

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1001(ss) be recommitted to a Committee of One, its sponsor, with specific instructions to amend as follows:

- 1           Replace the effective date in SECTION 108 with "[EFFECTIVE
- 2           JANUARY 1, 2003]".
- 3           Replace the effective dates in SECTIONS 152 through 154 with
- 4           "[EFFECTIVE JANUARY 1, 2003]".
- 5           Replace the effective dates in SECTIONS 207 through 208 with
- 6           "[EFFECTIVE AUGUST 1, 2002]".
- 7           Page 86, between lines 16 and 17, begin a new paragraph and insert:
- 8           "SECTION 102. IC 6-1.1-10-29, AS AMENDED BY P.L.90-2002,
- 9           SECTION 100, IS AMENDED TO READ AS FOLLOWS
- 10          [EFFECTIVE JANUARY 1, 2003]: Sec. 29. (a) As used in this section,
- 11          "manufacturer" or "processor" means a person that performs an
- 12          operation or continuous series of operations on raw materials, goods,
- 13          or other personal property to alter the raw materials, goods, or other
- 14          personal property into a new or changed state or form. The operation
- 15          may be performed by hand, machinery, or a chemical process directed
- 16          or controlled by an individual. The terms include a person that:
- 17               (1) dries or prepares grain for storage or delivery; or
- 18               (2) publishes books or other printed materials.
- 19          (b) Personal property owned by a manufacturer or processor is
- 20          exempt from property taxation if the owner is able to show by adequate
- 21          records that the property:

1 (1) is stored and remains in its original package in an in-state  
 2 warehouse for the purpose of shipment; without further  
 3 processing; **will be used in an operation or a continuous series**  
 4 **of operations to alter the personal property into a new or**  
 5 **changed state or form and the resulting personal property will**  
 6 **be shipped, or will be incorporated into personal property**  
 7 **that will be shipped,** to an out-of-state destination; or

8 (2) consists of books or other printed materials that are stored at  
 9 an in-state commercial printer's facility for the purpose of  
 10 shipment, without further processing, to an out-of-state  
 11 destination.

12 (c) Personal property that is manufactured in Indiana and that would  
 13 be exempt under subsection (b); except that it is not stored in its  
 14 original package; is exempt from property taxation if the owner can  
 15 establish in accordance with exempt inventory procedures, regulations;  
 16 and rules of the department of local government finance that:

17 (1) the property is ready for shipment without additional  
 18 manufacturing or processing; except for packaging; and

19 (2) either:

20 (A) the property will be damaged or have its value impaired if  
 21 it is stored in its original package; or

22 (B) the final packaging of finished inventory items is not  
 23 practical until receipt of a final customer order because  
 24 fulfillment of the customer order requires the accumulation of  
 25 a number of distinct finished inventory items into a single  
 26 shipping package.

27 **A person may use an allocation percentage to claim an exemption**  
 28 **under subdivision (1) for a part of the person's personal property**  
 29 **if a person's business records substantiate that the allocation**  
 30 **percentage accurately reflects the part of the personal property**  
 31 **that will be altered into a new or changed state or form and then**  
 32 **will be shipped, or will be incorporated into personal property that**  
 33 **will be shipped, to an out-of-state destination. The percentage may**  
 34 **include personal property that is sold to another processor or**  
 35 **manufacturer if the personal property is incorporated into the**  
 36 **personal property of the buyer and that personal property is**  
 37 **shipped out of state.**

38 ~~(d)~~ (c) A manufacturer or processor that possesses personal property  
 39 owned by another person may claim an exemption under subsection (b)  
 40 or ~~(c)~~ if:

41 (1) the manufacturer or processor includes the property on the  
 42 manufacturer's or processor's personal property tax return; and

43 (2) the manufacturer or processor is able to show that the owner  
 44 of the personal property would otherwise have qualified for an  
 45 exemption under subsection (b). ~~or (c):~~.

46 Page 150, line 26, strike "liability".

- 1 Page 157, line 12, delete "or agricultural".
- 2 Page 157, line 13, after "equipment" insert ", **scientific machinery,**
- 3 **tools, or equipment, or agricultural machinery, tools, or**
- 4 **equipment**".
- 5 Page 157, line 20, after ";" insert "**and**".
- 6 Page 157, delete lines 21 through 26.
- 7 Page 157, line 27, delete "(5)" and insert "**(4)**".
- 8 Page 177, delete lines 14 through 42.
- 9 Page 178, delete lines 1 through 3.
- 10 Page 204, line 21, delete "To" and insert "**to**".
- 11 Page 207, line 9, delete "Of" and insert "**of**".
- 12 Page 207, line 9, delete "For" and insert "**for**".
- 13 Page 209, line 16, after "1." insert "**(a)**".
- 14 Page 210, line 24, delete "addition" and insert "**addiction**".
- 15 Page 218, line 14, strike "\$400)".
- 16 Page 220, block left line 29.
- 17 Page 228, single block indent line 40.
- 18 Page 241, line 34, delete "respective towns" and insert "**county**".
- 19 Page 262, line 2, strike "total".
- 20 Page 295, line 19, delete ";" and insert ",".
- 21 Page 300, line 38, delete "1499.)". and insert "**1499)**".
- 22 Page 303, line 9, delete "2003." and insert "**2002.**".
- 23 Page 303, line 12, delete "2004." and insert "**2003.**".
- 24 Page 308, line 9, before "for the " delete ",".
- 25 Page 318, line 23, after "bureau" insert ",".
- 26 Renumber all SECTIONS consecutively.  
(Reference is to HB 1001(ss) as reprinted June 6, 2002.)

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Representative Bauer

\*M0100185\*

Adopted

Rejected

## COMMITTEE REPORT

MR. SPEAKER:

Your Committee of One, to which was referred House Bill 1001(ss), begs leave to report that said bill has been amended as directed.

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Representative Bauer