

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 ENROLLED ACT No. 119

AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-1.1-4-4.5, AS AMENDED BY P.L.86-2018, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 4.5. (a) The department of local government finance shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a reassessment under section 4.2 of this chapter for the property last took effect.

(b) Subject to subsection ~~(e)~~, **(f)**, the system must be applied to adjust assessed values beginning with the 2006 assessment date and each year thereafter that is not a year in which a reassessment under section 4.2 of this chapter for the property becomes effective.

(c) The rules adopted under subsection (a) must include the following characteristics in the system:

- (1) Promote uniform and equal assessment of real property within and across classifications.
- (2) Require that assessing officials:
 - (A) reevaluate the factors that affect value;
 - (B) express the interactions of those factors mathematically;
 - (C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and
 - (D) provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.

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(3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

(d) The department of local government finance must review and certify each annual adjustment determined under this section.

(e) For an assessment beginning after December 31, 2022, agricultural improvements such as but not limited to barns, grain bins, or silos on land assessed as agricultural shall not be adjusted using factors, such as neighborhood delineation, that are appropriate for use in adjusting residential, commercial, and industrial real property. Those portions of agricultural parcels that include land and buildings not used for an agricultural purpose, such as homes, homesites, and excess residential land and commercial or industrial land and buildings, shall be adjusted by the factor or factors developed for other similar property within the geographic stratification. The residential portion of agricultural properties shall be adjusted by the factors applied to similar residential purposes.

~~(e)~~ **(f)** In making the annual determination of the base rate to satisfy the requirement for an annual adjustment for each assessment date, the department of local government finance shall not later than March 1 of each year determine the base rate using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2005), except that the department shall adjust the methodology as follows:

(1) Use a six (6) year rolling average adjusted under subdivision (3) instead of a four (4) year rolling average.

(2) Use the data from the six (6) most recent years preceding the year in which the assessment date occurs for which data is available, before one (1) of those six (6) years is eliminated under subdivision (3) when determining the rolling average.

(3) Eliminate in the calculation of the rolling average the year among the six (6) years for which the highest market value in use of agricultural land is determined.

(4) After determining a preliminary base rate that would apply for the assessment date without applying the adjustment under this subdivision, the department of local government finance shall adjust the preliminary base rate as follows:

(A) If the preliminary base rate for the assessment date would be at least ten percent (10%) greater than the final base rate determined for the preceding assessment date, a capitalization



rate of eight percent (8%) shall be used to determine the final base rate.

(B) If the preliminary base rate for the assessment date would be at least ten percent (10%) less than the final base rate determined for the preceding assessment date, a capitalization rate of six percent (6%) shall be used to determine the final base rate.

(C) If neither clause (A) nor clause (B) applies, a capitalization rate of seven percent (7%) shall be used to determine the final base rate.

(D) In the case of a market value in use for a year that is used in the calculation of the six (6) year rolling average under subdivision (1) for purposes of determining the base rate for the assessment date:

(i) that market value in use shall be recalculated by using the capitalization rate determined under clauses (A) through (C) for the calculation of the base rate for the assessment date; and

(ii) the market value in use recalculated under item (i) shall be used in the calculation of the six (6) year rolling average under subdivision (1).

~~(f)~~ (g) For assessment dates after December 31, 2009, an adjustment in the assessed value of real property under this section shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable on that real property.

~~(g)~~ (h) The department shall release the department's annual determination of the base rate on or before March 1 of each year.

SECTION 2. IC 6-1.1-12.1-1, AS AMENDED BY P.L.288-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 1. For purposes of this chapter:

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

(A) any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in



employment and tax revenues; ~~and~~

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

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

(2) "City" means any city in this state, and "town" means any town incorporated under IC 36-5-1.

(3) "New manufacturing equipment" means tangible personal property that a deduction applicant:

(A) installs on or before the approval deadline determined under section 9 of this chapter, in an area that is declared an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) uses in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property, including but not limited to use to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products;

(C) acquires for use as described in clause (B):

(i) in an arms length transaction from an entity that is not an affiliate of the deduction applicant, if the tangible personal property has been previously used in Indiana before the installation described in clause (A); or

(ii) in any manner, if the tangible personal property has never been previously used in Indiana before the installation described in clause (A); and

(D) has never used for any purpose in Indiana before the installation described in clause (A).

(4) "Property" means a building or structure, but does not include land.

(5) "Redevelopment" means the construction of new structures, in economic revitalization areas, either:

(A) on unimproved real estate; or

(B) on real estate upon which a prior existing structure is demolished to allow for a new construction.

(6) "Rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property.



- (7) "Designating body" means the following:
- (A) For a county that does not contain a consolidated city, the fiscal body of the county, city, or town.
 - (B) For a county containing a consolidated city, the metropolitan development commission.
- (8) "Deduction application" means:
- (A) the application filed in accordance with section 5 of this chapter by a property owner who desires to obtain the deduction provided by section 3 of this chapter;
 - (B) the application filed in accordance with section 5.4 of this chapter by a person who desires to obtain the deduction provided by section 4.5 of this chapter; or
 - (C) the application filed in accordance with section 5.3 of this chapter by a property owner that desires to obtain the deduction provided by section 4.8 of this chapter.
- (9) "Designation application" means an application that is filed with a designating body to assist that body in making a determination about whether a particular area should be designated as an economic revitalization area.
- (10) "Hazardous waste" has the meaning set forth in IC 13-11-2-99(a). The term includes waste determined to be a hazardous waste under IC 13-22-2-3(b).
- (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a). However, the term does not include dead animals or any animal solid or semisolid wastes.
- (12) "New research and development equipment" means tangible personal property that:
- (A) a deduction applicant installs on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;
 - (B) consists of:
 - (i) laboratory equipment;
 - (ii) research and development equipment;
 - (iii) computers and computer software;
 - (iv) telecommunications equipment; or
 - (v) testing equipment;
 - (C) the deduction applicant uses in research and development activities devoted directly and exclusively to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products;



(D) the deduction applicant acquires for purposes described in this subdivision:

- (i) in an arms length transaction from an entity that is not an affiliate of the deduction applicant, if the tangible personal property has been previously used in Indiana before the installation described in clause (A); or
- (ii) in any manner, if the tangible personal property has never been previously used in Indiana before the installation described in clause (A); and

(E) the deduction applicant has never used for any purpose in Indiana before the installation described in clause (A).

The term does not include equipment installed in facilities used for or in connection with efficiency surveys, management studies, consumer surveys, economic surveys, advertising or promotion, or research in connection with literacy, history, or similar projects.

(13) "New logistical distribution equipment" means tangible personal property that:

(A) a deduction applicant installs on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of:

- (i) racking equipment;
- (ii) scanning or coding equipment;
- (iii) separators;
- (iv) conveyors;
- (v) fork lifts or lifting equipment (including "walk behinds");
- (vi) transitional moving equipment;
- (vii) packaging equipment;
- (viii) sorting and picking equipment; or
- (ix) software for technology used in logistical distribution;

(C) the deduction applicant acquires for the storage or distribution of goods, services, or information:

- (i) in an arms length transaction from an entity that is not an affiliate of the deduction applicant, if the tangible personal property has been previously used in Indiana before the installation described in clause (A); and
- (ii) in any manner, if the tangible personal property has never been previously used in Indiana before the installation described in clause (A); and



(D) the deduction applicant has never used for any purpose in Indiana before the installation described in clause (A).

(14) "New farm equipment" means tangible personal property that:

(A) a deduction applicant installs after June 30, 2022, and on or before the approval deadline determined under section 9 of this chapter, in an area that will be predominately used for agricultural purposes for a period specified by the designating body as a condition of being declared an economic revitalization area;

(B) is used in the direct production, extraction, harvesting, or processing of agricultural commodities for sale on land classified as agricultural land for property tax purposes;

(C) was acquired for use as described in clause (B) in an arms length transaction from an entity that is not an affiliate of the deduction applicant; and

(D) the deduction applicant never used for any purpose in Indiana before the installation described in clause (A).

(15) "New agricultural improvement" means any improvement made to land classified as agricultural land for tax purposes that is placed in service after December 31, 2022, and that will be predominately used for agricultural purposes for a period specified by the designating body as a condition of being declared an economic revitalization area. The term includes a barn, grain bin, or silo.

(14) (16) "New information technology equipment" means tangible personal property that:

(A) a deduction applicant installs on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of equipment, including software, used in the fields of:

- (i) information processing;**
- (ii) office automation;**
- (iii) telecommunication facilities and networks;**
- (iv) informatics;**
- (v) network administration;**
- (vi) software development; and**
- (vii) fiber optics;**

(C) the deduction applicant acquires in an arms length transaction from an entity that is not an affiliate of the



deduction applicant; and

(D) the deduction applicant never used for any purpose in Indiana before the installation described in clause (A).

~~(15)~~ **(17)** "Deduction applicant" means an owner of tangible personal property who makes a deduction application.

~~(16)~~ **(18)** "Affiliate" means an entity that effectively controls or is controlled by a deduction applicant or is associated with a deduction applicant under common ownership or control, whether by shareholdings or other means.

~~(17)~~ **(19)** "Eligible vacant building" means a building that:

(A) is zoned for commercial or industrial purposes; and

(B) is unoccupied for at least one (1) year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the department of local government finance requires.

SECTION 3. IC 6-1.1-12.1-2, AS AMENDED BY P.L.288-2013, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 2. (a) A designating body may find that a particular area within its jurisdiction is an economic revitalization area. However, the deduction provided by this chapter for economic revitalization areas not within a city or town shall not be available to retail businesses.

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

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

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

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are:

- (A) the subject of an order issued under IC 36-7-9; or
- (B) evidencing significant building deficiencies.
- (3) Parcels of property in the area:
 - (A) have been sold and not redeemed under IC 6-1.1-24 and IC 6-1.1-25; or
 - (B) are owned by a unit of local government.

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

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

- (1) A significant number of dwelling units within the area are not permanently occupied or a significant number of parcels in the area are vacant land.
- (2) A significant number of dwelling units within the area are:
 - (A) the subject of an order issued under IC 36-7-9; or
 - (B) evidencing significant building deficiencies.
- (3) The area has experienced a net loss in the number of dwelling units, as documented by census information, local building and demolition permits, or certificates of occupancy, or the area is owned by Indiana or the United States.
- (4) The area (plus any areas previously designated under this subsection) will not exceed ten percent (10%) of the total area within the designating body's jurisdiction.

However, in a city in a county having a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000), the designating body is only required to make one (1) of the additional findings described in this subsection as an alternative to one (1) of the additional findings described in subsection (b).

(d) A designating body is required to attach the following conditions to the grant of a residentially distressed area designation:

- (1) The deduction will not be allowed unless the dwelling is rehabilitated to meet local code standards for habitability.
- (2) If a designation application is filed, the designating body may require that the redevelopment or rehabilitation be completed



within a reasonable period of time.

(e) To make a designation described in subsection (a) or (b), the designating body shall use procedures prescribed in section 2.5 of this chapter.

(f) The property tax deductions provided by section 3, 4.5, or 4.8 of this chapter are only available within an area which the designating body finds to be an economic revitalization area.

(g) The designating body may adopt a resolution establishing general standards to be used, along with the requirements set forth in the definition of economic revitalization area, by the designating body in finding an area to be an economic revitalization area. The standards must have a reasonable relationship to the development objectives of the area in which the designating body has jurisdiction. The following ~~four (4)~~ **five (5)** sets of standards may be established:

(1) One (1) relative to the deduction under section 3 of this chapter for economic revitalization areas that are not residentially distressed areas.

(2) One (1) relative to the deduction under section 3 of this chapter for residentially distressed areas.

(3) One (1) relative to the deduction allowed under section 4.5 of this chapter.

(4) One (1) relative to the deduction allowed under section 4.8 of this chapter.

(5) One (1) relative to property granted a deduction for an agricultural purpose.

(h) A designating body may impose a fee for filing a designation application for a person requesting the designation of a particular area as an economic revitalization area. The fee may be sufficient to defray actual processing and administrative costs. However, the fee charged for filing a designation application for a parcel that contains one (1) or more owner-occupied, single-family dwellings may not exceed the cost of publishing the required notice.

(i) In declaring an area an economic revitalization area, the designating body may:

(1) limit the time period to a certain number of calendar years during which the economic revitalization area shall be so designated;

(2) limit the type of deductions that will be allowed within the economic revitalization area to the deduction allowed under section 3 of this chapter, the deduction allowed under section 4.5 of this chapter, the deduction allowed under section 4.8 of this chapter, or any combination of these deductions;



- (3) limit the dollar amount of the deduction that will be allowed with respect to new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, and new information technology equipment;
- (4) limit the dollar amount of the deduction that will be allowed with respect to redevelopment and rehabilitation occurring in areas that are designated as economic revitalization areas;
- (5) limit the dollar amount of the deduction that will be allowed under section 4.8 of this chapter with respect to the occupation of an eligible vacant building; or
- (6) impose reasonable conditions related to the purpose of this chapter or to the general standards adopted under subsection (g) for allowing the deduction for the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

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

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

- (1) prevent a taxpayer from obtaining a deduction for new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment installed on or before the approval deadline determined under section 9 of this chapter, but after the expiration of the economic revitalization area if the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment was described in a statement of benefits submitted to and approved by the designating body in accordance with section 4.5 of this chapter before the expiration of the economic revitalization area designation; or
- (2) limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under section 17 of this chapter.

(k) In addition to the other requirements of this chapter, if property located in an economic revitalization area is also located in an



allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), a taxpayer's statement of benefits concerning that property may not be approved under this chapter unless a resolution approving the statement of benefits is adopted by the legislative body of the unit that approved the designation of the allocation area.

SECTION 4. IC 6-1.1-12.1-3, AS AMENDED BY P.L.288-2013, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 3. (a) An applicant must provide a statement of benefits to the designating body. If the designating body requires information from the applicant for economic revitalization area status for use in making its decision about whether to designate an economic revitalization area, the applicant shall provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the statement of benefits form must be submitted to the designating body before the initiation of the redevelopment or rehabilitation, **or a new agricultural improvement** for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

- (1) A description of the proposed redevelopment or rehabilitation, **or new agricultural improvement.**
- (2) An estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the redevelopment or rehabilitation, **or new agricultural improvement** and an estimate of the annual salaries of these individuals.
- (3) An estimate of the value of the redevelopment or rehabilitation, **or new agricultural improvement.**

With the approval of the designating body, the statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

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

- (1) Whether the estimate of the value of the redevelopment or rehabilitation, **or new agricultural improvement** is reasonable for projects of that nature.
- (2) Whether the estimate of the number of individuals who will be



employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation, **or new agricultural improvement.**

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation, **or new agricultural improvement.**

(4) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation, **or new agricultural improvement.**

(5) Whether the totality of benefits is sufficient to justify the deduction.

A designating body may not designate an area an economic revitalization area or approve a deduction unless the findings required by this subsection are made in the affirmative.

(c) Except as provided in subsections (a) through (b), the owner of property which is located in an economic revitalization area is entitled to a deduction from the assessed value of the property. For all economic revitalization areas, the period is the number of years determined under section 17 of this chapter. The owner is entitled to a deduction if:

(1) the property has been rehabilitated; **or**

(2) the property is located on real estate which has been redeveloped; **or**

(3) the property is a new agricultural improvement.

The owner is entitled to the deduction for the first year, and any successive year or years, in which an increase in assessed value resulting from the rehabilitation or redevelopment, **or new agricultural improvement** occurs and for the following years determined under section 17 of this chapter.

(d) The designating body's determination must be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; **or**

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution must be sent to the county auditor, who shall make the deduction as provided in section 5 of this chapter.

A determination about the number of years the deduction is allowed



that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(e) Except for deductions related to redevelopment or rehabilitation of real property in a county containing a consolidated city, a deduction for the redevelopment or rehabilitation of real property may not be approved for the following facilities:

- (1) Private or commercial golf course.
- (2) Country club.
- (3) Massage parlor.
- (4) Tennis club.
- (5) Skating facility (including roller skating, skateboarding, or ice skating).
- (6) Racquet sport facility (including any handball or racquetball court).
- (7) Hot tub facility.
- (8) Suntan facility.
- (9) Racetrack.
- (10) Any facility the primary purpose of which is:
 - (A) retail food and beverage service;
 - (B) automobile sales or service; or
 - (C) other retail;

unless the facility is located in an economic development target area established under section 7 of this chapter.

- (11) Residential, unless:
 - (A) the facility is a multifamily facility that contains at least twenty percent (20%) of the units available for use by low and moderate income individuals;
 - (B) the facility is located in an economic development target area established under section 7 of this chapter; or
 - (C) the area is designated as a residentially distressed area.
- (12) A package liquor store that holds a liquor dealer's permit under IC 7.1-3-10 or any other entity that is required to operate under a license issued under IC 7.1.

SECTION 5. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.80-2014, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 4.5. (a) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment for



which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

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

(2) With respect to:

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

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

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

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

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

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

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



made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.

(2) With respect to:

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

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

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

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

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

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

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

The designating body may not designate an area an economic

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revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

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

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

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

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

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

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

A determination about the number of years the deduction is allowed



that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

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

- (1) is convicted of a criminal violation under IC 13, including IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or
- (2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

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

- (1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by
- (2) the quotient of:
 - (A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by
 - (B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:
 - (i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and
 - (ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 6. IC 6-1.1-12.1-5, AS AMENDED BY P.L.203-2016, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 5. (a) A property owner who desires to obtain the deduction provided by section 3 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the



property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township or county assessor.

(c) The deduction application required by this section must contain the following information:

- (1) The name of the property owner.
- (2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (3) The assessed value of the improvements before rehabilitation.
- (4) The increase in the assessed value of improvements resulting from the rehabilitation.
- (5) The assessed value of the new structure in the case of redevelopment.
- (6) The amount of the deduction claimed for the first year of the deduction.
- (7) If the deduction application is for a deduction in a residentially distressed area, the assessed value of the improvement or new structure for which the deduction is claimed.
- (8) The assessed value of the new agricultural improvement, if applicable.**

(d) A deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of a new structure is made and in the following years the deduction is allowed without any additional deduction application being filed.

(e) A property owner who desires to obtain the deduction provided by section 3 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between January 1 and May 10 of a subsequent year which shall be applicable for the year filed and the subsequent years without any additional deduction application being filed for the amounts of the deduction which would be applicable to such years pursuant to section 4 of this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall act as follows:
(1) If:

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(A) a determination about the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter; and

(B) an abatement schedule has been established under section 17 of this chapter;

the county auditor shall make the appropriate deduction.

(2) If:

(A) a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter; or

(B) an abatement schedule has not been established under section 17 of this chapter;

the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed or establishing the abatement schedule, as applicable, the county auditor shall make the appropriate deduction.

(3) If the deduction application is for rehabilitation or redevelopment in a residentially distressed area, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 3 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) continues to use the property in compliance with any standards established under section 2(g) of this chapter; and

(2) files an application in the manner provided by subsection (e).

(h) The township or county assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

(i) Before the county auditor acts under subsection (f), the county auditor may request that the township assessor of the township in which the property is located, or the county assessor if there is no township assessor for the township, review the deduction application.

(j) A property owner may appeal a determination of the county auditor under subsection (f) to deny or alter the amount of the deduction by requesting in writing a preliminary conference with the county auditor not more than forty-five (45) days after the county auditor gives the person notice of the determination. An appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

SECTION 7. IC 6-1.1-12.1-5.1, AS AMENDED BY P.L.288-2013,



SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 5.1. (a) This subsection applies to all deductions under section 3 of this chapter for property located in a residentially distressed area. In addition to the requirements of section 5(c) of this chapter, a deduction application filed under section 5 of this chapter must contain information showing the extent to which there has been compliance with the statement of benefits approved under section 3 of this chapter.

(b) This subsection applies to each deduction (other than a deduction for property located in a residentially distressed area) for which a statement of benefits was approved under section 3 of this chapter, **including a deduction for a new agricultural improvement**. In addition to the requirements of section 5(c) of this chapter, a property owner who files a deduction application under section 5 of this chapter must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 3 of this chapter. This information must be included in the deduction application and must also be updated each year in which the deduction is applicable at the same time that the property owner is required to file a personal property tax return in the taxing district in which the property for which the deduction was granted is located. If the taxpayer does not file a personal property tax return in the taxing district in which the property is located, the information must be provided before May 15.

(c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following information is a public record if filed under this section:

- (1) The name and address of the taxpayer.
- (2) The location and description of the property for which the deduction was granted.
- (3) Any information concerning the number of employees at the property for which the deduction was granted, including estimated totals that were provided as part of the statement of benefits.
- (4) Any information concerning the total of the salaries paid to those employees, including estimated totals that were provided as part of the statement of benefits.
- (5) Any information concerning the assessed value of the property, including estimates that were provided as part of the statement of benefits.

(d) The following information is confidential if filed under this section:

- (1) Any information concerning the specific salaries paid to

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individual employees by the property owner.

(2) Any information concerning the cost of the property.

SECTION 8. IC 6-1.1-12.1-5.4, AS AMENDED BY P.L.245-2015, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 5.4. (a) A person that desires to obtain the deduction provided by section 4.5 of this chapter must file a certified deduction schedule with the person's personal property return on a form prescribed by the department of local government finance with the township assessor of the township in which the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment is located, or with the county assessor if there is no township assessor for the township. Except as provided in subsection (e), the deduction is applied in the amount claimed in a certified schedule that a person files with:

- (1) a timely personal property return under IC 6-1.1-3-7(a) or IC 6-1.1-3-7(b); or
- (2) a timely amended personal property return under IC 6-1.1-3-7.5.

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

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

- (1) The name of the owner of the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment.
- (2) A description of the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment.
- (3) The amount of the deduction claimed for the first year of the deduction.

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

(d) A deduction schedule must be filed under this section in the year



in which the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment is installed and in each of the immediately succeeding years the deduction is allowed.

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

- (1) review the deduction schedule; and
- (2) before the assessment date that next succeeds the assessment date for which the deduction is claimed, deny or alter the amount of the deduction.

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

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

- (1) continues to use the equipment:
 - (A) in compliance with any standards established under section 2(g) of this chapter; and
 - (B) **in the case of new farm equipment, on the same agricultural land for which the deduction applies; and**
- (2) files the deduction schedules required by this section.

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

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



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

SECTION 9. IC 6-1.1-12.1-5.6, AS AMENDED BY P.L.288-2013, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 5.6. (a) In addition to the requirements of section 5.4(b) of this chapter, a property owner who files a deduction schedule under section 5.4 of this chapter must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 4.5 of this chapter.

(b) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following information is a public record if filed under this section:

- (1) The name and address of the taxpayer.
- (2) The location and description of the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the deduction was granted.
- (3) Any information concerning the number of employees at the facility where the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment is located, including estimated totals that were provided as part of the statement of benefits.
- (4) Any information concerning the total of the salaries paid to those employees, including estimated totals that were provided as part of the statement of benefits.
- (5) Any information concerning the amount of solid waste or hazardous waste converted into energy or other useful products by the new manufacturing equipment.
- (6) Any information concerning the assessed value of the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment including estimates that were provided as part of the statement of benefits.

(c) The following information is confidential if filed under this section:

- (1) Any information concerning the specific salaries paid to individual employees by the owner of the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new



information technology equipment.

(2) Any information concerning the cost of the new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

SECTION 10. IC 6-1.1-12.1-5.8, AS AMENDED BY P.L.146-2008, SECTION 127, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 5.8. In lieu of providing the statement of benefits required by section 3 or 4.5 of this chapter and the additional information required by section 5.1 or 5.6 of this chapter, the designating body may, by resolution, waive the statement of benefits if the designating body finds that the purposes of this chapter are served by allowing the deduction and the property owner has, during the thirty-six (36) months preceding the first assessment date to which the waiver would apply, installed new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology equipment or developed or rehabilitated property at a cost of at least ten million dollars (\$10,000,000) as determined by the assessor of the township in which the property is located, or by the county assessor if there is no township assessor for the township.

SECTION 11. IC 6-1.1-12.1-8, AS AMENDED BY P.L.154-2006, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 8. (a) Not later than December 31 of each year, the county auditor shall publish the following in a newspaper of general interest and readership and not one of limited subject matter:

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

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

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

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

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

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

(3) The total amount of all deductions for new manufacturing equipment, **new farm equipment**, new research and development



equipment, new logistical distribution equipment, or new information technology equipment that were in effect under section 4.5 of this chapter during the year.

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

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

SECTION 12. IC 6-1.1-12.1-11.3, AS AMENDED BY P.L.288-2013, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 11.3. (a) This section applies only to the following requirements:

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

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

(A) initiation of the redevelopment or rehabilitation;

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

(C) occupation of an eligible vacant building;

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

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

(A) redevelopment;

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

(C) rehabilitation; or

(D) occupation of an eligible vacant building;

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

(4) Failure to make the required findings of fact before designating an area as an economic revitalization area or authorizing a deduction for new manufacturing equipment, **new farm equipment**, new research and development equipment, new logistical distribution equipment, or new information technology



equipment under section 2, 3, 4.5, or 4.8 of this chapter.

(5) Failure to file a:

(A) timely; or

(B) complete;

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

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

(c) A designating body may by resolution waive noncompliance described under subsection (a) under the terms and conditions specified in the resolution. Before adopting a waiver under this subsection, the designating body shall conduct a public hearing on the waiver.

SECTION 13. IC 6-1.1-12.1-17, AS AMENDED BY P.L.80-2014, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

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

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

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

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

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

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

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

(d) An abatement schedule for new farm equipment or new agricultural improvement may not exceed five (5) years.



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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