



January 29, 2025

SENATE BILL No. 443

DIGEST OF SB 443 (Updated January 28, 2025 10:47 am - DI 140)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Business personal property tax. Increases the acquisition cost threshold for the business personal property tax exemption from \$80,000 to \$160,000. Phases down the minimum valuation percentage from 30% to zero over a three year period. Provides a tax credit to all taxpayers with real property tax liability equal to the difference in the taxpayer's property tax liability before the enactment of the phase down and the taxpayer's property tax liability calculated as if current law were in effect.

Effective: January 1, 2025 (retroactive); January 1, 2026.

Freeman, Garten, Gaskill

January 13, 2025, read first time and referred to Committee on Tax and Fiscal Policy.
January 28, 2025, reported favorably — Do Pass.

SB 443—LS 7450/DI 120



January 29, 2025

First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

SENATE BILL No. 443

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.137-2022,
2 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 7.2. (a) This section
4 applies to assessment 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 443—LS 7450/DI 120



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

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

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

16 (d) Notwithstanding section 7 of this chapter, if the acquisition cost
17 of a taxpayer's total business personal property in a county is less than
18 ~~eighty thousand dollars (\$80,000)~~ **one hundred sixty thousand**
19 **dollars (\$160,000)** for that assessment date, the taxpayer's business
20 personal property in the county for that assessment date is exempt from
21 taxation.

22 (e) Subject to subsection (f), a taxpayer that is eligible for the
23 exemption under this section for an assessment date shall include the
24 following information on the taxpayer's personal property tax return:

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

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

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

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

36 (f) Beginning after December 31, 2022, a taxpayer that has included
37 the information required under subsection (e) on the taxpayer's
38 personal property tax return to claim the exemption under this section
39 is not required to file a personal property return for the taxpayer's
40 business personal property for an assessment date that occurs after the
41 assessment date for which the information is first provided under
42 subsection (e), unless or until the taxpayer no longer qualifies for the



1 exemption under subsection (d) for a subsequent assessment date.

2 SECTION 2. IC 6-1.1-3-22, AS AMENDED BY P.L.159-2020,
3 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 22. (a) Except to the
5 extent that it conflicts with a statute and subject to subsection (f), 50
6 IAC 4.2 (as in effect January 1, 2001), which was formerly
7 incorporated by reference into this section, is reinstated as a rule.

8 (b) Tangible personal property within the scope of 50 IAC 4.2 (as
9 in effect January 1, 2001) shall be assessed on the assessment dates in
10 calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as
11 in effect January 1, 2001).

12 (c) The publisher of the Indiana Administrative Code shall publish
13 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative
14 Code.

15 (d) 50 IAC 4.3 and any other rule to the extent that it conflicts with
16 this section is void.

17 (e) A reference in 50 IAC 4.2 to a governmental entity that has been
18 terminated or a statute that has been repealed or amended shall be
19 treated as a reference to its successor.

20 (f) The department of local government finance may not amend or
21 repeal the following (all as in effect January 1, 2001):

22 (1) 50 IAC 4.2-4-3(f).

23 (2) 50 IAC 4.2-4-7.

24 ~~(3) 50 IAC 4.2-4-9.~~

25 ~~(4)~~ (3) 50 IAC 4.2-5-7.

26 ~~(5)~~ (4) 50 IAC 4.2-5-13.

27 ~~(6)~~ (5) 50 IAC 4.2-6-1.

28 ~~(7)~~ (6) 50 IAC 4.2-6-2.

29 ~~(8)~~ (7) 50 IAC 4.2-8-9.

30 However, the department of local government finance may amend
31 these rules to conform with statutory changes.

32 (g) Notwithstanding any other provision of this section, 50
33 IAC 4.2-4-6(c) is void effective July 1, 2015. The publisher of the
34 Indiana Administrative Code and the Indiana Register shall remove this
35 provision from the Indiana Administrative Code.

36 **(h) Notwithstanding any other provision of this section, 50**
37 **IAC 4.2-4-9 is void effective January 1, 2025. Notwithstanding any**
38 **other provision of this section, the department of local government**
39 **finance may adopt rules amending 50 IAC 4.2 to reflect the**
40 **enactment of section 29 of this chapter.**

41 SECTION 3. IC 6-1.1-3-23, AS AMENDED BY P.L.220-2011,
42 SECTION 119, IS AMENDED TO READ AS FOLLOWS



1 [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 23. (a) In
2 enacting this section, the general assembly finds the following:

3 (1) The economy of northern Indiana has historically been heavily
4 dependent upon:

5 (A) the domestic steel industry, particularly the integrated steel
6 mill business, which produces steel from basic raw materials
7 through blast furnace and related operations; and

8 (B) the oil refining and petrochemical industry.

9 (2) Northern Indiana is the only area of Indiana with integrated
10 steelmaking facilities.

11 (3) During the last thirty (30) years, the domestic steel industry
12 has experienced significant financial difficulties. More than
13 one-half (1/2) of the integrated steel mills in the United States
14 were shut down or deintegrated, with the remainder requiring
15 significant investment and the addition of new processes to make
16 the facilities economically competitive with newer foreign and
17 domestic steelmaking facilities and processes.

18 (4) The United States needs to protect the capacity of the oil
19 refining and petrochemical industry. No oil refineries have been
20 built in the United States since 1976.

21 (5) Given the economic conditions affecting older integrated
22 steelmaking facilities, integrated steel mills claimed abnormal
23 obsolescence in reporting the assessed value of equipment located
24 at the integrated steelmaking facilities that began operations
25 before 1970, thereby reporting the equipment's assessed value at
26 far below thirty percent (30%) of the equipment's total cost (far
27 below the "thirty percent (30%) floor" value generally applicable
28 to equipment exhibiting only normal obsolescence under the
29 current department of local government finance rules).

30 (6) Current law existing before January 1, 2003, obligates the
31 taxpayers making abnormal obsolescence claims to pay personal
32 property taxes based only on, and permits communities to
33 determine property tax budgets and rates based only on, the
34 reported personal property assessed values until the personal
35 property appeals are resolved. Consequently, as a result of
36 abnormal obsolescence claims, the property tax base of
37 communities in northern Indiana is severely reduced for an
38 indeterminate period (if not permanently). The prospect of future
39 appeals and their attendant problems on an ongoing basis must be
40 addressed.

41 (7) A new, optional method for valuing the equipment of
42 integrated steel mills and entities that are at least fifty percent



1 (50%) owned by an affiliate of an integrated steel mill ("related
2 entities") and the oil refining and petrochemical industry in
3 northern Indiana is needed. That optional method:

4 (A) recognizes the loss of value and difficulty in valuing
5 equipment at integrated steelmaking facilities and facilities of
6 the oil refining and petrochemical industry that commenced
7 operations decades ago and at the facilities of related entities;

8 (B) recognizes that depreciable personal property used in
9 integrated steelmaking and in oil refinery or petrochemical
10 operations and by related entities is affected by different
11 economic and market forces than depreciable personal
12 property used in other industries and certain other segments of
13 the steel industry and therefore experiences different amounts
14 of obsolescence and depreciation; and

15 (C) can be used to simply and efficiently arrive at a value
16 commensurate with that property's age, use, obsolescence, and
17 market circumstances instead of the current method and its
18 potentially contentious and lengthy appeals. Such an optional
19 method would benefit the communities where these older
20 facilities are located.

21 (8) Such an optional method would be to authorize a fifth pool in
22 the depreciation schedule for valuing the equipment of integrated
23 steel mills, related entities, and the oil refining and petrochemical
24 industry that reflects all adjustments to the value of that
25 equipment for depreciation and obsolescence, including abnormal
26 obsolescence, which precludes any taxpayer electing such a
27 method from taking any other obsolescence adjustment for the
28 equipment, and which applies only at the election of the taxpayer.

29 (9) The purpose for authorizing the Pool 5 method is to provide
30 a more simplified and efficient method for valuing the equipment
31 of integrated steel mills and the oil refining and petrochemical
32 industry that recognizes the loss of value and unusual problems
33 associated with the valuation of the equipment or facilities that
34 began operations before 1970 in those industries in northern
35 Indiana, as well as for valuing the equipment of related entities,
36 to stabilize local property tax revenue by eliminating the need for
37 abnormal obsolescence claims, and to encourage those industries
38 to continue to invest in northern Indiana, thereby contributing to
39 the economic life and well-being of communities in northern
40 Indiana, the residents of northern Indiana, and Indiana generally.

41 (10) The specific circumstances described in this section do not
42 exist throughout the rest of Indiana.



- 1 (b) For purposes of this section:
 2 (1) "adjusted cost" refers to the adjusted cost established in 50
 3 IAC 4.2-4-4 (as in effect on January 1, 2003);
 4 (2) "depreciable personal property" has the meaning set forth in
 5 50 IAC 4.2-4-1 (as in effect on January 1, 2003);
 6 (3) "integrated steel mill" means a person, including a subsidiary
 7 of a corporation, that produces steel by processing iron ore and
 8 other raw materials in a blast furnace in Indiana;
 9 (4) "oil refinery/petrochemical company" means a person that
 10 produces a variety of petroleum products by processing an annual
 11 average of at least one hundred thousand (100,000) barrels of
 12 crude oil per day;
 13 (5) "permanently retired depreciable personal property" has the
 14 meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1,
 15 2003);
 16 (6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in
 17 effect on January 1, 2003);
 18 (7) "special integrated steel mill or oil refinery/petrochemical
 19 equipment" means depreciable personal property, other than
 20 special tools and permanently retired depreciable personal
 21 property:
 22 (A) that:
 23 (i) is owned, leased, or used by an integrated steel mill or an
 24 entity that is at least fifty percent (50%) owned by an
 25 affiliate of an integrated steel mill; and
 26 (ii) falls within Asset Class 33.4 as set forth in IRS Rev.
 27 Proc. 87-56, 1987-2, C.B. 647; or
 28 (B) that:
 29 (i) is owned, leased, or used as an integrated part of an oil
 30 refinery/petrochemical company or its affiliate; and
 31 (ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS
 32 Rev. Proc. 87-56, 1987-2, C.B. 647;
 33 (8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as
 34 in effect on January 1, 2003); and
 35 (9) "year of acquisition" refers to the year of acquisition
 36 determined under 50 IAC 4.2-4-6 (as in effect on January 1,
 37 2003).
 38 (c) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50
 39 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the
 40 taxpayer's special integrated steel mill or oil refinery/petrochemical
 41 equipment by multiplying the adjusted cost of that equipment by the
 42 percentage set forth in the following table:



	Year of Acquisition	Percentage
1		
2	1	40%
3	2	56%
4	3	42%
5	4	32%
6	5	24%
7	6	18%
8	7	15%
9	8 and older	10%

10 (d) The department of local government finance shall designate the
 11 table under subsection (c) as "Pool No. 5" on the business personal
 12 property tax return.

13 (e) The percentage factors in the table under subsection (c)
 14 automatically reflect all adjustments for depreciation and obsolescence,
 15 including abnormal obsolescence, for special integrated steel mill or oil
 16 refinery/petrochemical equipment. The equipment is entitled to all
 17 exemptions, credits, and deductions for which it qualifies.

18 (f) The minimum valuation limitations under ~~50 IAC 4.2-4-9~~
 19 **section 29 of this chapter** do not apply to special integrated steel mill
 20 or oil refinery/petrochemical equipment valued under this section. The
 21 value of the equipment is not included in the calculation of that
 22 minimum valuation limitation for the taxpayer's other assessable
 23 depreciable personal property in the taxing district.

24 (g) An election to value special integrated steel mill or oil
 25 refinery/petrochemical equipment under this section:

26 (1) must be made by reporting the equipment under this section
 27 on a business personal property tax return;

28 (2) applies to all of the taxpayer's special integrated steel mill or
 29 oil refinery/petrochemical equipment located in the state (whether
 30 owned or leased, or used as an integrated part of the equipment);
 31 and

32 (3) is binding on the taxpayer for the assessment date for which
 33 the election is made.

34 The department of local government finance shall prescribe the forms
 35 to make the election beginning with the March 1, 2003, assessment
 36 date. Any special integrated steel mill or oil refinery/petrochemical
 37 equipment acquired by a taxpayer that has made an election under this
 38 section is valued under this section.

39 (h) If fifty percent (50%) or more of the adjusted cost of a taxpayer's
 40 property that would, notwithstanding this section, be reported in a pool
 41 other than Pool No. 5 is attributable to special integrated steel mill or
 42 oil refinery/petrochemical equipment, the taxpayer may elect to



1 calculate the true tax value of all of that property as special integrated
 2 steel mill or oil refinery/petrochemical equipment. The true tax value
 3 of property for which an election is made under this subsection is
 4 calculated under subsections (c) through (g).

5 SECTION 4. IC 6-1.1-3-23.5, AS AMENDED BY P.L.236-2023,
 6 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 23.5. (a) For purposes of
 8 this section:

9 (1) "adjusted cost" has the meaning set forth in section 23(b)(1)
 10 of this chapter;

11 (2) "depreciable personal property" has the meaning set forth in
 12 section 23(b)(2) of this chapter;

13 (3) "mini-mill" means a person, including a subsidiary of a
 14 corporation, that produces steel using an electric arc furnace in
 15 Indiana;

16 (4) "permanently retired depreciable personal property" has the
 17 meaning set forth in section 23(b)(5) of this chapter;

18 (5) "pool" has the meaning set forth in section 23(b)(6) of this
 19 chapter;

20 (6) "mini-mill equipment" means depreciable personal property,
 21 other than special tools and permanently retired depreciable
 22 personal property, that is owned, leased, or used by a mini-mill or
 23 an entity that is at least fifty percent (50%) owned by an affiliate
 24 of a mini-mill in the production of steel;

25 (7) "special tools" has the meaning set forth in section 23(b)(8) of
 26 this chapter; and

27 (8) "year of acquisition" for purposes of applying the table in
 28 section 23(c) of this chapter, has the meaning set forth in section
 29 23(b)(9) of this chapter.

30 (b) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50
 31 IAC 4.2-4-7, beginning with the January 1, 2023, assessment date, a
 32 taxpayer may elect to calculate the true tax value of the taxpayer's
 33 mini-mill equipment by multiplying the adjusted cost of that equipment
 34 by the applicable percentage set forth in the table designated as "Pool
 35 No. 5" under section 23(c) and 23(d) of this chapter.

36 (c) The percentage factors in the table under section 23(c) of this
 37 chapter automatically reflect all adjustments for depreciation and
 38 obsolescence, including abnormal obsolescence, for mini-mill
 39 equipment. The equipment is entitled to all exemptions, credits, and
 40 deductions for which it qualifies.

41 (d) The minimum valuation limitations under ~~50 IAC 4.2-4-9~~
 42 **section 29 of this chapter** do not apply to mini-mill equipment valued



1 under this section. The value of the equipment is not included in the
 2 calculation of that minimum valuation limitation for the taxpayer's
 3 other assessable depreciable personal property in the taxing district.

4 (e) An election to value mini-mill equipment under this section:

5 (1) must be made by reporting the equipment under this section
 6 on a business personal property tax return;

7 (2) applies to all of the taxpayer's mini-mill equipment located in
 8 the state (whether owned or leased, or used as an integrated part
 9 of the equipment); and

10 (3) is binding on the taxpayer for the assessment date for which
 11 the election is made.

12 The department of local government finance shall prescribe the forms
 13 to make the election beginning with the January 1, 2023, assessment
 14 date. Any mini-mill equipment acquired by a taxpayer that has made
 15 an election under this section is valued under this section.

16 (f) If fifty percent (50%) or more of the adjusted cost of a taxpayer's
 17 property that would, notwithstanding this section, be reported in a pool
 18 other than "Pool No. 5" (as designated under section 23 of this chapter)
 19 is attributable to mini-mill equipment, the taxpayer may elect to
 20 calculate the true tax value of all of that property as mini-mill
 21 equipment. The true tax value of property for which an election is made
 22 under this subsection is calculated under subsections (b) through (e).

23 SECTION 5. IC 6-1.1-3-25, AS ADDED BY P.L.238-2017,
 24 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 25. (a) As used in this
 26 section, "district" refers to an entrepreneur and enterprise district
 27 designated under IC 5-28-15.5.

28 (b) Notwithstanding section 22(b) of this chapter and
 29 IC 6-1.1-8-44(b), assessable depreciable personal property that:

30 (1) is located in a district;

31 (2) is placed in service in the district by the owner of the property
 32 after the designation of the district under IC 5-28-15.5; and

33 (3) is used within the district by one (1) or more employees who
 34 perform the majority of their service within the district;

35 is not subject to the valuation limitations in ~~50 IAC 4-2-4-9~~ **section 29**
 36 **of this chapter** or ~~50 IAC 5-1-6-9~~ **IC 6-1.1-8-45.**

37 SECTION 6. IC 6-1.1-3-29 IS ADDED TO THE INDIANA CODE
 38 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 29. (a) Except as**
 40 **provided in subsection (b), the total valuation of a taxpayer's**
 41 **assessable depreciable personal property in a single taxing district**
 42 **may not be less than the following percentage of the adjusted cost**



1 of all the taxpayer's assessable depreciable personal property in
2 the taxing district:

3 (1) Thirty percent (30%) for assessment dates before January
4 1, 2025.

5 (2) Twenty-five percent (25%) for an assessment date after
6 December 31, 2024, and before January 1, 2026.

7 (3) Eighteen percent (18%) for an assessment date after
8 December 31, 2025, and before January 1, 2027.

9 (4) Zero percent (0%) for an assessment date after December
10 31, 2026.

11 (b) The limitation set forth in subsection (a) is to be applied
12 before any special adjustment for abnormal obsolescence. The
13 limitation does not apply to equipment not placed in service,
14 special tooling, and permanently retired depreciable personal
15 property.

16 SECTION 7. IC 6-1.1-8-44, AS AMENDED BY P.L.38-2021,
17 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 44. (a) Except to the
19 extent that it conflicts with a statute and subject to subsection (f), 50
20 IAC 5.1 (as in effect January 1, 2001), which was formerly
21 incorporated by reference into this section, is reinstated as a rule.

22 (b) Tangible personal property within the scope of 50 IAC 5.1 (as
23 in effect January 1, 2001) shall be assessed on the assessment dates in
24 calendar years 2003 and thereafter in conformity with 50 IAC 5.1 (as
25 in effect January 1, 2001).

26 (c) The publisher of the Indiana Administrative Code shall publish
27 50 IAC 5.1 (as in effect January 1, 2001) in the Indiana Administrative
28 Code.

29 (d) 50 IAC 5.2 and any other rule to the extent that it conflicts with
30 this section is void.

31 (e) A reference in 50 IAC 5.1 to a governmental entity that has been
32 terminated or a statute that has been repealed or amended shall be
33 treated as a reference to its successor.

34 (f) The department of local government finance may not amend or
35 repeal the following (all as in effect January 1, 2001):

36 (1) 50 IAC 5.1-6-6.

37 (2) 50 IAC 5.1-6-7.

38 (3) 50 IAC 5.1-6-8.

39 ~~(4) 50 IAC 5.1-6-9.~~

40 ~~(5) (4) 50 IAC 5.1-8-1.~~

41 ~~(6) (5) 50 IAC 5.1-9-1.~~

42 ~~(7) (6) 50 IAC 5.1-9-2.~~

SB 443—LS 7450/DI 120



1 However, the department of local government finance may amend
2 these rules to reflect statutory changes.

3 **(g) Notwithstanding any other provision of this section, 50**
4 **IAC 5.1-6-9 is void effective January 1, 2025. Notwithstanding any**
5 **other provision of this section, the department of local government**
6 **finance may adopt rules amending 50 IAC 5.1 to reflect the**
7 **enactment of section 45 of this chapter.**

8 SECTION 8. IC 6-1.1-8-45 IS ADDED TO THE INDIANA CODE
9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
10 JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 45. (a) Except as**
11 **provided in subsection (b), the total valuation of a taxpayer's**
12 **assessable depreciable personal property in a single taxing district**
13 **may not be less than the following percentage of the adjusted cost**
14 **of all the taxpayer's assessable depreciable personal property in**
15 **the taxing district:**

- 16 (1) **Thirty percent (30%) for assessment dates before January**
- 17 **1, 2025.**
- 18 (2) **Twenty-five percent (25%) for an assessment date after**
- 19 **December 31, 2024, and before January 1, 2026.**
- 20 (3) **Eighteen percent (18%) for an assessment date after**
- 21 **December 31, 2025, and before January 1, 2027.**
- 22 (4) **Zero percent (0%) for an assessment date after December**
- 23 **31, 2026.**

24 **(b) The limitation set forth in subsection (a) is to be applied**
25 **before any special adjustment for abnormal obsolescence. The**
26 **limitation does not apply to equipment not placed in service,**
27 **special tooling, and permanently retired depreciable personal**
28 **property.**

29 SECTION 9. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.8-2022,
30 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 4.5. (a) An applicant**
32 **must provide a statement of benefits to the designating body. The**
33 **applicant must provide the completed statement of benefits form to the**
34 **designating body before the hearing specified in section 2.5(c) of this**
35 **chapter or before the installation of the new manufacturing equipment,**
36 **new farm equipment, new research and development equipment, new**
37 **logistical distribution equipment, or new information technology**
38 **equipment for which the person desires to claim a deduction under this**
39 **chapter. The department of local government finance shall prescribe a**
40 **form for the statement of benefits. The statement of benefits must**
41 **include the following information:**

- 42 (1) **A description of the new manufacturing equipment, new farm**



1 equipment, new research and development equipment, new
 2 logistical distribution equipment, or new information technology
 3 equipment that the person proposes to acquire. A statement of
 4 benefits for new farm equipment must describe each piece of new
 5 farm equipment with sufficient detail to afford identification.

6 (2) With respect to:

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

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

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

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

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

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

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

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



- 1 (2) With respect to:
 2 (A) new manufacturing equipment not used to dispose of solid
 3 waste or hazardous waste by converting the solid waste or
 4 hazardous waste into energy or other useful products; and
 5 (B) new farm equipment, new research and development
 6 equipment, new logistical distribution equipment, or new
 7 information technology equipment;
 8 whether the estimate of the number of individuals who will be
 9 employed or whose employment will be retained can be
 10 reasonably expected to result from the installation of the new
 11 manufacturing equipment, new farm equipment, new research and
 12 development equipment, new logistical distribution equipment, or
 13 new information technology equipment.
 14 (3) Whether the estimate of the annual salaries of those
 15 individuals who will be employed or whose employment will be
 16 retained can be reasonably expected to result from the proposed
 17 installation of new manufacturing equipment, new farm
 18 equipment, new research and development equipment, new
 19 logistical distribution equipment, or new information technology
 20 equipment.
 21 (4) With respect to new manufacturing equipment used to dispose
 22 of solid waste or hazardous waste by converting the solid waste
 23 or hazardous waste into energy or other useful products, whether
 24 the estimate of the amount of solid waste or hazardous waste that
 25 will be converted into energy or other useful products can be
 26 reasonably expected to result from the installation of the new
 27 manufacturing equipment.
 28 (5) Whether any other benefits about which information was
 29 requested are benefits that can be reasonably expected to result
 30 from the proposed installation of new manufacturing equipment,
 31 new farm equipment, new research and development equipment,
 32 new logistical distribution equipment, or new information
 33 technology equipment.
 34 (6) Whether the totality of benefits is sufficient to justify the
 35 deduction.
 36 The designating body may not designate an area an economic
 37 revitalization area or approve the deduction unless it makes the
 38 findings required by this subsection in the affirmative.
 39 (c) Except as provided in subsection (f), and subject to subsection
 40 (g) and section 15 of this chapter, an owner of new manufacturing
 41 equipment, new farm equipment, new research and development
 42 equipment, new logistical distribution equipment, or new information



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

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

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

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

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

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

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

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



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

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

8 (g) For purposes of subsection (c), the assessed value of new
9 manufacturing equipment, new farm equipment, new research and
10 development equipment, new logistical distribution equipment, or new
11 information technology equipment that is part of an owner's assessable
12 depreciable personal property in a single taxing district subject to the
13 valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9~~
14 **IC 6-1.1-8-45** is the product of:

15 (1) the assessed value of the equipment determined without
16 regard to the valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~
17 or ~~50 IAC 5.1-6-9~~; **IC 6-1.1-8-45**; multiplied by

18 (2) the quotient of:

19 (A) the amount of the valuation limitation determined under
20 ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9 IC 6-1.1-8-45~~
21 for all of the owner's depreciable personal property in the
22 taxing district; divided by

23 (B) the total true tax value of all of the owner's depreciable
24 personal property in the taxing district that is subject to the
25 valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50~~
26 ~~IAC 5.1-6-9 IC 6-1.1-8-45~~ determined:

27 (i) under the depreciation schedules in the rules of the
28 department of local government finance before any
29 adjustment for abnormal obsolescence; and

30 (ii) without regard to the valuation limitation in ~~50~~
31 ~~IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9~~
32 **IC 6-1.1-8-45**.

33 SECTION 10. IC 6-1.1-40-10, AS AMENDED BY
34 P.L.212-2018(ss), SECTION 16, IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]:
36 Sec. 10. (a) The deduction under this section applies only to new
37 manufacturing equipment installed before July 1, 2018.

38 (b) Subject to subsection (e), an owner of new manufacturing
39 equipment whose statement of benefits is approved is entitled to a
40 deduction from the assessed value of that equipment for a period of ten
41 (10) years. Except as provided in subsections (c) and (d), and subject
42 to subsection (e) and section 14 of this chapter, for the first five (5)



1 years, the amount of the deduction for new manufacturing equipment
 2 that an owner is entitled to for a particular year equals the assessed
 3 value of the new manufacturing equipment. Subject to subsection (e)
 4 and section 14 of this chapter, for the sixth through the tenth year, the
 5 amount of the deduction equals the product of:

6 (1) the assessed value of the new manufacturing equipment;
 7 multiplied by

8 (2) the percentage prescribed in the following table:

9 YEAR OF DEDUCTION	PERCENTAGE
10 6th	100%
11 7th	95%
12 8th	80%
13 9th	65%
14 10th	50%
15 11th and thereafter	0%

16 (c) A deduction under this section is not allowed in the first year the
 17 deduction is claimed for new manufacturing equipment to the extent
 18 that it would cause the assessed value of all of the personal property of
 19 the owner in the taxing district in which the equipment is located to be
 20 less than the assessed value of all of the personal property of the owner
 21 in that taxing district in the immediately preceding year.

22 (d) If a deduction is not fully allowed under subsection (c) in the
 23 first year the deduction is claimed, then the percentages specified in
 24 subsection (b) apply in the subsequent years to the amount of deduction
 25 that was allowed in the first year.

26 (e) For purposes of subsection (b), the assessed value of new
 27 manufacturing equipment that is part of an owner's assessable
 28 depreciable personal property in a single taxing district subject to the
 29 valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9~~
 30 **IC 6-1.1-8-45** is the product of:

31 (1) the assessed value of the equipment (excluding equipment
 32 installed after June 30, 2018) determined without regard to the
 33 valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50~~
 34 ~~IAC 5.1-6-9; IC 6-1.1-8-45~~; multiplied by

35 (2) the quotient of:

36 (A) the amount of the valuation limitation determined under
 37 ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9 IC 6-1.1-8-45~~
 38 for all of the owner's depreciable personal property in the
 39 taxing district; divided by

40 (B) the total true tax value of all of the owner's depreciable
 41 personal property in the taxing district that is subject to the
 42 valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50~~



~~IAC 5.1-6-9~~ **IC 6-1.1-8-45** 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~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9~~ **IC 6-1.1-8-45**.

SECTION 11. IC 6-1.1-51 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]:

Chapter 51. Property Tax Liability Credit

Sec. 1. This section applies to taxes first due and payable beginning after December 31, 2025.

Sec. 2. As used in this chapter, "property tax liability" means liability for the tax imposed on tangible property under this article determined after application of all credits and deductions under this article, but does not include any interest or penalty imposed under this article.

Sec. 3. As used in this chapter, "qualified taxpayer" refers to all taxpayers with real property tax liability in a calendar year. The term does not include taxpayers who have personal property tax liability in the calendar year.

Sec. 4. A credit shall be applied against a qualified taxpayer's property tax liability as set forth in this chapter.

Sec. 5. The amount of the credit is equal to the result of:

- (1) the property tax liability first due and payable on the qualified taxpayer's property for the calendar year; minus**
- (2) the property tax liability imposed on the qualified taxpayer's property for the calendar year, but calculated as if IC 6-1.1-3-29 and IC 6-1.1-8-45 were not added in 2025, and applying IC 6-1.1-3 and IC 6-1.1-8 as in effect on December 31, 2024.**

Sec. 6. The auditor of each county shall apply the credit under this chapter to the determination of the property tax liability for all qualified taxpayers.

SECTION 12. [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)] **(a) IC 6-1.1-3-7.2, as amended by this act, applies to assessment dates occurring after December 31, 2024.**

(b) This SECTION expires January 1, 2027.

SECTION 13. [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)] **IC 6-1.1-3-29 and IC 6-1.1-8-45, both as added by this act, apply as follows:**



1 **(1) The thirty percent (30%) floor in IC 6-1.1-3-29(a)(1) and**
2 **IC 6-1.1-8-45(a)(1) applies to assessments occurring in 2024**
3 **or before, for taxes first due and payable in 2025 or before.**
4 **(2) The twenty-five percent (25%) floor in IC 6-1.1-3-29(a)(2)**
5 **and IC 6-1.1-8-45(a)(2) applies to assessments made in 2025,**
6 **for property taxes first due and payable in 2026.**
7 **(3) The eighteen percent (18%) floor in IC 6-1.1-3-29(a)(3)**
8 **and IC 6-1.1-8-45(a)(3) applies to assessments made in 2026,**
9 **for property taxes first due and payable in 2027.**
10 **(4) The zero percent (0%) floor in IC 6-1.1-3-29(a)(4) and**
11 **IC 6-1.1-8-45(a)(4) applies to assessments occurring in 2027**
12 **and after, for taxes first due and payable in 2028 and after.**
13 **SECTION 14. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 443, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 443 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 8, Nays 2

