



Understanding Tax Abatement Process

John Toumey – Assessor Auditor 1

Joe Lukomski – Assessor Auditor 1

Assessment Division

January 2012



Resource Information

- Indiana Code - IC 6-1.1-12.1
<http://www.in.gov/legislative/ic/code/title6/ar1.1/ch12.1.html>
- Indiana Administrative Code - 50 IAC 10
<http://www.in.gov/legislative/iac/T00500/A00100.PDF>
- Most commonly used forms



Today's Class Will Cover:

- Basic definitions
- Steps in establishing an abatement
- Different types of abatement
- How the taxpayer claims the deduction
- How the Assessor reviews the deduction
- Common problems
- Waiver of Non Compliance
- Problem solving options for consideration
- Local Control



Basic Definitions

- Personal Property Abatement
 - A property tax deduction from the assessed valuation granted by a designating body for the installation of qualifying abatable equipment in an ERA



Basic Definitions

- Economic Revitalization Area (ERA)
 - An area that is within the corporate limits of a city, town, or county that has become undesirable for, or impossible of, normal development and occupancy.
- It is a legal description for a piece of real estate.
- If ownership transfers, the designation transfers with the property. (IC 6-1.1-12.1-5.4)



Basic Definitions

- Designating body
 - Also called a “governing body”
 - For a county without a consolidated city, the designating body is the fiscal body of the city, town, or county.
 - For a consolidated city, the designating body is the metropolitan redevelopment commission.
 - IC 6-1.1-12.1-1(D)(7)



50 IAC 10-1-2

- “Installed” defined
 - Section 2(a) “Installed” means that personal property:
 - (1) has been completely assembled;
 - (2) is completely functional for the purpose for which it was acquired; and
 - (3) is placed in service.



50 IAC 10-1-2 (cont'd.)

- “Installed” defined
 - Section 2(b):
 - When different pieces of personal property are linked together as part of an integrated production process, personal property will not be considered installed until the integrated production process is completely functional and is placed in service.



Frequently Asked Question

Question: So if the equipment is present at the facility and not installed, how is that situation handled?

Answer: 50 IAC 4.2-6-1 classifies this equipment as “Construction In Process” (CIP) and assesses it at 10% of cost with no abatement deduction allowed on it. (In most cases, the abatement will begin the following year.)



50 IAC 10-1-3

- “New Manufacturing Equipment” defined
 - (a) “New manufacturing equipment” has the meaning found in IC 6-1.1-12.1-1(3). In order to be new manufacturing equipment, personal property must be qualified machinery and equipment as defined in Section 6 of this rule.
 - (b) New manufacturing equipment includes new equipment and used equipment brought into Indiana from outside of Indiana.



50 IAC 10-1-6

- “Qualified machinery and equipment” defined
 - Section 6(a):
 - Direct Production of
 - Manufacturing of
 - Fabricating of
 - Assembly of
 - Extracting of



50 IAC 10-1-6 (cont'd)

- “Qualified machinery and equipment” defined
 - Section 6(a):
 - Mining of
 - Processing of
 - Refining of
 - Finishing of other tangible personal property



50 IAC 10-1-6 (cont'd.)

- “Qualified machinery and equipment” defined
 - Personal property will be qualified machinery and equipment when it is used within the process that chronologically begins with:
 - Material handling equipment that carries the raw material from its on-site storage location to the first production step.
 - Example: The crane that lifts the coil of steel to the press that stamps out a car fender.



50 IAC 10-1-6 (cont'd.)

- “Qualified machinery and equipment” defined
 - Ends with the material handling equipment that carries or moves the finished product from its final machine or production step to the in-plant finished good storage site.
 - Example: The fork lift that moves the finished product from the production line to a shelf in the finished goods warehouse.



Steps In Establishing An Economic Revitalization Area



Establishing An ERA

- A designating body can designate an ERA on its own or upon application of a property owner.
- If designating body works on its own, no Statement of Benefits (SB-1/PP) is necessary for a preliminary designation; however, one will be required later when finalizing the details for a new business that desires to locate there.
- If the property owner asks for an ERA designation, a Form SB-1/PP must be filed.



Statement of Benefits – Personal Property (Form SB-1/PP)

- The form on which the property owner submits information regarding the installation of new manufacturing, research and development, logistical distribution, or information technology equipment to the designating body
- This form should be incorporated into the designation process.



Types of Proposed Projects

- A) Manufacturing
- B) Research & Development
- C) Information Technology
- D) Logistical Distribution



Research & Development

- Equipment installed after June 30, 2000, consists of:
 - (i) Laboratory equipment
 - (ii) Research & development equipment
 - (iii) Computers & computer software
 - (iv) Telecommunications equipment; or
 - (vi) Testing equipment



Research & Development

- 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;



Logistical Distribution Equipment

- Installed after June 30, 2004, consists of:
 - (i) racking equipment;
 - (ii) scanning or coding equipment;
 - (iii) separators;
 - (iv) conveyors;
 - (v) fork lifts or lifting equipment (including "walk behinds");



Logistical Distribution Equipment

- (vi) transitional moving equipment;
(vii) packaging equipment;
(viii) sorting and picking equipment; or
(ix) software for technology used in logistical distribution.
- The equipment acquired for the storage or distribution of goods, services or information.



New Information Technology Equipment

- Installed after June 30, 2004, 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.



Statement of Benefits – Personal Property (Form SB-1/PP) (cont'd.)

- The Form SB-1/PP provides information on the proposed project and is an estimate of costs, jobs created, etc. This is done before the project begins.
- A taxpayer could have a single or multiple Form SB-1/PP's which could cover several projects over a number of years.



Statement of Benefits – Personal Property (Form SB-1/PP) (cont'd.)

- The reason why the Form SB-1/PP is so important is because the designating body must determine if the totality of the benefits (number of jobs, salaries, & other benefits) is sufficient to justify the deduction being requested.
- IC 6-1.1-12.1-3



Statement of Benefits – Personal Property (Form SB-1/PP) (cont'd.)

- The taxpayer must attach an approved copy of Form SB-1/PP to his personal property return.
 - Page 1 is completed and signed by the taxpayer.
 - Page 2 is completed and signed by the designating body. It sets the limits and guidelines for the abatement.



Statement of Benefits – Personal Property (Form SB-1/PP) (cont'd.)

- It is important that the designating body complete the top section of page 2, as it can limit the time period of the ERA area, place dollar limits on cost / assessed value of the ERA eligible property.
- If this section is not completed then there is no limit on length of time to install equipment. Also, the dollar amount of additions can exceed the estimate on page 1.



Establishing An ERA

Establish the geographical area by:

- The designating body makes a determination.
 - Prepares maps and plats that identify the area
 - Prepares a simplified description of property boundaries
 - Passes a preliminary resolution
- After approving a preliminary resolution, the designating body publishes a notice of adoption and substance of resolution.



Establishing An ERA

- The designating body's final action is to determine whether the qualifications for an ERA are met and to confirm, modify or rescind the preliminary resolution.
- If confirmed, a confirmatory resolution is passed.
- Minutes to a council meeting do not qualify as a resolution.



Resolution

- According to IC 6-1.1-12.1-2.5, the resolution declares an area as an economic revitalization area.
- The resolution specifies the abatement schedule.
- The resolution could contain an expiration date when the designation ceases to exist or other limitations or conditions.



Resolution

- If there is an expiration date of the ERA designation, it is simply the window of opportunity in which a company can install new abatable equipment and receive a deduction.
- This expiration date can easily be extended or renewed.



Alternative Deduction Schedule - IC 6-1.1-12.1-17

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 alternative 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.



Alternative Deduction Schedule - IC 6-1.1-12.1-17

(b) An alternative abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An alternative abatement schedule may not exceed ten (10) years.

As added by P.L.173-2011, SEC.9.



Abatement Fee

- Authority to impose a fee given to any designating body within the State of Indiana who has the power to grant an abatement.
- The fee amount is set by the designating body and the property owner.
- The fee is calculated by the County Auditor and paid to the County Treasurer.
- See IC 6-1.1-12.1-14



Unauthorized Facilities

IC 6-1.1-12.1-3 (e)

- The following facilities are not authorized to receive a deduction:
 - Golf courses; country clubs; massage parlors; tennis clubs; skating facilities; handball / racquetball facilities; hot tub facilities; suntan facilities; racetracks; any facility that has a primary purpose of retail food & beverage, automobile sales & service, or other retail unless...



Unauthorized Facilities

IC 6-1.1-12.1-3 (e)

- ...an economic development target area is established. (IC 6-1.1-12.1-7)
- Residential facilities may not be approved unless it is multi-family of which at least 20% of the units are for low – moderate income individuals OR is in an economic development target area OR is designated as a residentially distressed area;
- Or a package liquor store.



Filing Requirements for Taxpayers on Tax Abatements



Self Assessment System

- Taxpayer is responsible for filing the personal property assessment return (Form 103-Long) in a timely manner with the proper assessing official.
- Assessors do not have the authority to file a return for the taxpayer; however, the Assessor can assist the taxpayer.
- Taxpayer MUST sign the return.



IC 6-1.1-12.1-5.4

- A person that desires to obtain the deduction must attach a certified deduction schedule (Form 103-ERA) with his/her timely filed personal property return (Form 103-Long) and file it with the proper assessing official.



Compliance with Statement of Benefits (Form CF-1/PP)

- Form CF-1/PP must be filed with the designating body and the Assessor of the township where the equipment resides each year a personal property abatement deduction is requested.
- Must be filed between March 1 and May 15 or the approved extension date



Compliance with Statement of Benefits (Form CF-1/PP)

- Compliance information for multiple projects may be consolidated on one Form CF-1/PP with approval of the designating body.
- The taxpayer attaches an approved copy of Form CF-1/PP to his return.
 - Page 1 is signed by taxpayer.
 - Page 2 is completed by the designating body.
(Is the taxpayer in compliance?)



Compliance with Statement of Benefits (Form CF-1/PP)

- The major difference between the Form SB-1/PP and the Form CF-1/PP is that the SB-1/PP is an estimate of the project before it begins and the CF-1/PP is a summary of the actual information after the project has been completed.
- The Form SB-1/PP structures the deduction and the Form CF-1/PP approves the deduction.



Reviewing the Abatement Using the Abatement Calendar



Timetable for PP Review

- The taxpayer files the tax return and supporting schedules by May 15 or the extended due date, if any.
- The Township Assessor has until September 15 or 4 months from the extended due date to review the tax return .



Timetable for PP Review

- The County Assessor and the County Board of Appeals (PTABOA) has until October 30 or 5 months to review the return.
- Taxpayer has until November 15 or 6 months from the extended due date to amend the return. **This has been extended to twelve (12) months for returns with a filing date after May 14, 2011 – (See IC 6-1.1-3-7.5)**



Request for Extension

IC 6-1.1-3-7

- A taxpayer may request up to a thirty (30) day extension to file his/her tax return by filing a written request prior to the filing date.
- Assessors may grant, deny, or give a partial extension at their discretion with a written reply.



IC 6-1.1-12.1-5.4(e)

For Abatement Deductions:

- The assessing official may review the deduction schedule and has until the next February 28 to deny or alter.
- However, it is recommended to use the four and five month deadlines. Waiting until February 28 could cause problems with tax rates and shortfalls.



IC 6-1.1-16-1

- If the assessing official fails to change an assessment within the time prescribed, the assessed value claimed by the taxpayer is final.
- IC 6-1.1-16-1
Notice; time requirements; appeal of preliminary determination
Sec. 1. (a) Except as provided in section 2 of this chapter, an assessing official or county property tax assessment board of appeals may not change the assessed value claimed by a taxpayer on a personal property return unless the assessing official or county property tax assessment board of appeals takes the action and gives the notice required by IC 6-1.1-3-20 within the following periods:



IC 6-1.1-16-1

(1) A township assessor (if any) must make a change in the assessed value and give the notice of the change on or before the later of:

(A) September 15 of the year for which the assessment is made; or

(B) four (4) months from the date the personal property return is filed if the return is filed after May 15 of the year for which the assessment is made.

(2) A county assessor or county property tax assessment board of appeals must make a change in the assessed value, including the final determination by the board of an assessment changed by an assessing official, and give the notice of the change on or before the later of:

(A) October 30 of the year for which the assessment is made; or

(B) five (5) months from the date the personal property return is filed if the return is filed after May 15 of the year for which the assessment is made.



Verification of Personal Property Tax Abatements



IC 6-1.1-3-14

- The Township or County Assessor shall examine and verify the accuracy of personal property tax returns.
- IC 6-1.1-3-14

Verification of returns

Sec. 14. The township assessor, or the county assessor if there is no township assessor for the township, shall:

(1) examine and verify; or

(2) allow a contractor under IC 6-1.1-36-12 to examine and verify; the accuracy of each personal property return filed with the township or county assessor by a taxpayer. If appropriate, the assessor or contractor under IC 6-1.1-36-12 shall compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.178-2002, SEC.4; P.L.146-2008, SEC.56.



IC 6-1.1-12.1-5.4

- The Assessor may approve, deny or alter the amount of the deduction.
- The Assessor shall notify the taxpayer of any changes made in the deduction amount on Form 113/PP which allows the taxpayer to challenge the change if desired.



Form 103-ERA

- Schedule of Deduction from Assessed Valuation
- Required to be filed **each** year, a deduction is desired even if no new abatable equipment is installed in that assessment year.
- Form must be filed with the assessing official of the county in which the abatable equipment is located.



Equipment List (Form 103 EL)

- The list must be itemized and contain installation dates and cost.
- An equipment list is only needed for equipment installed since the last assessment date.



Equipment List (Form 103-EL)

- The Assessor should verify if all of the equipment listed qualifies for a personal property abatement and deduct any non-qualifying equipment from the list.
- Any changes to the assessment require notification to the taxpayer on a Form 113/PP. (IC 6-1.1.3-20)



Confidential information

- IC 6-1.1-35-9 affects:
 - All assessing officials, employees, and anyone under contract to any assessing official
 - All information that is related to earnings, income, profits, losses, or expenditures
- Disclosure of confidential information can carry severe penalties.
- What's public information? Assessed Value



Supplements to Form 103-Long

- Any supplemental information or forms attached to Form 103-Long that support the return are subject to same confidential standard as that for Form 103-Long.



Solving Problems That May Arise



Incomplete Filing

- What if the filing is not complete? For example, what if the Statement of Benefits is missing?
- The Assessor can send a request for information giving ten (10) days to provide it or the Assessor can deny the claim and send a Form 113/PP.



Late Filing

- IC 6-1.1-12.1-5.4 states the taxpayer must file a certified deduction schedule with a timely personal property return if they wish to receive an abatement.
- A return filed late which includes a Form 103-ERA should have the deduction denied immediately.



Waiver of Noncompliance

- Taxpayer can request a waiver of non-compliance through the designating body.
- If the designating body wishes to waive non-compliance, they shall conduct a public hearing and then may adopt a resolution.
- IC 6-1.1-12.1-11.3



Waiver of Noncompliance

- IC 6-1.1-12.1-11.3 covers:
- Failure to submit Form SB-1 to designating body before hearing.
- Failure to submit Form SB-1 to designating body before project begins.
- Failure to designate ERA zone before project begins.



Waiver of Noncompliance

- IC 6-1.1-12.1-11.3 covers:
- Failure to make the required findings of fact before designating the area
- Failure to file a timely application
- Failure to file a complete application
- It does not give the designating body the authority to grant abatements on assets that don't qualify.



Frequently Asked Question

Question:

If the taxpayer fails to claim an abatement for the first three years of the ten year abatement cycle, could we begin the first year of the abatement cycle in the equipment's fourth year?



Frequently Asked Question

Answer:

No, the tax abatement cycle begins when the equipment is installed and ready for use. In this example, the taxpayer can claim the abatement in the fourth year of the ten year cycle or request a waiver of non-compliance from the designating body for the past unclaimed deductions.



Frequently Asked Question

Question:

But won't granting a waiver of non-compliance on unclaimed deductions create shortfalls?

Answer:

Yes, most likely shortfalls in the budget could be created so the designating body should consider the facts and their options before making a decision.



An Unclaimed Deduction, Waivers, & Amended Returns

- When a taxpayer fails to claim the abatement deduction on his timely filed return, he may request a Waiver of Non-Compliance hearing after he receives his tax bill.
- To grant the waiver could mean a shortfall to the local units of government; however, the designating body may feel that the taxpayer deserves the deduction.



Local Control

- There are many scenarios when it comes to dealing with tax abatement issues.
- The facts for each situation will need to be reviewed and discussed by the designating body who have the option of getting legal advice from their attorney.
- Tax abatements are given locally and local control prevails when resolving these issues.



Real Property Abatements

- While this presentation focused on personal property abatements, a great deal of the process discussed applies to real property abatements as well.
- The designating body will establish an ERA.
- The Form SB-1/Real Property, a resolution, & Form CF-1/Real Property will need to be completed.
- A deduction application will have to be filed in order to receive the deduction (Form 322/RE).



Real Property Abatements

- The main differences between the real property abatement process and the personal property process are:
 - Self Assessment (PP) versus the Assessor generating the assessed value that the Auditor applies the deduction to (RP).
 - Annual filing for the deduction by the taxpayer (PP) versus a single filing for the improvements for that assessment date (Real Property).



Real Property Abatements

- The annual recalculation of the deduction is done by the taxpayer for personal property while the Assessor & the Auditor work together to calculate the deduction for real property. This can become quite complex with layers of abatements (multi-year projects built in phases) combined with annual adjustments and general reassessments.



Understanding The Tax Abatement Process

Questions??



Enterprise Zone Deductions

John Toumey – Assessor Auditor 1

Joe Lukomski – Assessor Auditor 1

Assessment Division

January 2012



Indiana Code 6-1.1-45

- IC 6-1.1-45-2 Base year assessed value
- IC 6-1.1-45-7 Qualified investment
- IC 6-1.1-45-9 Deduction; amount
- IC 6-1.1-45-10 Extension to File
- IC 6-1.1-45-11 Eligibility; appeals
- IC 6-1.1-45-12 Deduction limitation



Indiana Code 6-1.1-45-7

IC 6-1.1-45-7 Qualified investment includes:
The purchase of a building; the purchase of new manufacturing or production equipment; costs associated with the repair, rehabilitation, or modernization of an existing building & related improvement; onsite infrastructure improvements; the construction of a new building; and the costs associated with retooling existing machinery.



Indiana Code 6-1.1-45-2

IC 6-1.1-45-2 Base year assessed value

Sec. 2 The base year assessed value equals the total assessed value of the real property and personal property assessed at an EZ location on the assessment date in the calendar year immediately preceding the calendar year in which the taxpayer makes a qualified investment.



Calculation of the Deduction

- The amount of the deduction is equal to the remainder of:
 - (1) the total amount of the assessed value of the taxpayer's enterprise zone property assessed at the enterprise zone location on a particular assessment date; minus
 - (2) The total amount of the base year of the assessed value for the enterprise zone location.
- IC 6-1.1-45-9



Review Process by County Auditor

- County Auditor determines eligibility of each applicant
- Applicant must be notified of the determination by August 15th of the assessment year
- IC 6-1.1-45-11(a)



Taxpayer's Appeal Rights

- If the applicant is in disagreement of the County Auditor's determination, a complaint must be filed within forty-five (45 days) of the notification in the office of the clerk of the circuit or superior court.
- IC 6-1.1-45-11(b)



Waiver to Correct Problems

- An urban enterprise association may by resolution waive failure to file a timely or complete deduction application.
- Before adopting a waiver, the association shall conduct a public hearing on the waiver.
- IC 6-1.1-45-10(d)



Review of Timetable

- The Enterprise Zone Investment Deduction Application (Form EZ-2) must be filed with the County Auditor between March 1st and May 15th.
- The County Auditor must notify the applicant of their determination by August 15th of the assessment year.
- If the applicant is in disagreement of the County Auditor's determination, a complaint must be filed within forty-five (45 days) of the notification in the office of the clerk of the circuit or superior court.



Filing Form EZ-2

- If the personal property form includes an enterprise zone deduction claim, a copy of the current assessment year Business Tangible Personal Property Assessment Return (Form 102 or 103) must be attached.
- The form and a personal property tax return are confidential pursuant to IC 6-1.1-35-9.
- Required to be filed each year a deduction is claimed even if no new equipment is acquired in that assessment year.



Frequently Asked Questions

Does the deduction change after it is determined in its first year?



Frequently Asked Questions

Answer:

- IC 6-1.1-45-9(a) states that the deduction is the remainder of the assessed value in the deduction's first year minus the base year assessed value.
- The only time that the deduction would change is if the qualifying asset is removed from the Enterprise Zone.
- If the qualifying asset is no longer being assessed, there would be no asset to apply the deduction to.



Frequently Asked Questions

What is the base year value?

- For personal property, it is the prior year total depreciable property assessed value.



Frequently Asked Questions

What if the business disposes of the equipment or property, or demolishes the building before the end of the ten (10) year deduction schedule?

- That portion of the deduction claimed by the taxpayer would not be eligible.



Frequently Asked Questions

What are some reasons why the Enterprise Zone Deduction may be denied partially or in total?

- Application may not have been timely filed
- Business is not located within the established enterprise zone boundary
- Qualifying investment has been removed

Enterprise Zone Investment Deduction



Questions??



Contact Us

- John Toumey
 - Telephone: 317-650-6849
 - E-mail: jtoumey@dlgf.in.gov
 - Web site: www.in.gov/dlgf
 - “Contact Us” <http://www.in.gov/dlgf/2338.htm>



Contact Us

- Joe Lukomski
 - Telephone: 317-519-1812
 - E-mail: jlukomski@dlgf.in.gov
 - Web site: www.in.gov/dlgf
 - “Contact Us” <http://www.in.gov/dlgf/2338.htm>



SCHEDULE OF DEDUCTION FROM ASSESSED VALUATION PERSONAL PROPERTY IN ECONOMIC REVITALIZATION AREA

State Form 52503 (R7 / 12-10)
Prescribed by the Department of Local Government Finance

MARCH 1, 2011

FORM 103-ERA

PRIVACY NOTICE: The records in this series are confidential according to I. C. 6-1.1-35-9.

INSTRUCTIONS:

1. In order to receive a deduction, this schedule must be submitted with a timely filed Form 103-Long.
2. A separate schedule must be completed and attached to Form 103-Long for each approved Form SB-1/PP for that abatement.
3. Attach a copy of the applicable Form CF-1 to this schedule. First-time filings must also include the SB-1 and the Resolution from the designating body.
4. For any acquisitions included herein since the last assessment date, attach a list of the newly included equipment on Form 103-EL.

SECTION 1 TAXPAYER INFORMATION										
Name of taxpayer					Name of contact person					
Full address (number and street, city, state and ZIP code)					E-mail address of contact person			Telephone number ()		
County		Township			Taxing District			Fax number ()		
SECTION 2 ECONOMIC REVITALIZATION AREA INFORMATION										
Name of body designating the Economic Revitalization Area					Resolution number			Length of abatement (years)		
Date designation approved (month, day, year)			Date designation will terminate (month, day, year)			Does resolution limit dollar amount of deduction? <input type="checkbox"/> Yes, and limit is based on equipment <input type="checkbox"/> No <input type="checkbox"/> Cost or <input type="checkbox"/> Assessed value				
SECTION 3 ABATED EQUIPMENT POOLING SCHEDULE										
The total cost of depreciable assets is to be reported on Form 103-Long. This schedule includes only the values attributable to the new manufacturing, research and development, logistical distribution, and/or information technology equipment under abatement per the resolution and IC 6-1.1-12.1. Election to report cost of Depreciable Assets by federal tax year*** <input type="checkbox"/> Yes <input type="checkbox"/> No										
The Minimum Value Ratio applies if Line 57 is greater than Line 56D on page 2 of the Form 103-Long [IC 6-1.1-12.1-4.5(h)]			Box 1 - Enter amount shown on Line 57 of Form 103-Long		Box 2 - Enter amount shown on Line 56D of Form 103-Long		Box 3 - Divide Box 1 by Box 2 (carry ratio 5 decimal places)			
POOL NUMBER 1 (1 TO 4 YEAR LIFE)										
13	From	to	3-1-11***	103 Schedule A, Column C, Adjusted Cost	TTV%	True Tax Value	Minimum Value Ratio (if applicable)	Abatement		Deduction Claimed
								Year	Percent	
				\$	65%	\$		1	%	\$
14	3-2-10	to	3-1-11		65%			1		
15	3-2-09	to	3-1-10		50%			2		
16	3-2-08	to	3-1-09		35%			3		
17A	3-2-07	to	3-1-08		20%			4		
17B	3-2-06	to	3-1-07		20%			5		
17C	3-2-05	to	3-1-06		20%			6		
17D	3-2-04	to	3-1-05		20%			7		
17E	3-2-03	to	3-1-04		20%			8		
17F	3-2-02	to	3-1-03		20%			9		
17G	3-2-01	to	3-1-02		20%			10		
18	TOTAL POOL NUMBER 1			\$	--	\$	--	--	--	\$
POOL NUMBER 2 (5 TO 8 YEAR LIFE)										
19	From	to	3-1-11***	103 Schedule A, Column C, Adjusted Cost	TTV%	True Tax Value	Minimum Value Ratio (if applicable)	Abatement		Deduction Claimed
								Year	Percent	
				\$	40%	\$		1	%	\$
20	3-2-10	to	3-1-11		40%			1		
21	3-2-09	to	3-1-10		56%			2		
22	3-2-08	to	3-1-09		42%			3		
23	3-2-07	to	3-1-08		32%			4		
24	3-2-06	to	3-1-07		24%			5		
25	3-2-05	to	3-1-06		18%			6		
26A	3-2-04	to	3-1-05		15%			7		
26B	3-2-03	to	3-1-04		15%			8		
26C	3-2-02	to	3-1-03		15%			9		
26D	3-2-01	to	3-1-02		15%			10		
27	TOTAL POOL NUMBER 2			\$	--	\$	--	--	--	\$
SUB-TOTAL - POOLS 1 AND 2 (Total Lines 18 and 27. Enter to the right and on Page 2.)										\$

**SECTION 3 (continued) ABATED EQUIPMENT POOLING SCHEDULE
POOL NUMBER 3 (9 TO 12 YEAR LIFE)**

	From	to	103 Schedule A, Column C, Adjusted Cost	TTV%	True Tax Value	Minimum Value Ratio (if applicable)	Abatement		Deduction Claimed
							Year	Percent	
28		3-1-11***	\$	40%	\$		1	%	\$
29	3-2-10	3-1-11		40%			1		
30	3-2-09	3-1-10		60%			2		
31	3-2-08	3-1-09		55%			3		
32	3-2-07	3-1-08		45%			4		
33	3-2-06	3-1-07		37%			5		
34	3-2-05	3-1-06		30%			6		
35	3-2-04	3-1-05		25%			7		
36	3-2-03	3-1-04		20%			8		
37	3-2-02	3-1-03		16%			9		
38	3-2-01	3-1-02		12%			10		
40	TOTAL POOL NUMBER 3		\$	--	\$	--	--	--	\$

POOL NUMBER 4 (13 YEAR AND LONGER LIVES)

	From	to	103 Schedule A, Column C, Adjusted Cost	TTV%	True Tax Value	Minimum Value Ratio (if applicable)	Abatement		Deduction Claimed
							Year	Percent	
41		3-1-11***	\$	40%	\$		1	%	\$
42	3-2-10	3-1-11		40%			1		
43	3-2-09	3-1-10		60%			2		
44	3-2-08	3-1-09		63%			3		
45	3-2-07	3-1-08		54%			4		
46	3-2-06	3-1-07		46%			5		
47	3-2-05	3-1-06		40%			6		
48	3-2-04	3-1-05		34%			7		
49	3-2-03	3-1-04		29%			8		
50	3-2-02	3-1-03		25%			9		
51	3-2-01	3-1-02		21%			10		
55	TOTAL POOL NUMBER 4		\$	--	\$	--	--	--	\$

SUB-TOTAL - POOLS 3 AND 4 (Total Lines 40 and 55. Enter to the right and below.)	\$
---	----

SPECIAL TOOLING

	From	to	Round all figures to the nearest \$1. Report only the cost of abated special tools, dies, jigs, etc. (50 IAC 4.2-6-2)	True Tax Value (Included on Form 103-T)		Abatement		Deduction Claimed	
						Year	Percent		
S1		3-1-11***	\$	30%			1	%	\$
S2	3-2-10	3-1-11		30%			1		
S3	3-2-09	3-1-10		3%			2		
S4	3-2-08	3-1-09		3%			3		
S5	3-2-07	3-1-08		3%			4		
S6	3-2-06	3-1-07		3%			5		
S7	3-2-05	3-1-06		3%			6		
S8	3-2-04	3-1-05		3%			7		
S9	3-2-03	3-1-04		3%			8		
S10	3-2-02	3-1-03		3%			9		
S11	3-2-01	3-1-02		3%			10		
S12	TOTAL SPECIAL TOOLING		\$	--		--	--	--	\$

SUB-TOTAL POOLS 1 AND 2 (from Page 1)		\$
SUB-TOTAL POOLS 3 AND 4 (from above)		
SUB-TOTAL SPECIAL TOOLING (from above - Line S12)		
TOTAL ALL POOLS AND SPECIAL TOOLING		\$
LIMIT ON AMOUNT OF ABATEMENT STATED IN RESOLUTION	Cost	AV
AMOUNT OF DEDUCTION CLAIMED - Lesser of resolution limit on abatement or total all pools. (Carry deduction forward to the Summary Section on Page 1 of the Form 103-Long.)	\$	\$

Obsolescence claimed on Form 106? Yes No
NOTE: If obsolescence is claimed on depreciable assets, the applicable adjustment must be taken on the Abatement Deduction being claimed. Show calculations on Form 106.
 Line numbers on this form match the line numbers on the Form 103-Long. Lines were added to Pools 1 & 2 and deleted from Pools 3 & 4 to reflect the ten (10) year abatement limitation.
 *** If taxpayer elects to report cost on a federal tax year basis, assets acquired from the end of the prior federal tax year to March 1 are reported on the first line.



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R / 1-06)

Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

- INSTRUCTIONS:**
1. Property owners whose Statement of Benefits was approved must file this form with the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
 2. This form must be filed with the Form 103-ERA Schedule of Deduction from Assessed Value between March 1, and May 15, of each year, unless a filing extension under IC 6-1.1-3.7 has been granted. A person who obtains a filing extension must file between March 1, and the extended due date of each year.
 3. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance (CF-1).

SECTION 1 TAXPAYER INFORMATION								
Name of taxpayer								
Address of taxpayer (number and street, city, state, and ZIP code)								
Name of contact person						Telephone number ()		
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY								
Name of designating body						Resolution number		
Location of property				County		DLGF taxing district number		
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.						Estimated starting date (month, day, year)		
						Estimated completion date (month, day, year)		
SECTION 3 EMPLOYEES AND SALARIES								
EMPLOYEES AND SALARIES						AS ESTIMATED ON SB-1		ACTUAL
Current number of employees								
Salaries								
Number of employees retained								
Salaries								
Number of additional employees								
Salaries								
SECTION 4 COST AND VALUES								
AS ESTIMATED ON SB-1	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project								
Less: Values of any property being replaced								
Net values upon completion of project								
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project								
Less: Values of any property being replaced								
Net values upon completion of project								
NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6 (d).								
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER								
WASTE CONVERTED AND OTHER BENEFITS						AS ESTIMATED ON SB-1		ACTUAL
Amount of solid waste converted								
Amount of hazardous waste converted								
Other benefits:								
SECTION 6 TAXPAYER CERTIFICATION								
I hereby certify that the representations in this statement are true.								
Signature of authorized representative				Title			Date signed (month, day, year)	

**OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)
THAT WAS APPROVED AFTER JUNE 30, 1991.**

INSTRUCTIONS: (IC 6-1.1-12-5.9)

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits.
3. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. If a notice is mailed to a property owner, a copy of the written notice will be sent to the Township Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the Township Assessor.

We have reviewed the CF-1 and find that:

- the property owner **IS** in substantial compliance
- the property owner **IS NOT** in substantial compliance
- other (specify) _____

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance.

Time of hearing

- AM
 PM

Date of hearing (month, day, year)

Location of hearing

HEARING RESULTS (to be completed after the hearing)

Approved

Denied (see instruction 5 above)

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]

A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.



ENTERPRISE ZONE INVESTMENT DEDUCTION APPLICATION

State Form 52501 (R4 / 12-10)

Prescribed by the Department of Local Government Finance

**FORM
EZ-2**

PRIVACY NOTICE: The records in this series are confidential according to I. C. 6-1.1-35-9.

INSTRUCTIONS:

1. This form is to be filed with the auditor of the county in which property is located on the assessment date [IC 6-1.1-45-10(a)].
2. This form is to be filed between March 1, and May 15, of the assessment year to obtain the deduction.
3. The county auditor may grant not more than a thirty (30) day extension if a written application is given before May 15th [IC 6-1.1-45-10(c)].
4. This form may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing [IC 6-1.1-45-10(a)].
5. If this form includes a deduction claim for personal property, a copy of the current assessment year Business Tangible Personal Property Assessment return (Form 102 or 103) must be attached.
6. County auditor must notify the applicant of the above determination before August 15, of the assessment year.
7. If the applicant is in disagreement with county auditor's determination, the applicant may appeal for a review of the determination by filing a complaint in the office of the clerk of the circuit or superior court not later than forty-five (45) days after the county auditor gives the applicant notice of the determination.

PROPERTY DESCRIPTION			
Name of taxpayer		Federal identification number	
Address of taxpayer (number and street, city, state, and ZIP code)			
Address of property (number and street, city, state, and ZIP code)			
DLGF Taxing District number	Township	County	Date of assessment March 1, 20_____

SCHEDULE A - To be completed for the current assessment year if a qualified investment occurred.					
1	2	3	4	5	6
PROPERTY CLASS	TYPE OF QUALIFIED INVESTMENT	BASE YEAR	BASE YEAR ASSESSED VALUE	FIRST YEAR ASSESSED VALUE	AMOUNT OF DEDUCTION ² (Column 5 - Column 4)
Real property	Purchase of an existing building ¹				
Real property	Construction of a new building ¹				
Real property	Repair/rehabilitation/modernization of existing building ¹				
Real property	Onsite infrastructure improvement ¹				
Personal property	Purchase of new manufacturing or production equipment				
Personal property	Retooling of existing machinery				
CURRENT YEAR DEDUCTION ² =					

¹ To be determined by the assessor.

² This deduction amount will stay the same for a ten (10) year period [IC 6-1.1-45-9(a)].

SCHEDULE B - To be completed each year a deduction is claimed.			
	ASSESSMENT YEAR	AMOUNT OF DEDUCTION (from Schedule A)	SOURCE
Year 1			Schedule A from this form
Year 2			Schedule A from one (1) year ago
Year 3			Schedule A from two (2) years ago
Year 4			Schedule A from three (3) years ago
Year 5			Schedule A from four (4) years ago
Year 6			Schedule A from five (5) years ago
Year 7			Schedule A from six (6) years ago
Year 8			Schedule A from seven (7) years ago
Year 9			Schedule A from eight (8) years ago
Year 10			Schedule A from nine (9) years ago
TOTAL DEDUCTION CLAIMED =			

CERTIFICATION STATEMENT		
I hereby certify that the above named taxpayer is liable for property taxes at the above listed location on the indicated assessment date. I also certify that: (1) on the indicated assessment date, the property was in an enterprise zone designated by the Enterprise Zone Board and (2) the property is entitled to an investment deduction pursuant to IC 6-1.1-45.		
Authorized signature of owner or representative		Date signed (month, day, year)
Printed name of signatory	Title	Telephone number ()
Full mailing address of owner or representative (number and street, city, state, and ZIP code)		

DO NOT WRITE HERE – FOR USE BY COUNTY AUDITOR ONLY

I, Auditor of the county named below, hereby certify that this claim for deduction was filed with this office on the date noted below, and having been referred this application, do hereby make the following determination:

Signature of County Auditor	County	Date filed (month, day, year)
Approved amount of assessed value deduction for March 1, 20_____, payable in 20_____:		Amount

IF DEDUCTION WAS DENIED PARTIALLY OR IN TOTAL, AUDITOR MUST COMPLETE THIS SECTION

1. If approved amount is different than amount claimed on Schedule B on the front of this form, explain.

2. This claim is being denied in total due to one of the following reasons:

- Application was not timely filed in accordance with instruction 2 above.
- Business is not located within established enterprise zone boundary.
- Other (explain) _____

The following are sections of the statutes that are frequently referred to. To view the complete section of the statutes concerning the Enterprise Zone Investment Deduction, go to Indiana Code 6-1.1-45.

IC 6-1.1-45-2 “Base year assessed value”

“Base year assessed value” equals the total assessed value of the real and personal property assessed at an enterprise zone location on the assessment date in the calendar year immediately preceding the calendar year in which a taxpayer makes a qualified investment with respect to the enterprise zone location.

IC 6-1.1-45-9 (a) Eligibility for deduction; amount;

A taxpayer that makes a qualified investment is entitled to a deduction from the assessed value of the taxpayer’s enterprise zone property located at the enterprise zone location for which the taxpayer made the qualified investment. The amount of the deduction is equal to the remainder of:

1. the total amount of the assessed value of the taxpayer’s enterprise zone property assessed at the enterprise zone location on a particular assessment date; minus
2. the total amount of the base year assessed value for the enterprise zone location.

IC 6-1.1-45-10 (c) Extension

The county auditor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer’s application if:

1. the taxpayer submits a written application for an extension before May 15 of the assessment year; and
2. the taxpayer is prevented from filing a timely application because of sickness, absence from the county, or any other good and sufficient reason.

IC 6-1.1-45-10 (d) Waiver

An urban enterprise association created under IC 5-28-15-13 may by resolution waive failure to file a: (1) timely; or (2) complete; deduction application under this section. Before adopting a waiver under this section, the urban enterprise association shall conduct a public hearing on the waiver.

IC 6-1.1-45-11 (b) Appeals

A person may appeal the determination of the county auditor by filing a complaint in the office of the clerk of the circuit or superior court not later than forty-five (45) days after the county auditor gives the person notice of the determination.



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R / 1-06)
Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE
The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer	
Address of taxpayer (number and street, city, state, and ZIP code)	
Name of contact person	Telephone number ()

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body		Resolution number (s)		
Location of property	County	DLGF taxing district number		
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (use additional sheets if necessary)		ESTIMATED		
			START DATE	COMPLETION DATE
		Manufacturing Equipment		
		R & D Equipment		
		Logist Dist Equipment		
	IT Equipment			

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
----------------	----------	-----------------	----------	-------------------	----------

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values								
Plus estimated values of proposed project								
Less values of any property being replaced								
Net estimated values upon completion of project								

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) _____	Estimated hazardous waste converted (pounds) _____
Other benefits:	

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative	Title	Date signed (month, day, year)
--	-------	--------------------------------

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed _____ calendar years * (*see below*). The date this designation expires is _____.

- B. The type of deduction that is allowed in the designated area is limited to:
- 1. Installation of new manufacturing equipment; Yes No
 - 2. Installation of new research and development equipment; Yes No
 - 3. Installation of new logistical distribution equipment. Yes No
 - 4. Installation of new information technology equipment; Yes No

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

G. Other limitations or conditions (*specify*) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction on or after July 1, 2000, is allowed for:

- | | | |
|-------------------------------------|--------------------------------------|--|
| <input type="checkbox"/> 1 year | <input type="checkbox"/> 6 years | ** For ERA's established prior to July 1, 2000, <u>only</u> a 5 or 10 year schedule may be deducted. |
| <input type="checkbox"/> 2 years | <input type="checkbox"/> 7 years | |
| <input type="checkbox"/> 3 years | <input type="checkbox"/> 8 years | |
| <input type="checkbox"/> 4 years | <input type="checkbox"/> 9 years | |
| <input type="checkbox"/> 5 years ** | <input type="checkbox"/> 10 years ** | |

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (<i>signature and title of authorized member</i>)	Telephone number ()	Date signed (<i>month, day, year</i>)
Attested by:	Designated body	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5