



January 29, 2021

---

---

## SENATE BILL No. 336

---

DIGEST OF SB 336 (Updated January 26, 2021 12:34 pm - DI 120)

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

**Synopsis:** Business personal property tax exemption. Provides that the business personal property exemption from taxation is based on the assessed value of the business personal property instead of the acquisition cost. Specifies the procedures for claiming the exemption.

**Effective:** January 1, 2022.

---

---

### Freeman

---

---

January 11, 2021, read first time and referred to Committee on Tax and Fiscal Policy.  
January 28, 2021, amended, reported favorably — Do Pass.

---

---

SB 336—LS 6850/DI 125





January 29, 2021

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. 336

---

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

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

- 1 SECTION 1. IC 6-1.1-3-7.2, AS AMENDED BY P.L.273-2019,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2022]: Sec. 7.2. (a) This section applies to assessment  
4 dates occurring after December 31, 2015.  
5 (b) As used in this section, "affiliate" means an entity that  
6 effectively controls or is controlled by a taxpayer or is associated with  
7 a taxpayer under common ownership or control, whether by  
8 shareholdings or other means.  
9 (c) As used in this section, "business personal property" means  
10 personal property that:  
11 (1) is otherwise subject to assessment and taxation under this  
12 article;  
13 (2) is used in a trade or business or otherwise held, used, or  
14 consumed in connection with the production of income; and  
15 (3) was:  
16 (A) acquired by the taxpayer in an arms length transaction  
17 from an entity that is not an affiliate of the taxpayer, if the

SB 336—LS 6850/DI 125



1 personal property has been previously used in Indiana before  
2 being placed in service in the county; or

3 (B) acquired in any manner, if the personal property has never  
4 been previously used in Indiana before being placed in service  
5 in the county.

6 The term does not include mobile homes assessed under IC 6-1.1-7,  
7 personal property held as an investment, or personal property that is  
8 assessed under IC 6-1.1-8 and is owned by a public utility subject to  
9 regulation by the Indiana utility regulatory commission. However, the  
10 term does include the personal property of a telephone company or a  
11 communications service provider if that personal property meets the  
12 requirements of subdivisions (1) through (3), regardless of whether that  
13 personal property is assessed under IC 6-1.1-8 and regardless of  
14 whether the telephone company or communications service provider is  
15 subject to regulation by the Indiana utility regulatory commission.

16 (d) Notwithstanding section 7 of this chapter, if the ~~acquisition cost~~  
17 **assessed value** of a taxpayer's total business personal property in a  
18 county is less than forty thousand dollars (\$40,000) for that assessment  
19 date, the taxpayer's business personal property in the county for that  
20 assessment date is exempt from taxation.

21 (e) **The first year that a taxpayer claims the exemption, a**  
22 **taxpayer must demonstrate assessed value of less than forty**  
23 **thousand dollars (\$40,000) on a personal property tax return and**  
24 **provide all information required under subsection (f). Each year**  
25 **thereafter the taxpayer is only required to provide information**  
26 **required under subsection (f) to claim the exemption. If the**  
27 **taxpayer acquires any new business personal property, the**  
28 **taxpayer may not claim the exemption by providing only the**  
29 **information under subsection (f) and must demonstrate assessed**  
30 **value of less than forty thousand dollars (\$40,000) on the**  
31 **taxpayer's personal property tax return in addition to all**  
32 **information required under subsection (f) in order to be eligible for**  
33 **the exemption under subsection (d).**

34 (e) (f) A taxpayer that is eligible for the exemption under this  
35 section for an assessment date shall include the following information  
36 on the taxpayer's personal property tax return:

37 (1) A declaration that the taxpayer's business personal property in  
38 the county is exempt from property taxation.

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

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

42 If the business personal property is in multiple locations within a



1 county, the taxpayer shall provide an address for the location where the  
 2 sum of ~~acquisition costs~~ **assessed values** for business personal property  
 3 is greatest. If two (2) or more addresses contain the greatest equivalent  
 4 sum of ~~acquisition costs~~ **assessed values** for business personal property  
 5 within a given county, the taxpayer shall choose only one (1) address  
 6 to list on the return.

7 SECTION 2. IC 6-1.1-37-7, AS AMENDED BY P.L.273-2019,  
 8 SECTION 5, AND AS AMENDED BY P.L.257-2019, SECTION 66,  
 9 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
 10 [EFFECTIVE JANUARY 1, 2022]: Sec. 7. (a) If a person fails to file  
 11 a required personal property return on or before the due date, the  
 12 county auditor shall add a penalty of twenty-five dollars (\$25) to the  
 13 person's next property tax installment. The county auditor shall also  
 14 add an additional penalty to the taxes payable by the person if the  
 15 person fails to file the personal property return within thirty (30) days  
 16 after the due date. The amount of the additional penalty is twenty  
 17 percent (20%) of the taxes finally determined to be due with respect to  
 18 the personal property which should have been reported on the return.

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

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

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

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

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

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



1 for claiming a deduction, an exemption, or an adjustment for abnormal  
 2 obsolescence, then the increase in assessed value that results from a  
 3 denial of the deduction, exemption, or adjustment for abnormal  
 4 obsolescence is not considered to result from an undervaluation for  
 5 purposes of this subsection.

6 (f) If a person required by ~~IC 6-1.1-3-7.2(e)~~ **IC 6-1.1-3-7.2(f)** to  
 7 *indicate declare* on the taxpayer's personal property tax return ~~or, for~~  
 8 *purposes of the January 1, 2016, assessment date, on the taxpayer's*  
 9 *certification under IC 6-1.1-3-7.2(f)* that the taxpayer's business  
 10 personal property is exempt fails to timely file *either* the taxpayer's  
 11 personal property tax return with the *indication or, for purposes of the*  
 12 *January 1, 2016, assessment date, the certification, declaration,* the  
 13 county auditor shall impose a penalty of twenty-five dollars (\$25) that  
 14 must be paid by the person with the next property tax installment that  
 15 is collected. *A county shall include the penalty on a property tax bill*  
 16 *associated with the tax district in which the majority value of the*  
 17 *taxpayer's business personal property within the county is located, as*  
 18 *determined by the county assessor.*

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



## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 336, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 20 and 21, begin a new paragraph and insert:

**"(e) The first year that a taxpayer claims the exemption, a taxpayer must demonstrate assessed value of less than forty thousand dollars (\$40,000) on a personal property tax return and provide all information required under subsection (f). Each year thereafter the taxpayer is only required to provide information required under subsection (f) to claim the exemption. If the taxpayer acquires any new business personal property, the taxpayer may not claim the exemption by providing only the information under subsection (f) and must demonstrate assessed value of less than forty thousand dollars (\$40,000) on the taxpayer's personal property tax return in addition to all information required under subsection (f) in order to be eligible for the exemption under subsection (d)."**

Page 2, line 21, strike "(e)" and insert "(f)".

Page 2, delete lines 36 through 42, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-37-7, AS AMENDED BY P.L.273-2019, SECTION 5, AND AS AMENDED BY P.L.257-2019, SECTION 66, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2022]: Sec. 7. (a) If a person fails to file a required personal property return on or before the due date, the county auditor shall add a penalty of twenty-five dollars (\$25) to the person's next property tax installment. The county auditor shall also add an additional penalty to the taxes payable by the person if the person fails to file the personal property return within thirty (30) days after the due date. The amount of the additional penalty is twenty percent (20%) of the taxes finally determined to be due with respect to the personal property which should have been reported on the return.

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

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

- (1) is in the military or naval forces of the United States on the assessment date; and
- (2) is covered by the federal Servicemembers Civil Relief Act (50

SB 336—LS 6850/DI 125



U.S.C. App. 501 et seq.) or IC 10-16-20.

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

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

(f) If a person required by ~~IC 6-1.1-3-7.2(e)~~ **IC 6-1.1-3-7.2(f)** to *indicate declare* on the taxpayer's personal property tax return ~~or, for purposes of the January 1, 2016, assessment date, on the taxpayer's certification under IC 6-1.1-3-7.2(f)~~ that the taxpayer's business personal property is exempt fails to timely file ~~either~~ the taxpayer's personal property tax return with the *indication or, for purposes of the January 1, 2016, assessment date, the certification, declaration*, the county auditor shall impose a penalty of twenty-five dollars (\$25) that must be paid by the person with the next property tax installment that is collected. *A county shall include the penalty on a property tax bill associated with the tax district in which the majority value of the taxpayer's business personal property within the county is located, as determined by the county assessor.*

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

Delete pages 3 through 15.

and when so amended that said bill do pass.

(Reference is to SB 336 as introduced.)

**SB 336—LS 6850/DI 125**





HOLDMAN, Chairperson

Committee Vote: Yeas 11, Nays 3.

