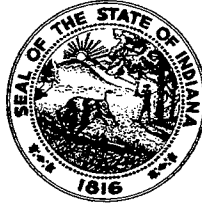


STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: County Assessors and Assessing Officials
FROM: Barry Wood, Assessment Division Director *BJW*
RE: Assessment of Non-Automotive Equipment
DATE: March 3, 2011

Under Indiana law "the annual license excise tax upon commercial vehicles" is "in lieu of the ad valorem property tax levied for state or local purposes." Ind. Code 6-6-5.5-3(a). The law makes clear that "[n]o commercial vehicle subject to taxation under [Ind. Code 6-6-5.5] shall be assessed as personal property for the purpose of assessment and levy of personal property taxes." Ind. Code 6-6-5.5-3(d).

The purpose of this memorandum is to assist in the determination of the assessment of non-automotive equipment, either to be assessed as tangible personal property or to be taxed as excise by the Bureau of Motor Vehicles (BMV). In the revised Personal Property Rule (50 IAC 4.2 – effective for the March 1, 2011 assessment date, see <http://www.in.gov/legislative/iac/T00500/A00042.PDF> for the complete rule), the following definition is given (50 IAC 4.2-1-1.1 (l) – emphasis added):

- (l) "Personal property":
- (1) has the meaning set forth in IC 6-1.1-1-11; and
- (2) **also includes nonautomotive equipment attached to excise vehicles.**

IC 9-13-2-188 (see below) gives the following definition for a "truck," and IC 9-13-2-196 (a) - see below, gives the following definition for a "vehicle."

IC 9-13-2-188

Truck

Sec. 188. (a) "Truck" means a motor vehicle designed, used, or maintained primarily for the transportation of property.

(b) "Truck," for purposes of IC 9-21-8-3, includes the following:

- (1) A motor vehicle designed and used primarily for drawing another vehicle and constructed to carry a load other than a part of the weight of the vehicle and load drawn.
- (2) A motor vehicle designed and used primarily as a farm implement for drawing plows, mowing machines, and other implements of agriculture.

IC 9-13-2-196**Vehicle**

Sec. 196. (a) "Vehicle" means, except as otherwise provided in this section, a device in, upon, or by which a person or property is, or may be, transported or drawn upon a highway.

The definition of a "truck" is important to help in differentiating between parts of a vehicle that are subject to excise tax under the BMV, and personal property that may be part of the truck that is subject to property taxation. The following non-comprehensive guide is intended to assist in the identification of property as being assessable as personal property or subject to excise tax. Each individual personal property tax return should be reviewed for completeness and accuracy.

Ambulance	
Chassis/Body	Excise
Equipment	Personal
Truck with Box Bed	Excise
Armored Vehicle	Excise
Cement Truck	
Chassis	Excise
Mixing Unit	Excise
Dump Truck	Excise
Garbage Truck	
Chassis	Excise
Front-End Lifts	Personal
Compaction Body & Equipment	Excise
Grain Truck	Excise
Wrecker/Tow Truck	
Chassis	Excise
Tow Unit	Excise
Well Drilling Truck	
Chassis	Excise
Drilling Unit	Personal
Refrigeration Units for Trucks or Trailers	Excise

Medical Trailer	
Trailer	Excise
MRI/CT Scan Units or Other Equipment	Personal
Carnival Food Vendor Trailers	
Trailer	Excise
Equipment	Personal
Pump Truck (such as to service a septic system)	
Chassis	Excise
Tank & Pumping Equipment	Personal
Dairy Truck	Excise
Dairy Semi Trailer	Excise
Fuel Truck	Excise
Fuel Semi Trailer	Excise
Bed Liners, Toppers, Tool Boxes, Air Compressors, Generators, Welders & Other Equipment Mounted to the Truck	Personal

In October 2009, the Indiana Board of Tax Review (IBTR) issued a Final Determination regarding equipment attached to excise vehicles. In *Key Equipment Finance, Inc. v. the Vanderburgh County Assessor* (see http://www.in.gov/ibtr/files/Key_Equipment_Finance_82-029-06-1-7-05462.pdf), the IBTR ruled that the Respondent (Vanderburgh Co.) presented no evidence that the personal property was medical equipment that was separate or removable from the medical evacuation helicopter. The Respondent failed to impeach or rebut the Petitioner's prima facie case; hence, the IBTR ruled in favor of the Petitioner (taxpayer).

Please contact Barry Wood, the Assessment Division Director, at 317.232.3762 or Bwood@dlgf.in.gov if you have any further questions.