

# HOUSE BILL No. 1388

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## 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, 1999.

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**Sturtz, Frenz**

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January 12, 1999, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

## HOUSE BILL No. 1388

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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 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 29. (a) As used in this  
3 section, "manufacturer" or "processor" means a person that performs  
4 an operation or continuous series of operations on raw materials, goods,  
5 or other personal property to alter the raw materials, goods, or other  
6 personal property into a new or changed state or form. The operation  
7 may be performed by hand, machinery, or a chemical process directed  
8 or controlled by an individual. The terms include a person that:  
9 (1) dries or prepares grain for storage or delivery; or  
10 (2) publishes books or other printed materials.  
11 (b) Personal property owned by a manufacturer or processor is  
12 exempt from property taxation if the owner is able to show by adequate  
13 records that the property:  
14 (1) is stored and remains in its original package in an in-state  
15 warehouse for the purpose of shipment, without further  
16 processing, to an out-of-state destination; or  
17 (2) consists of books or other printed materials that are stored at



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1 an in-state commercial printer's facility for the purpose of  
2 shipment, without further processing, to an out-of-state  
3 destination.

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

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

11 (2) **either:**

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

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

19 SECTION 2. [EFFECTIVE JULY 1, 1999] **IC 6-1.1-10-29, as**  
20 **amended by this act, applies to property taxes first due and**  
21 **payable after December 31, 1999.**

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