



Reprinted
February 8, 2000

HOUSE BILL No. 1386

DIGEST OF HB 1386 (Updated February 7, 2000 4:14 PM - DI 58)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Property tax exemption. Provides a property tax exemption in Tippecanoe County for raw materials and parts that are to be incorporated into completed goods that will be shipped out of state. Phases in the exemption over ten years.

Effective: July 1, 2000; January 1, 2001.

Klinker, Buell, Frenz, Scholer

January 11, 2000, read first time and referred to Committee on Ways and Means.
January 27, 2000, amended, reported — Do Pass.
February 1, 2000, read second time, ordered engrossed.
February 2, 2000, engrossed.
February 7, 2000, read third time, recommitted to Committee of One, amended; passed.
Yeas 86, nays 12.

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HB 1386—LS 7206/DI 58+



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Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

HOUSE BILL No. 1386

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 6-1.1-10-29.1 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JANUARY 1, 2001]: **Sec. 29.1. (a) This section applies**
4 **only in a county having a population of more than one hundred**
5 **twenty-nine thousand (129,000) but less than one hundred thirty**
6 **thousand six hundred (130,600).**

7 (b) As used in this section, "manufacturer" or "processor"
8 means a person that performs an operation or continuous series of
9 operations on raw materials, goods, or other personal property to
10 alter the raw materials, goods, or other personal property into a
11 new or changed state or form. The operation may be performed by
12 hand, machinery, or a chemical process directed or controlled by
13 an individual.

14 (c) Personal property owned by a manufacturer or processor is
15 exempt from property taxation if the owner is able to show by
16 adequate records that the personal property:

17 (1) is not exempt under any other law; and

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1 (2) will be used in an operation or a continuous series of
 2 operations to alter the personal property into a new or
 3 changed state or form and the resulting personal property will
 4 be shipped, or will be incorporated into personal property
 5 that will be shipped, to an out-of-state destination.

6 (d) The amount of the exemption under this section is equal to
 7 the product of:

8 (1) the appropriate percentage specified in subsection (e);
 9 multiplied by

10 (2) the assessed value of personal property covered by this
 11 section.

12 (d) The percentage described in subsection (d)(1) is determined
 13 by the calendar year that the personal property return is filed and
 14 is set forth in the following table:

15 CALENDAR YEAR	PERCENTAGE
16 2001	10%
17 2002	20%
18 2003	30%
19 2004	40%
20 2005	50%
21 2006	60%
22 2007	70%
23 2008	80%
24 2009	90%
25 2010 and thereafter	100%

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

37 (g) A manufacturer or processor that possesses personal
 38 property owned by another person may claim an exemption under
 39 this section if:

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



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1 **(2) the manufacturer or processor is able to show that the**
2 **owner of the personal property would otherwise have**
3 **qualified for an exemption under subsection (c).**

4 **SECTION 2. [EFFECTIVE JULY 1, 2000] IC 6-1.1-10-29.1, as**
5 **added by this act, applies to property taxes first due and payable**
6 **after December 31, 2001.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1386, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1386 as introduced.)

BAUER, Chair

Committee Vote: yeas 20, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1386 be recommitted to a Committee of One, its author, with specific instructions to amend as follows:

Page 1, line 1, delete "OT" and insert "TO".

Page 1, line 3 after "(a)" insert: "**This section applies only in a county having a population of more than one hundred twenty-nine thousand (129,000) but less than one hundred thirty thousand six hundred (130,600).**".

Page 1, line 3, before "As", begin a new paragraph and insert "**(b)**".

Page 1, line 11, delete "(b)" and insert "**(c)**".

Page 2, line 3, delete "(c)" and insert "**(d)**".

Page 2, line 5, delete "(d)" and insert "**(e)**".

Page 2, line 9, delete "(c)(1)" and insert "**(d)(1)**".

Page 2, line 23, delete "(e)" and insert "**(f)**".

Page 2, line 34, delete "(f)" and insert "**(g)**".

Page 2, line 42, delete "(b)." and insert "**(c)**".

(Reference is to HB 1386 as printed January 28, 2000.)

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COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred House Bill 1386, begs leave to report that said bill has been amended as directed.

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