  
14 chapter, but after the expiration of the economic revitalization  
15 area if the new manufacturing equipment, **new farm equipment**,  
16 new research and development equipment, new logistical  
17 distribution equipment, or new information technology equipment  
18 was described in a statement of benefits submitted to and  
19 approved by the designating body in accordance with section 4.5  
20 of this chapter before the expiration of the economic revitalization  
21 area designation; or

22 (2) limit the length of time a taxpayer is entitled to receive a  
23 deduction to a number of years that is less than the number of  
24 years designated under section 17 of this chapter.

25 (k) In addition to the other requirements of this chapter, if property  
26 located in an economic revitalization area is also located in an  
27 allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), a  
28 taxpayer's statement of benefits concerning that property may not be  
29 approved under this chapter unless a resolution approving the  
30 statement of benefits is adopted by the legislative body of the unit that  
31 approved the designation of the allocation area.

32 SECTION 5. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.80-2014,  
33 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JULY 1, 2021]: Sec. 4.5. (a) An applicant must provide a statement of  
35 benefits to the designating body. The applicant must provide the  
36 completed statement of benefits form to the designating body before  
37 the hearing specified in section 2.5(c) of this chapter or before the  
38 installation of the new manufacturing equipment, **new farm**  
39 **equipment**, new research and development equipment, new logistical  
40 distribution equipment, or new information technology equipment for  
41 which the person desires to claim a deduction under this chapter. The  
42 department of local government finance shall prescribe a form for the



1 statement of benefits. The statement of benefits must include the  
2 following information:

3 (1) A description of the new manufacturing equipment, **new farm**  
4 **equipment**, new research and development equipment, new  
5 logistical distribution equipment, or new information technology  
6 equipment that the person proposes to acquire. **A statement of**  
7 **benefits for new farm equipment must describe each piece of**  
8 **new farm equipment with sufficient detail to afford**  
9 **identification.**

10 (2) With respect to:

11 (A) new manufacturing equipment not used to dispose of solid  
12 waste or hazardous waste by converting the solid waste or  
13 hazardous waste into energy or other useful products; and

14 (B) **new farm equipment**, new research and development  
15 equipment, new logistical distribution equipment, or new  
16 information technology equipment;

17 an estimate of the number of individuals who will be employed or  
18 whose employment will be retained by the person as a result of  
19 the installation of the new manufacturing equipment, **new farm**  
20 **equipment**, new research and development equipment, new  
21 logistical distribution equipment, or new information technology  
22 equipment and an estimate of the annual salaries of these  
23 individuals.

24 (3) An estimate of the cost of the new manufacturing equipment,  
25 **new farm equipment**, new research and development equipment,  
26 new logistical distribution equipment, or new information  
27 technology equipment.

28 (4) With respect to new manufacturing equipment used to dispose  
29 of solid waste or hazardous waste by converting the solid waste  
30 or hazardous waste into energy or other useful products, an  
31 estimate of the amount of solid waste or hazardous waste that will  
32 be converted into energy or other useful products by the new  
33 manufacturing equipment.

34 The statement of benefits may be incorporated in a designation  
35 application. Notwithstanding any other law, a statement of benefits is  
36 a public record that may be inspected and copied under IC 5-14-3-3.

37 (b) The designating body must review the statement of benefits  
38 required under subsection (a). The designating body shall determine  
39 whether an area should be designated an economic revitalization area  
40 or whether the deduction shall be allowed, based on (and after it has  
41 made) the following findings:

42 (1) Whether the estimate of the cost of the new manufacturing



1 equipment, **new farm equipment**, new research and development  
 2 equipment, new logistical distribution equipment, or new  
 3 information technology equipment is reasonable for equipment of  
 4 that type.

5 (2) With respect to:

6 (A) new manufacturing equipment not used to dispose of solid  
 7 waste or hazardous waste by converting the solid waste or  
 8 hazardous waste into energy or other useful products; and

9 (B) **new farm equipment**, new research and development  
 10 equipment, new logistical distribution equipment, or new  
 11 information technology equipment;

12 whether the estimate of the number of individuals who will be  
 13 employed or whose employment will be retained can be  
 14 reasonably expected to result from the installation of the new  
 15 manufacturing equipment, **new farm equipment**, new research  
 16 and development equipment, new logistical distribution  
 17 equipment, or new information technology equipment.

18 (3) Whether the estimate of the annual salaries of those  
 19 individuals who will be employed or whose employment will be  
 20 retained can be reasonably expected to result from the proposed  
 21 installation of new manufacturing equipment, **new farm**  
 22 **equipment**, new research and development equipment, new  
 23 logistical distribution equipment, or new information technology  
 24 equipment.

25 (4) With respect to new manufacturing equipment used to dispose  
 26 of solid waste or hazardous waste by converting the solid waste  
 27 or hazardous waste into energy or other useful products, whether  
 28 the estimate of the amount of solid waste or hazardous waste that  
 29 will be converted into energy or other useful products can be  
 30 reasonably expected to result from the installation of the new  
 31 manufacturing equipment.

32 (5) Whether any other benefits about which information was  
 33 requested are benefits that can be reasonably expected to result  
 34 from the proposed installation of new manufacturing equipment,  
 35 **new farm equipment**, new research and development equipment,  
 36 new logistical distribution equipment, or new information  
 37 technology equipment.

38 (6) Whether the totality of benefits is sufficient to justify the  
 39 deduction.

40 The designating body may not designate an area an economic  
 41 revitalization area or approve the deduction unless it makes the  
 42 findings required by this subsection in the affirmative.



1 (c) Except as provided in subsection (f), and subject to subsection  
 2 (g) and section 15 of this chapter, an owner of new manufacturing  
 3 equipment, **new farm equipment**, new research and development  
 4 equipment, new logistical distribution equipment, or new information  
 5 technology equipment whose statement of benefits is approved is  
 6 entitled to a deduction from the assessed value of that equipment for  
 7 the number of years determined by the designating body under section  
 8 17 or 18 of this chapter. Except as provided in subsection (d) and in  
 9 section 2(i)(3) of this chapter, and subject to subsection (g) and section  
 10 15 of this chapter, the amount of the deduction that an owner is entitled  
 11 to for a particular year equals the product of:

- 12 (1) the assessed value of the new manufacturing equipment, **new**  
 13 **farm equipment**, new research and development equipment, new  
 14 logistical distribution equipment, or new information technology  
 15 equipment in the year of deduction under the abatement schedule  
 16 established under section 17 or 18 of this chapter; multiplied by  
 17 (2) the percentage prescribed by the designating body under  
 18 section 17 or 18 of this chapter.

19 (d) With respect to new manufacturing equipment and new research  
 20 and development equipment installed before March 2, 2001, the  
 21 deduction under this section is the amount that causes the net assessed  
 22 value of the property after the application of the deduction under this  
 23 section to equal the net assessed value after the application of the  
 24 deduction under this section that results from computing:

- 25 (1) the deduction under this section as in effect on March 1, 2001;  
 26 and  
 27 (2) the assessed value of the property under 50 IAC 4.2, as in  
 28 effect on March 1, 2001, or, in the case of property subject to  
 29 IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

30 (e) The designating body shall determine the number of years the  
 31 deduction is allowed under section 17 or 18 of this chapter. Except as  
 32 provided by section 18 of this chapter, the deduction may not be  
 33 allowed for more than ten (10) years. This determination shall be made:

- 34 (1) as part of the resolution adopted under section 2.5 of this  
 35 chapter; or  
 36 (2) by resolution adopted within sixty (60) days after receiving a  
 37 copy of a property owner's certified deduction application from  
 38 the county auditor. A certified copy of the resolution shall be sent  
 39 to the county auditor.

40 A determination about the number of years the deduction is allowed  
 41 that is made under subdivision (1) is final and may not be changed by  
 42 following the procedure under subdivision (2).





1 (f) The owner of new manufacturing equipment that is directly used  
 2 to dispose of hazardous waste is not entitled to the deduction provided  
 3 by this section for a particular assessment year if during that  
 4 assessment year the owner:

5 (1) is convicted of a criminal violation under IC 13, including  
 6 IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or

7 (2) is subject to an order or a consent decree with respect to  
 8 property located in Indiana based on a violation of a federal or  
 9 state rule, regulation, or statute governing the treatment, storage,  
 10 or disposal of hazardous wastes that had a major or moderate  
 11 potential for harm.

12 (g) For purposes of subsection (c), the assessed value of new  
 13 manufacturing equipment, **new farm equipment**, new research and  
 14 development equipment, new logistical distribution equipment, or new  
 15 information technology equipment that is part of an owner's assessable  
 16 depreciable personal property in a single taxing district subject to the  
 17 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product  
 18 of:

19 (1) the assessed value of the equipment determined without  
 20 regard to the valuation limitation in 50 IAC 4.2-4-9 or 50  
 21 IAC 5.1-6-9; multiplied by

22 (2) the quotient of:

23 (A) the amount of the valuation limitation determined under  
 24 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's  
 25 depreciable personal property in the taxing district; divided by  
 26 (B) the total true tax value of all of the owner's depreciable  
 27 personal property in the taxing district that is subject to the  
 28 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9  
 29 determined:

30 (i) under the depreciation schedules in the rules of the  
 31 department of local government finance before any  
 32 adjustment for abnormal obsolescence; and

33 (ii) without regard to the valuation limitation in 50  
 34 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

35 SECTION 6. IC 6-1.1-12.1-5.4, AS AMENDED BY P.L.245-2015,  
 36 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2021]: Sec. 5.4. (a) A person that desires to obtain the  
 38 deduction provided by section 4.5 of this chapter must file a certified  
 39 deduction schedule with the person's personal property return on a form  
 40 prescribed by the department of local government finance with the  
 41 township assessor of the township in which the new manufacturing  
 42 equipment, **new farm equipment**, new research and development



1 equipment, new logistical distribution equipment, or new information  
 2 technology equipment is located, or with the county assessor if there is  
 3 no township assessor for the township. Except as provided in  
 4 subsection (e), the deduction is applied in the amount claimed in a  
 5 certified schedule that a person files with:

6 (1) a timely personal property return under IC 6-1.1-3-7(a) or  
 7 IC 6-1.1-3-7(b); or

8 (2) a timely amended personal property return under  
 9 IC 6-1.1-3-7.5.

10 The township or county assessor shall forward to the county auditor a  
 11 copy of each certified deduction schedule filed under this subsection.  
 12 The township assessor shall forward to the county assessor a copy of  
 13 each certified deduction schedule filed with the township assessor  
 14 under this subsection.

15 (b) The deduction schedule required by this section must contain the  
 16 following information:

17 (1) The name of the owner of the new manufacturing equipment,  
 18 **new farm equipment**, new research and development equipment,  
 19 new logistical distribution equipment, or new information  
 20 technology equipment.

21 (2) A description of the new manufacturing equipment, **new farm**  
 22 **equipment**, new research and development equipment, new  
 23 logistical distribution equipment, or new information technology  
 24 equipment.

25 (3) The amount of the deduction claimed for the first year of the  
 26 deduction.

27 (c) If a determination about the number of years the deduction is  
 28 allowed has not been made in the resolution adopted under section 2.5  
 29 of this chapter, the county auditor shall notify the designating body, and  
 30 the designating body shall adopt a resolution under section 4.5(e)(2) of  
 31 this chapter.

32 (d) A deduction schedule must be filed under this section in the year  
 33 in which the new manufacturing equipment, **new farm equipment**,  
 34 new research and development equipment, new logistical distribution  
 35 equipment, or new information technology equipment is installed and  
 36 in each of the immediately succeeding years the deduction is allowed.

37 (e) The township assessor, or the county assessor if there is no  
 38 township assessor for the township, may:

39 (1) review the deduction schedule; and

40 (2) before the assessment date that next succeeds the assessment  
 41 date for which the deduction is claimed, deny or alter the amount  
 42 of the deduction.



1 If the township or county assessor does not deny the deduction, the  
 2 county auditor shall apply the deduction in the amount claimed in the  
 3 deduction schedule or in the amount as altered by the township or  
 4 county assessor. A township or county assessor who denies a deduction  
 5 under this subsection or alters the amount of the deduction shall notify  
 6 the person that claimed the deduction and the county auditor of the  
 7 assessor's action. The county auditor shall notify the designating body  
 8 and the county property tax assessment board of appeals of all  
 9 deductions applied under this section.

10 (f) If the ownership of new manufacturing equipment, **new farm**  
 11 **equipment**, new research and development equipment, new logistical  
 12 distribution equipment, or new information technology equipment  
 13 changes, the deduction provided under section 4.5 of this chapter  
 14 continues to apply to that equipment if the new owner:

15 (1) continues to use the equipment:

16 (A) in compliance with any standards established under  
 17 section 2(g) of this chapter; and

18 (B) **in the case of new farm equipment, on the same**  
 19 **agricultural land for which the deduction applies; and**

20 (2) files the deduction schedules required by this section.

21 (g) The amount of the deduction is the percentage under section 4.5  
 22 of this chapter that would have applied if the ownership of the property  
 23 had not changed multiplied by the assessed value of the equipment for  
 24 the year the deduction is claimed by the new owner.

25 (h) A person may appeal a determination of the township or county  
 26 assessor under subsection (e) to deny or alter the amount of the  
 27 deduction by requesting in writing a preliminary conference with the  
 28 township or county assessor not more than forty-five (45) days after the  
 29 township or county assessor gives the person notice of the  
 30 determination. Except as provided in subsection (i), an appeal initiated  
 31 under this subsection is processed and determined in the same manner  
 32 that an appeal is processed and determined under IC 6-1.1-15.

33 (i) The county assessor is recused from any action the county  
 34 property tax assessment board of appeals takes with respect to an  
 35 appeal under subsection (h) of a determination by the county assessor.

36 SECTION 7. IC 6-1.1-12.1-5.6, AS AMENDED BY P.L.288-2013,  
 37 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 JULY 1, 2021]: Sec. 5.6. (a) In addition to the requirements of section  
 39 5.4(b) of this chapter, a property owner who files a deduction schedule  
 40 under section 5.4 of this chapter must provide the county auditor and  
 41 the designating body with information showing the extent to which  
 42 there has been compliance with the statement of benefits approved



1 under section 4.5 of this chapter.  
 2 (b) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following  
 3 information is a public record if filed under this section:  
 4 (1) The name and address of the taxpayer.  
 5 (2) The location and description of the new manufacturing  
 6 equipment, **new farm equipment**, new research and development  
 7 equipment, new logistical distribution equipment, or new  
 8 information technology equipment for which the deduction was  
 9 granted.  
 10 (3) Any information concerning the number of employees at the  
 11 facility where the new manufacturing equipment, **new farm**  
 12 **equipment**, new research and development equipment, new  
 13 logistical distribution equipment, or new information technology  
 14 equipment is located, including estimated totals that were  
 15 provided as part of the statement of benefits.  
 16 (4) Any information concerning the total of the salaries paid to  
 17 those employees, including estimated totals that were provided as  
 18 part of the statement of benefits.  
 19 (5) Any information concerning the amount of solid waste or  
 20 hazardous waste converted into energy or other useful products by  
 21 the new manufacturing equipment.  
 22 (6) Any information concerning the assessed value of the new  
 23 manufacturing equipment, **new farm equipment**, new research  
 24 and development equipment, new logistical distribution  
 25 equipment, or new information technology equipment including  
 26 estimates that were provided as part of the statement of benefits.  
 27 (c) The following information is confidential if filed under this  
 28 section:  
 29 (1) Any information concerning the specific salaries paid to  
 30 individual employees by the owner of the new manufacturing  
 31 equipment, **new farm equipment**, new research and development  
 32 equipment, new logistical distribution equipment, or new  
 33 information technology equipment.  
 34 (2) Any information concerning the cost of the new  
 35 manufacturing equipment, **new farm equipment**, new research  
 36 and development equipment, new logistical distribution  
 37 equipment, or new information technology equipment.  
 38 SECTION 8. IC 6-1.1-12.1-5.8, AS AMENDED BY P.L.146-2008,  
 39 SECTION 127, IS AMENDED TO READ AS FOLLOWS  
 40 [EFFECTIVE JULY 1, 2021]: Sec. 5.8. In lieu of providing the  
 41 statement of benefits required by section 3 or 4.5 of this chapter and the  
 42 additional information required by section 5.1 or 5.6 of this chapter, the



1 designating body may, by resolution, waive the statement of benefits if  
 2 the designating body finds that the purposes of this chapter are served  
 3 by allowing the deduction and the property owner has, during the  
 4 thirty-six (36) months preceding the first assessment date to which the  
 5 waiver would apply, installed new manufacturing equipment, **new**  
 6 **farm equipment**, new research and development equipment, new  
 7 logistical distribution equipment, or new information technology  
 8 equipment or developed or rehabilitated property at a cost of at least  
 9 ten million dollars (\$10,000,000) as determined by the assessor of the  
 10 township in which the property is located, or by the county assessor if  
 11 there is no township assessor for the township.

12 SECTION 9. IC 6-1.1-12.1-8, AS AMENDED BY P.L.154-2006,  
 13 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2021]: Sec. 8. (a) Not later than December 31 of each year,  
 15 the county auditor shall publish the following in a newspaper of general  
 16 interest and readership and not one of limited subject matter:

17 (1) A list of the deduction applications that were filed under this  
 18 chapter during that year that resulted in deductions being applied  
 19 under this chapter for that year. The list must contain the  
 20 following:

21 (A) The name and address of each person approved for or  
 22 receiving a deduction that was filed for during the year.

23 (B) The amount of each deduction that was filed for during the  
 24 year.

25 (C) The number of years for which each deduction that was  
 26 filed for during the year will be available.

27 (D) The total amount for all deductions that were filed for and  
 28 applied during the year.

29 (2) The total amount of all deductions for real property that were  
 30 in effect under section 3 of this chapter during the year.

31 (3) The total amount of all deductions for new manufacturing  
 32 equipment, **new farm equipment**, new research and development  
 33 equipment, new logistical distribution equipment, or new  
 34 information technology equipment that were in effect under  
 35 section 4.5 of this chapter during the year.

36 (4) The total amount of all deductions for eligible vacant  
 37 buildings that were in effect under section 4.8 of this chapter  
 38 during the year.

39 (b) The county auditor shall file the information described in  
 40 subsection (a)(2), (a)(3), and (a)(4) with the department of local  
 41 government finance not later than December 31 of each year.

42 SECTION 10. IC 6-1.1-12.1-11.3, AS AMENDED BY



1 P.L.288-2013, SECTION 18, IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 11.3. (a) This section  
 3 applies only to the following requirements:

4 (1) Failure to provide the completed statement of benefits form to  
 5 the designating body before the hearing required by section 2.5(c)  
 6 of this chapter.

7 (2) Failure to submit the completed statement of benefits form to  
 8 the designating body before the:

9 (A) initiation of the redevelopment or rehabilitation;

10 (B) installation of new manufacturing equipment, **new farm**  
 11 **equipment**, new research and development equipment, new  
 12 logistical distribution equipment, or new information  
 13 technology equipment; or

14 (C) occupation of an eligible vacant building;

15 for which the person desires to claim a deduction under this  
 16 chapter.

17 (3) Failure to designate an area as an economic revitalization area  
 18 before the initiation of the:

19 (A) redevelopment;

20 (B) installation of new manufacturing equipment, **new farm**  
 21 **equipment**, new research and development equipment, new  
 22 logistical distribution equipment, or new information  
 23 technology equipment;

24 (C) rehabilitation; or

25 (D) occupation of an eligible vacant building;

26 for which the person desires to claim a deduction under this  
 27 chapter.

28 (4) Failure to make the required findings of fact before  
 29 designating an area as an economic revitalization area or  
 30 authorizing a deduction for new manufacturing equipment, **new**  
 31 **farm equipment**, new research and development equipment, new  
 32 logistical distribution equipment, or new information technology  
 33 equipment under section 2, 3, 4.5, or 4.8 of this chapter.

34 (5) Failure to file a:

35 (A) timely; or

36 (B) complete;

37 deduction application under section 5, 5.3, or 5.4 of this chapter.

38 (b) This section does not grant a designating body the authority to  
 39 exempt a person from filing a statement of benefits or exempt a  
 40 designating body from making findings of fact.

41 (c) A designating body may by resolution waive noncompliance  
 42 described under subsection (a) under the terms and conditions specified



1 in the resolution. Before adopting a waiver under this subsection, the  
2 designating body shall conduct a public hearing on the waiver.

3 SECTION 11. IC 6-1.1-12.1-17, AS AMENDED BY P.L.80-2014,  
4 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2021]: Sec. 17. (a) A designating body may provide to a  
6 business that is established in or relocated to a revitalization area and  
7 that receives a deduction under section 4 or 4.5 of this chapter an  
8 abatement schedule based on the following factors:

9 (1) The total amount of the taxpayer's investment in real and  
10 personal property.

11 (2) The number of new full-time equivalent jobs created.

12 (3) The average wage of the new employees compared to the state  
13 minimum wage.

14 (4) The infrastructure requirements for the taxpayer's investment.

15 **(5) In the case of a deduction for new farm equipment, an**  
16 **agreement by the deduction applicant to predominately use**  
17 **the area for agricultural purposes for a period specified by**  
18 **the designating body.**

19 (b) This subsection applies to a statement of benefits approved after  
20 June 30, 2013. A designating body shall establish an abatement  
21 schedule for each deduction allowed under this chapter. An abatement  
22 schedule must specify the percentage amount of the deduction for each  
23 year of the deduction. Except as provided in **subsection (d) and** section  
24 18 of this chapter, an abatement schedule may not exceed ten (10)  
25 years.

26 (c) An abatement schedule approved for a particular taxpayer before  
27 July 1, 2013, remains in effect until the abatement schedule expires  
28 under the terms of the resolution approving the taxpayer's statement of  
29 benefits.

30 **(d) An abatement schedule for new farm equipment may not**  
31 **exceed five (5) years.**

