

SENATE BILL No. 256

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-10-29.

Synopsis: Property tax exemptions. Provides that the property tax exemption for certain property that is stored in Indiana for shipment to an out of state destination and is in its original package also applies to property that is not stored in its original package if packaging is not practical until receipt of a final customer order.

Effective: July 1, 1998.

Meeks

January 7, 1998, read first time and referred to Committee on Finance.

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Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

SENATE BILL No. 256



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 6-1.1-10-29, AS AMENDED BY P.L.46-1996,
- 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 1998]: Sec. 29. (a) As used in this section, "manufacturer" or
- 4 "processor" means a person that performs an operation or continuous
- 5 series of operations on raw materials, goods, or other personal property
- 6 to alter the raw materials, goods, or other personal property into a new
- 7 or changed state or form. The operation may be performed by hand,
- 8 machinery, or a chemical process directed or controlled by an
- 9 individual. The terms include a person that:
- 10 (1) dries or prepares grain for storage or delivery; or
- 11 (2) publishes books or other printed materials.
- 12 (b) Personal property owned by a manufacturer or processor is
- 13 exempt from property taxation if the owner is able to show by adequate
- 14 records that the property:
- 15 (1) is stored and remains in its original package in an in-state
- 16 warehouse for the purpose of shipment, without further
- 17 processing, to an out-of-state destination; or



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

5 (c) Personal property that is manufactured in Indiana and that would
6 be exempt under subsection (b), except that it is not stored in its
7 original package, is exempt from property taxation if the owner can
8 establish in accordance with exempt inventory procedures, regulations,
9 and rules of the state board of tax commissioners that:

10 (1) the property ~~(1)~~ is ready for shipment without additional
11 manufacturing or processing, except for packaging; and

12 (2) **either:**

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

15 (B) **the final packaging of finished inventory items is not**
16 **practical until receipt of a final customer order because**
17 **fulfillment of the customer order requires the**
18 **accumulation of a number of distinct finished inventory**
19 **items into a single shipping package.**

20 SECTION 2. [EFFECTIVE JULY 1, 1998] IC 6-1.1-10-29, as
21 amended by this act, applies to property taxes first due and
22 payable after December 31, 1998.

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