



November 16, 1999

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## SENATE BILL No. 14

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DIGEST OF SB14 (Updated November 16, 1999 3:06 PM - DI 84)

**Citations Affected:** IC 6-1.1; IC 6-3.1.

**Synopsis:** Tax abatement; research and development. Provides that property tax abatement deductions may be granted for any number of years less than or equal to ten years. (Current law limits the abatement deduction to three, six, or ten years for real property and five or ten years for personal property.) Provides that certain research and development equipment is eligible for property tax abatement deductions. Allows the abatement deduction for research and development equipment only if the equipment is used 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. Provides that the research expense credit against gross income taxes, adjusted gross income taxes, and supplemental corporate net income taxes expires December 31, 2002 (instead of December 31, 1999).

**Effective:** December 30, 1999; July 1, 2000.

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**Skillman, Lubbers, Blade, Alting,  
Paul, Kenley**

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November 16, 1999, read first time and referred to Committee on Rules and Legislative Procedure.

November 16, 1999, amended, reported favorably — Do Pass.

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SB 14—LS 6269/DI 73+



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November 16, 1999

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.

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## SENATE BILL No. 14

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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 6-1.1-12.1-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. For purposes of this  
3 chapter:

4 (1) "Economic revitalization area" means an area which is within  
5 the corporate limits of a city, town, or county which has become  
6 undesirable for, or impossible of, normal development and  
7 occupancy because of a lack of development, cessation of growth,  
8 deterioration of improvements or character of occupancy, age,  
9 obsolescence, substandard buildings, or other factors which have  
10 impaired values or prevent a normal development of property or  
11 use of property. The term "economic revitalization area" also  
12 includes:

13 (A) any area where a facility or a group of facilities that are  
14 technologically, economically, or energy obsolete are located  
15 and where the obsolescence may lead to a decline in  
16 employment and tax revenues; and

17 (B) a residentially distressed area, except as otherwise

SB 14—LS 6269/DI 73+



- 1 provided in this chapter.
- 2 (2) "City" means any city in this state, and "town" means any town  
3 incorporated under IC 36-5-1.
- 4 (3) "New manufacturing equipment" means any tangible personal  
5 property which:
- 6 (A) was installed after February 28, 1983, and before January  
7 1, 2006, in an area that is declared an economic revitalization  
8 area after February 28, 1983, in which a deduction for tangible  
9 personal property is allowed; ~~or~~
- 10 (B) is used in the direct production, manufacture, fabrication,  
11 assembly, extraction, mining, processing, refining, or finishing  
12 of other tangible personal property, including but not limited  
13 to use to dispose of solid waste or hazardous waste by  
14 converting the solid waste or hazardous waste into energy or  
15 other useful products; and
- 16 (C) was acquired by its owner for use as described in clause  
17 (B) and was never before used by its owner for any purpose in  
18 Indiana.
- 19 However, notwithstanding any other law, the term includes  
20 tangible personal property that is used to dispose of solid waste or  
21 hazardous waste by converting the solid waste or hazardous waste  
22 into energy or other useful products and was installed after March  
23 1, 1993, and before March 2, 1996, even if the property was  
24 installed before the area where the property is located was  
25 designated as an economic revitalization area or the statement of  
26 benefits for the property was approved by the designating body.
- 27 (4) "Property" means a building or structure, but does not include  
28 land.
- 29 (5) "Redevelopment" means the construction of new structures in  
30 economic revitalization areas, either:
- 31 (A) on unimproved real estate; or  
32 (B) on real estate upon which a prior existing structure is  
33 demolished to allow for a new construction.
- 34 (6) "Rehabilitation" means the remodeling, repair, or betterment  
35 of property in any manner or any enlargement or extension of  
36 property.
- 37 (7) "Designating body" means the following:
- 38 (A) For a county that does not contain a consolidated city, the  
39 fiscal body of the county, city, or town.
- 40 (B) For a county containing a consolidated city, the  
41 metropolitan development commission.
- 42 (8) "Deduction application" means either:

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- 1 (A) the application filed in accordance with section 5 of this  
 2 chapter by a property owner who desires to obtain the  
 3 deduction provided by section 3 of this chapter; or  
 4 (B) the application filed in accordance with section 5.5 of this  
 5 chapter by a person who desires to obtain the deduction  
 6 provided by section 4.5 of this chapter.
- 7 (9) "Designation application" means an application that is filed  
 8 with a designating body to assist that body in making a  
 9 determination about whether a particular area should be  
 10 designated as an economic revitalization area.
- 11 (10) "Hazardous waste" has the meaning set forth in IC  
 12 13-11-2-99(a). The term includes waste determined to be a  
 13 hazardous waste under IC 13-22-2-3(b).
- 14 (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a).  
 15 However, the term does not include dead animals or any animal  
 16 solid or semisolid wastes.
- 17 **(12) "New research and development equipment" means**  
 18 **tangible personal property that:**
- 19 (A) is installed after June 30, 2000, and before January 1,  
 20 2006, in an economic revitalization area in which a  
 21 deduction for tangible personal property is allowed;
- 22 (B) consists of:
- 23 (i) laboratory equipment;
- 24 (ii) research and development equipment;
- 25 (iii) computers and computer software;
- 26 (iv) telecommunications equipment; or
- 27 (v) testing equipment;
- 28 (C) is used in research and development activities devoted  
 29 directly and exclusively to experimental or laboratory  
 30 research and development for new products, new uses of  
 31 existing products, or improving or testing existing  
 32 products; and
- 33 (D) is acquired by the property owner for purposes  
 34 described in this subdivision and was never before used by  
 35 the owner for any purpose in Indiana.
- 36 **The term does not include equipment installed in facilities**  
 37 **used for or in connection with efficiency surveys, management**  
 38 **studies, consumer surveys, economic surveys, advertising or**  
 39 **promotion, or research in connection with literacy, history, or**  
 40 **similar projects.**
- 41 SECTION 2. IC 6-1.1-12.1-2 IS AMENDED TO READ AS  
 42 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 2. (a) A designating



1 body may find that a particular area within its jurisdiction is an  
 2 economic revitalization area. However, the deduction provided by this  
 3 chapter for economic revitalization areas not within a city or town shall  
 4 not be available to retail businesses.

5 (b) In a county containing a consolidated city or within a city or  
 6 town, a designating body may find that a particular area within its  
 7 jurisdiction is a residentially distressed area. Designation of an area as  
 8 a residentially distressed area has the same effect as designating an  
 9 area as an economic revitalization area, except that the amount of the  
 10 deduction shall be calculated as specified in section 4.1 of this chapter  
 11 and the deduction is allowed for **not more than** five (5) years. In order  
 12 to declare a particular area a residentially distressed area, the  
 13 designating body must follow the same procedure that is required to  
 14 designate an area as an economic revitalization area and must make all  
 15 the following additional findings or all the additional findings  
 16 described in subsection (c):

17 (1) The area is comprised of parcels that are either unimproved or  
 18 contain only one (1) or two (2) family dwellings or multifamily  
 19 dwellings designed for up to four (4) families, including accessory  
 20 buildings for those dwellings.

21 (2) Any dwellings in the area are not permanently occupied and  
 22 are:

23 (A) the subject of an order issued under IC 36-7-9; or

24 (B) evidencing significant building deficiencies.

25 (3) Parcels of property in the area:

26 (A) have been sold and not redeemed under IC 6-1.1-24 and  
 27 IC 6-1.1-25; or

28 (B) are owned by a unit of local government.

29 However, in a city in a county having a population of more than two  
 30 hundred thousand (200,000) but less than three hundred thousand  
 31 (300,000), the designating body is only required to make one (1) of the  
 32 additional findings described in this subsection or one (1) of the  
 33 additional findings described in subsection (c).

34 (c) In a county containing a consolidated city or within a city or  
 35 town, a designating body that wishes to designate a particular area a  
 36 residentially distressed area may make the following additional  
 37 findings as an alternative to the additional findings described in  
 38 subsection (b):

39 (1) A significant number of dwelling units within the area are not  
 40 permanently occupied or a significant number of parcels in the  
 41 area are vacant land.

42 (2) A significant number of dwelling units within the area are:

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- 1 (A) the subject of an order issued under IC 36-7-9; or
- 2 (B) evidencing significant building deficiencies.
- 3 (3) The area has experienced a net loss in the number of dwelling
- 4 units, as documented by census information, local building and
- 5 demolition permits, or certificates of occupancy, or the area is
- 6 owned by Indiana or the United States.
- 7 (4) The area (plus any areas previously designated under this
- 8 subsection) will not exceed ten percent (10%) of the total area
- 9 within the designating body's jurisdiction.
- 10 However, in a city in a county having a population of more than two
- 11 hundred thousand (200,000) but less than three hundred thousand
- 12 (300,000), the designating body is only required to make one (1) of the
- 13 additional findings described in this subsection as an alternative to one
- 14 (1) of the additional findings described in subsection (b).
- 15 (d) A designating body is required to attach the following conditions
- 16 to the grant of a residentially distressed area designation:
- 17 (1) The deduction will not be allowed unless the dwelling is
- 18 rehabilitated to meet local code standards for habitability.
- 19 (2) If a designation application is filed, the designating body may
- 20 require that the redevelopment or rehabilitation be completed
- 21 within a reasonable period of time.
- 22 (e) To make a designation described in subsection (a) or (b), the
- 23 designating body shall use procedures prescribed in section 2.5 of this
- 24 chapter.
- 25 (f) The property tax deductions provided by sections 3 and 4.5 of
- 26 this chapter are only available for ~~property and new manufacturing~~
- 27 ~~equipment respectively~~, within an area which the designating body
- 28 finds to be an economic revitalization area.
- 29 (g) The designating body may adopt a resolution establishing
- 30 general standards to be used, along with the requirements set forth in
- 31 the definition of economic revitalization area, by the designating body
- 32 in finding an area to be an economic revitalization area. The standards
- 33 must have a reasonable relationship to the development objectives of
- 34 the area in which the designating body has jurisdiction. The following
- 35 three (3) sets of standards may be established:
- 36 (1) One (1) relative to the deduction under section 3 of this
- 37 chapter for economic revitalization areas that are not residentially
- 38 distressed areas.
- 39 (2) One (1) relative to the deduction under section 3 of this
- 40 chapter for residentially distressed areas.
- 41 (3) One (1) relative to the deduction allowed under section 4.5 of
- 42 this chapter.

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1 (h) A designating body may impose a fee for filing a designation  
 2 application for a person requesting the designation of a particular area  
 3 as an economic revitalization area. The fee may be sufficient to defray  
 4 actual processing and administrative costs. However, the fee charged  
 5 for filing a designation application for a parcel that contains one (1) or  
 6 more owner-occupied, single-family dwellings may not exceed the cost  
 7 of publishing the required notice.

8 (i) In declaring an area an economic revitalization area, the  
 9 designating body may:

10 (1) limit the time period to a certain number of calendar years  
 11 during which the area shall be so designated;

12 (2) limit the type of deductions that will be allowed within the  
 13 economic revitalization area to either the deduction allowed under  
 14 section 3 of this chapter or the deduction allowed under section  
 15 4.5 of this chapter;

16 (3) limit the dollar amount of the deduction that will be allowed  
 17 with respect to new manufacturing equipment **and new research**  
 18 **and development equipment** if a deduction under this chapter  
 19 had not been filed before July 1, 1987, for that equipment;

20 (4) limit the dollar amount of the deduction that will be allowed  
 21 with respect to redevelopment and rehabilitation occurring in  
 22 areas that are designated as economic revitalization areas on or  
 23 after September 1, 1988; or

24 (5) impose reasonable conditions related to the purpose of this  
 25 chapter or to the general standards adopted under subsection (g)  
 26 for allowing the deduction for the redevelopment or rehabilitation  
 27 of the property or the installation of the new manufacturing  
 28 equipment **or new research and development equipment, or**  
 29 **both.**

30 To exercise one (1) or more of these powers a designating body must  
 31 include this fact in the resolution passed under section 2.5 of this  
 32 chapter.

33 (j) Notwithstanding any other provision of this chapter, if a  
 34 designating body limits the time period during which an area is an  
 35 economic revitalization area, that limitation does not:

36 (1) prevent a taxpayer from obtaining a deduction for new  
 37 manufacturing equipment **or new research and development**  
 38 **equipment, or both**, installed before January 1, 2006, but after  
 39 the expiration of the economic revitalization area if:

40 (A) the economic revitalization area designation expires after  
 41 December 30, 1995; and

42 (B) the new manufacturing equipment **or new research and**

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- 1           **development equipment, or both**, was described in a  
 2           statement of benefits submitted to and approved by the  
 3           designating body in accordance with section 4.5 of this chapter  
 4           before the expiration of the economic revitalization area  
 5           designation; or  
 6           (2) limit the length of time a taxpayer is entitled to receive a  
 7           deduction to a number of years that is less than the number of  
 8           years designated under section 4 or 4.5 of this chapter.
- 9           (k) Notwithstanding any other provision of this chapter, deductions:  
 10           (1) that are authorized under section 3 of this chapter for property  
 11           in an area designated as an urban development area before March  
 12           1, 1983, and that are based on an increase in assessed valuation  
 13           resulting from redevelopment or rehabilitation that occurs before  
 14           March 1, 1983; or  
 15           (2) that are authorized under section 4.5 of this chapter for new  
 16           manufacturing equipment installed in an area designated as an  
 17           urban development area before March 1, 1983;  
 18           apply according to the provisions of this chapter as they existed at the  
 19           time that an application for the deduction was first made. No deduction  
 20           that is based on the location of property or new manufacturing  
 21           equipment in an urban development area is authorized under this  
 22           chapter after February 28, 1983, unless the initial increase in assessed  
 23           value resulting from the redevelopment or rehabilitation of the property  
 24           or the installation of the new manufacturing equipment occurred before  
 25           March 1, 1983.
- 26           (l) If property located in an economic revitalization area is also  
 27           located in an allocation area (as defined in IC 36-7-14-39 or  
 28           IC 36-7-15.1-26), an application for the property tax deduction  
 29           provided by this chapter may not be approved unless the commission  
 30           that designated the allocation area adopts a resolution approving the  
 31           application.
- 32           SECTION 3. IC 6-1.1-12.1-2.5 IS AMENDED TO READ AS  
 33           FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 2.5. (a) If a designating  
 34           body finds that an area in its jurisdiction is an economic revitalization  
 35           area, it shall either:  
 36           (1) prepare maps and plats that identify the area; or  
 37           (2) prepare a simplified description of the boundaries of the area  
 38           by describing its location in relation to public ways, streams, or  
 39           otherwise.
- 40           (b) After the compilation of the materials described in subsection  
 41           (a), the designating body shall pass a resolution declaring the area an  
 42           economic revitalization area. The resolution must contain a description

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1 of the affected area and be filed with the county assessor. ~~The A~~  
 2 resolution **adopted after June 30, 2000**, may include a determination  
 3 of ~~whether the number of years~~ a deduction under section 3 of this  
 4 chapter is allowed. ~~for three (3), six (6), or ten (10) years~~. In addition,  
 5 if the resolution is adopted after ~~April 30, 1991~~, **June 30, 2000**, the  
 6 resolution may include a determination of ~~whether the number of~~  
 7 **years** a deduction under section 4.5 of this chapter is allowed. ~~for five~~  
 8 ~~(5) or ten (10) years~~.

9 (c) After approval of a resolution under subsection (b), the  
 10 designating body shall do the following:

11 (1) Publish notice of the adoption and substance of the resolution  
 12 in accordance with IC 5-3-1.

13 (2) File the following information with each taxing unit that has  
 14 authority to levy property taxes in the geographic area where the  
 15 economic revitalization area is located:

16 (A) A copy of the notice required by subdivision (1).

17 (B) A statement containing substantially the same information  
 18 as a statement of benefits filed with the designating body  
 19 before the hearing required by this section under sections 3  
 20 and 4.5 of this chapter.

21 The notice must state that a description of the affected area is available  
 22 and can be inspected in the county assessor's office. The notice must  
 23 also name a date when the designating body will receive and hear all  
 24 remonstrances and objections from interested persons. The designating  
 25 body shall file the information required by subdivision (2) with the  
 26 officers of the taxing unit who are authorized to fix budgets, tax rates,  
 27 and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date  
 28 of the public hearing. After considering the evidence, the designating  
 29 body shall take final action determining whether the qualifications for  
 30 an economic revitalization area have been met and confirming,  
 31 modifying and confirming, or rescinding the resolution. This  
 32 determination is final except that an appeal may be taken and heard as  
 33 provided under subsections (d) and (e).

34 (d) A person who filed a written remonstrance with the designating  
 35 body under this section and who is aggrieved by the final action taken  
 36 may, within ten (10) days after that final action, initiate an appeal of  
 37 that action by filing in the office of the clerk of the circuit or superior  
 38 court a copy of the order of the designating body and his remonstrance  
 39 against that order, together with his bond conditioned to pay the costs  
 40 of his appeal if the appeal is determined against him. The only ground  
 41 of appeal that the court may hear is whether the proposed project will  
 42 meet the qualifications of the economic revitalization area law. The



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1 burden of proof is on the appellant.

2 (e) An appeal under this section shall be promptly heard by the  
3 court without a jury. All remonstrances upon which an appeal has been  
4 taken shall be consolidated and heard and determined within thirty (30)  
5 days after the time of the filing of the appeal. The court shall hear  
6 evidence on the appeal, and may confirm the final action of the  
7 designating body or sustain the appeal. The judgment of the court is  
8 final and conclusive, unless an appeal is taken as in other civil actions.

9 SECTION 4. IC 6-1.1-12.1-3 IS AMENDED TO READ AS  
10 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3. (a) An applicant  
11 must provide a statement of benefits to the designating body. If the  
12 designating body requires information from the applicant for economic  
13 revitalization area status for use in making its decision about whether  
14 to designate an economic revitalization area, the applicant shall provide  
15 the completed statement of benefits form to the designating body  
16 before the hearing required by section 2.5(c) of this chapter. Otherwise,  
17 the statement of benefits form must be submitted to the designating  
18 body before the initiation of the redevelopment or rehabilitation for  
19 which the person desires to claim a deduction under this chapter. The  
20 state board of tax commissioners shall prescribe a form for the  
21 statement of benefits. The statement of benefits must include the  
22 following information:

- 23 (1) A description of the proposed redevelopment or rehabilitation.  
24 (2) An estimate of the number of individuals who will be  
25 employed or whose employment will be retained by the person as  
26 a result of the redevelopment or rehabilitation and an estimate of  
27 the annual salaries of these individuals.  
28 (3) An estimate of the value of the redevelopment or  
29 rehabilitation.

30 With the approval of the state board of tax commissioners, the  
31 statement of benefits may be incorporated in a designation application.  
32 Notwithstanding any other law, a statement of benefits is a public  
33 record that may be inspected and copied under IC 5-14-3-3.

34 (b) The designating body must review the statement of benefits  
35 required under subsection (a). The designating body shall determine  
36 whether an area should be designated an economic revitalization area  
37 or whether a deduction should be allowed, based on (and after it has  
38 made) the following findings:

- 39 (1) Whether the estimate of the value of the redevelopment or  
40 rehabilitation is reasonable for projects of that nature.  
41 (2) Whether the estimate of the number of individuals who will be  
42 employed or whose employment will be retained can be



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- 1 reasonably expected to result from the proposed described  
 2 redevelopment or rehabilitation.  
 3 (3) Whether the estimate of the annual salaries of those  
 4 individuals who will be employed or whose employment will be  
 5 retained can be reasonably expected to result from the proposed  
 6 described redevelopment or rehabilitation.  
 7 (4) Whether any other benefits about which information was  
 8 requested are benefits that can be reasonably expected to result  
 9 from the proposed described redevelopment or rehabilitation.  
 10 (5) Whether the totality of benefits is sufficient to justify the  
 11 deduction.

12 A designating body may not designate an area an economic  
 13 revitalization area or approve a deduction unless the findings required  
 14 by this subsection are made in the affirmative.

15 (c) Except as provided in subsections (a) through (b), the owner of  
 16 property which is located in an economic revitalization area is entitled  
 17 to a deduction from the assessed value of the property. If the area is a  
 18 residentially distressed area, the period is **not more than** five (5) years.  
 19 For all other economic revitalization areas **designated before July 1,**  
 20 **2000,** the period is three (3), six (6), or ten (10) years. ~~as determined~~  
 21 ~~under subsection (d).~~ **For all economic revitalization areas**  
 22 **designated after June 30, 2000, the period is the number of years**  
 23 **determined under subsection (d).** The owner is entitled to a deduction  
 24 if:

- 25 (1) the property has been rehabilitated; or  
 26 (2) the property is located on real estate which has been  
 27 redeveloped.

28 The owner is entitled to the deduction for the first year, and any  
 29 successive year or years, in which an increase in assessed value  
 30 resulting from the rehabilitation or redevelopment occurs and for the  
 31 ~~two (2); four (4); five (5); or nine (9) years immediately following each~~  
 32 ~~such year or years whichever is applicable.~~ **determined under**  
 33 **subsection (d).** However, property owners who had an area designated  
 34 an urban development area pursuant to an application filed prior to  
 35 January 1, 1979, are only entitled to a deduction for a five (5) year  
 36 period. In addition, property owners who are entitled to a deduction  
 37 under this chapter pursuant to an application filed after December 31,  
 38 1978, and before January 1, 1986, are entitled to a deduction for a ten  
 39 (10) year period.

40 (d) ~~For economic revitalization areas that are not residentially~~  
 41 ~~distressed areas;~~ **For an area designated as an economic**  
 42 **revitalization area after June 30, 2000, that is not a residentially**



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1 **distressed area**, the designating body shall determine ~~whether the~~  
 2 **number of years for which** the property owner is entitled to a  
 3 deduction. ~~for three (3) years, six (6) years, or ten (10) years. However,~~  
 4 **the deduction may not be allowed for more than ten (10) years.**

5 This determination shall be made:

6 (1) as part of the resolution adopted under section 2.5 of this  
 7 chapter; or

8 (2) by resolution adopted within sixty (60) days after receiving a  
 9 copy of a property owner's certified deduction application from  
 10 the county auditor. A certified copy of the resolution shall be sent  
 11 to the county auditor who shall make the deduction as provided  
 12 in section 5 of this chapter.

13 A determination about ~~whether the~~ **number of years the** deduction is  
 14 **three (3), six (6), or ten (10) years allowed** that is made under  
 15 subdivision (1) is final and may not be changed by following the  
 16 procedure under subdivision (2).

17 (e) Except for deductions related to redevelopment or rehabilitation  
 18 of real property in a county containing a consolidated city or a  
 19 deduction related to redevelopment or rehabilitation of real property  
 20 initiated before December 31, 1987, in areas designated as economic  
 21 revitalization areas before that date, a deduction for the redevelopment  
 22 or rehabilitation of real property may not be approved for the following  
 23 facilities:

24 (1) Private or commercial golf course.

25 (2) Country club.

26 (3) Massage parlor.

27 (4) Tennis club.

28 (5) Skating facility (including roller skating, skateboarding, or ice  
 29 skating).

30 (6) Racquet sport facility (including any handball or racquetball  
 31 court).

32 (7) Hot tub facility.

33 (8) Suntan facility.

34 (9) Racetrack.

35 (10) Any facility the primary purpose of which is:

36 (A) retail food and beverage service;

37 (B) automobile sales or service; or

38 (C) other retail;

39 unless the facility is located in an economic development target  
 40 area established under section 7 of this chapter.

41 (11) Residential, unless:

42 (A) the facility is a multifamily facility that contains at least

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- 1                   twenty percent (20%) of the units available for use by low and
- 2                   moderate income individuals;
- 3                   (B) the facility is located in an economic development target
- 4                   area established under section 7 of this chapter; or
- 5                   (C) the area is designated as a residentially distressed area.
- 6           (12) A package liquor store that holds a liquor dealer's permit
- 7           under IC 7.1-3-10 or any other entity that is required to operate
- 8           under a license issued under IC 7.1. However, this subdivision
- 9           does not apply to an applicant that:
- 10           (A) was eligible for tax abatement under this chapter before
- 11           July 1, 1995; or
- 12           (B) is described in IC 7.1-5-7-11.

13           SECTION 5. IC 6-1.1-12.1-4 IS AMENDED TO READ AS  
 14           FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 4. (a) Except as  
 15           provided in section 2(i)(4) of this chapter, the amount of the deduction  
 16           which the property owner is entitled to receive under section 3 of this  
 17           chapter for a particular year equals the product of:

- 18           (1) the increase in the assessed value resulting from the
- 19           rehabilitation or redevelopment; multiplied by
- 20           (2) the percentage prescribed in the table set forth in subsection
- 21           (d).
- 22           (b) The amount of the deduction determined under subsection (a)
- 23           shall be adjusted in accordance with this subsection in the following
- 24           circumstances:
- 25           (1) If a general reassessment of real property occurs within the
- 26           particular period of the deduction, the amount determined under
- 27           subsection (a)(1) shall be adjusted to reflect the percentage
- 28           increase or decrease in assessed valuation that resulted from the
- 29           general reassessment.
- 30           (2) If an appeal of an assessment is approved that results in a
- 31           reduction of the assessed value of the redeveloped or rehabilitated
- 32           property, the amount of any deduction shall be adjusted to reflect
- 33           the percentage decrease that resulted from the appeal.

34           The state board of tax commissioners shall adopt rules under IC 4-22-2  
 35           to implement this subsection.

- 36           (c) Property owners who had an area designated an urban
- 37           development area pursuant to an application filed prior to January 1,
- 38           1979, are only entitled to the deduction for the first through the fifth
- 39           years as provided in subsection ~~(d)(3)~~. **(d)(10)**. In addition, property
- 40           owners who are entitled to a deduction under this chapter pursuant to
- 41           an application filed after December 31, 1978, and before January 1,
- 42           1986, are entitled to a deduction for the first through the tenth years, as

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1 provided in subsection ~~(d)(3)~~: **(d)(10)**.

2 (d) The percentage to be used in calculating the deduction under  
3 subsection (a) is as follows:

4 **(1) For deductions allowed over a one (1) year period:**

5 <b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
6 <b>1st</b>	<b>100%</b>

7 **(2) For deductions allowed over a two (2) year period:**

8 <b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
9 <b>1st</b>	<b>100%</b>
10 <b>2nd</b>	<b>50%</b>

11 **(3) For deductions allowed over a three (3) year period:**

12 <b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
13 <b>1st</b>	<b>100%</b>
14 <b>2nd</b>	<b>66%</b>
15 <b>3rd</b>	<b>33%</b>

16 **(4) For deductions allowed over a four (4) year period:**

17 <b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
18 <b>1st</b>	<b>100%</b>
19 <b>2nd</b>	<b>75%</b>
20 <b>3rd</b>	<b>50%</b>
21 <b>4th</b>	<b>25%</b>

22 **(5) For deductions allowed over a five (5) year period:**

23 <b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
24 <b>1st</b>	<b>100%</b>
25 <b>2nd</b>	<b>80%</b>
26 <b>3rd</b>	<b>60%</b>
27 <b>4th</b>	<b>40%</b>
28 <b>5th</b>	<b>20%</b>

29 ~~(2)~~ **(6) For deductions allowed over a six (6) year period:**

30 <b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
31 <b>1st</b>	<b>100%</b>
32 <b>2nd</b>	<b>85%</b>
33 <b>3rd</b>	<b>66%</b>
34 <b>4th</b>	<b>50%</b>
35 <b>5th</b>	<b>34%</b>
36 <b>6th</b>	<b>17%</b>

37 **(7) For deductions allowed over a seven (7) year period:**

38 <b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
39 <b>1st</b>	<b>100%</b>
40 <b>2nd</b>	<b>85%</b>
41 <b>3rd</b>	<b>71%</b>
42 <b>4th</b>	<b>57%</b>



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1	5th	43%
2	6th	29%
3	7th	14%
4	<b>(8) For deductions allowed over an eight (8) year period:</b>	
5	<b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
6	1st	100%
7	2nd	88%
8	3rd	75%
9	4th	63%
10	5th	50%
11	6th	38%
12	7th	25%
13	8th	13%
14	<b>(9) For deductions allowed over a nine (9) year period:</b>	
15	<b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
16	1st	100%
17	2nd	88%
18	3rd	77%
19	4th	66%
20	5th	55%
21	6th	44%
22	7th	33%
23	8th	22%
24	9th	11%
25	<b>(10) For deductions allowed over a ten (10) year period:</b>	
26	<b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
27	1st	100%
28	2nd	95%
29	3rd	80%
30	4th	65%
31	5th	50%
32	6th	40%
33	7th	30%
34	8th	20%
35	9th	10%
36	10th	5%

SECTION 6. IC 6-1.1-12.1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement



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1 of benefits form to the designating body before the hearing specified in  
 2 section 2.5(c) of this chapter or before the installation of the new  
 3 manufacturing equipment **or new research and development**  
 4 **equipment, or both**, for which the person desires to claim a deduction  
 5 under this chapter. The state board of tax commissioners shall prescribe  
 6 a form for the statement of benefits. The statement of benefits must  
 7 include the following information:

8 (1) A description of the new manufacturing equipment **or new**  
 9 **research and development equipment, or both**, that the person  
 10 proposes to acquire.

11 (2) With respect to:

12 (A) new manufacturing equipment not used to dispose of solid  
 13 waste or hazardous waste by converting the solid waste or  
 14 hazardous waste into energy or other useful products; **and**

15 (B) **new research and development equipment;**

16 an estimate of the number of individuals who will be employed or  
 17 whose employment will be retained by the person as a result of  
 18 the installation of the new manufacturing equipment **or new**  
 19 **research and development equipment, or both**, and an estimate  
 20 of the annual salaries of these individuals.

21 (3) An estimate of the cost of the new manufacturing equipment  
 22 **or new research and development equipment, or both.**

23 (4) With respect to new manufacturing equipment used to dispose  
 24 of solid waste or hazardous waste by converting the solid waste  
 25 or hazardous waste into energy or other useful products, an  
 26 estimate of the amount of solid waste or hazardous waste that will  
 27 be converted into energy or other useful products by the new  
 28 manufacturing equipment.

29 With the approval of the state board of tax commissioners, the  
 30 statement of benefits may be incorporated in a designation application.  
 31 Notwithstanding any other law, a statement of benefits is a public  
 32 record that may be inspected and copied under IC 5-14-3-3.

33 (c) The designating body must review the statement of benefits  
 34 required under subsection (b). The designating body shall determine  
 35 whether an area should be designated an economic revitalization area  
 36 or whether the deduction shall be allowed, based on (and after it has  
 37 made) the following findings:

38 (1) Whether the estimate of the cost of the new manufacturing  
 39 equipment **or new research and development equipment, or**  
 40 **both**, is reasonable for equipment of that type.

41 (2) With respect to:

42 (A) new manufacturing equipment not used to dispose of solid

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- 1 waste or hazardous waste by converting the solid waste or  
 2 hazardous waste into energy or other useful products; **and**  
 3 **(B) new research and development equipment;**  
 4 whether the estimate of the number of individuals who will be  
 5 employed or whose employment will be retained can be  
 6 reasonably expected to result from the installation of the new  
 7 manufacturing equipment **or new research and development**  
 8 **equipment, or both.**
- 9 (3) Whether the estimate of the annual salaries of those  
 10 individuals who will be employed or whose employment will be  
 11 retained can be reasonably expected to result from the proposed  
 12 installation of new manufacturing equipment **or new research**  
 13 **and development equipment, or both.**
- 14 (4) With respect to new manufacturing equipment used to dispose  
 15 of solid waste or hazardous waste by converting the solid waste  
 16 or hazardous waste into energy or other useful products, whether  
 17 the estimate of the amount of solid waste or hazardous waste that  
 18 will be converted into energy or other useful products can be  
 19 reasonably expected to result from the installation of the new  
 20 manufacturing equipment.
- 21 (5) Whether any other benefits about which information was  
 22 requested are benefits that can be reasonably expected to result  
 23 from the proposed installation of new manufacturing equipment  
 24 **or new research and development equipment, or both.**
- 25 (6) Whether the totality of benefits is sufficient to justify the  
 26 deduction.
- 27 The designating body may not designate an area an economic  
 28 revitalization area or approve the deduction unless it makes the  
 29 findings required by this subsection in the affirmative.
- 30 (d) Except as provided in subsection (f), an owner of new  
 31 manufacturing equipment whose statement of benefits is approved  
 32 before May 1, 1991, is entitled to a deduction from the assessed value  
 33 of that equipment for a period of five (5) years. Except as provided in  
 34 subsections (f) and (i), an owner of new manufacturing equipment **or**  
 35 **new research and development equipment, or both,** whose statement  
 36 of benefits is approved after ~~April 30, 1991,~~ **June 30, 2000,** is entitled  
 37 to a deduction from the assessed value of that equipment for a ~~period~~  
 38 **of five (5) years or ten (10) the number of years as determined by the**  
 39 designating body under subsection (h). Except as provided in  
 40 subsections (f) and (g) and in section 2(i)(3) of this chapter, the amount  
 41 of the deduction that an owner is entitled to for a particular year equals  
 42 the product of:

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- 1 (1) the assessed value of the new manufacturing equipment or  
 2 **new research and development equipment, or both**, in the year  
 3 that the equipment is installed; multiplied by  
 4 (2) the percentage prescribed in the table set forth in subsection  
 5 (e).

6 (e) The percentage to be used in calculating the deduction under  
 7 subsection (d) is as follows:

- 8 **(1) For deductions allowed over a one (1) year period:**  
 9 **YEAR OF DEDUCTION PERCENTAGE**  
 10 **1st 100%**  
 11 **2nd and thereafter 0%**  
 12 **(2) For deductions allowed over a two (2) year period:**  
 13 **YEAR OF DEDUCTION PERCENTAGE**  
 14 **1st 100%**  
 15 **2nd 50%**  
 16 **3rd and thereafter 0%**  
 17 **(3) For deductions allowed over a three (3) year period:**  
 18 **YEAR OF DEDUCTION PERCENTAGE**  
 19 **1st 100%**  
 20 **2nd 66%**  
 21 **3rd 33%**  
 22 **4th and thereafter 0%**  
 23 **(4) For deductions allowed over a four (4) year period:**  
 24 **YEAR OF DEDUCTION PERCENTAGE**  
 25 **1st 100%**  
 26 **2nd 75%**  
 27 **3rd 50%**  
 28 **4th 25%**  
 29 **5th and thereafter 0%**  
 30 **(+) (5) For deductions allowed over a five (5) year period:**  
 31 **YEAR OF DEDUCTION PERCENTAGE**  
 32 **1st 100%**  
 33 **2nd ~~95%~~ 80%**  
 34 **3rd ~~80%~~ 60%**  
 35 **4th ~~65%~~ 40%**  
 36 **5th ~~50%~~ 20%**  
 37 **6th and thereafter 0%**  
 38 **(6) For deductions allowed over a six (6) year period:**

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1	<b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
2	1st	100%
3	2nd	85%
4	3rd	66%
5	4th	50%
6	5th	34%
7	6th	25%
8	7th and thereafter	0%
9	<b>(7) For deductions allowed over a seven (7) year period:</b>	
10	<b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
11	1st	100%
12	2nd	85%
13	3rd	71%
14	4th	57%
15	5th	43%
16	6th	29%
17	7th	14%
18	8th and thereafter	0%
19	<b>(8) For deductions allowed over an eight (8) year period:</b>	
20	<b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
21	1st	100%
22	2nd	88%
23	3rd	75%
24	4th	63%
25	5th	50%
26	6th	38%
27	7th	25%
28	8th	13%
29	9th and thereafter	0%
30	<b>(9) For deductions allowed over a nine (9) year period:</b>	
31	<b>YEAR OF DEDUCTION</b>	<b>PERCENTAGE</b>
32	1st	100%
33	2nd	88%
34	3rd	77%
35	4th	66%
36	5th	55%
37	6th	44%
38	7th	33%
39	8th	22%
40	9th	11%
41	10th and thereafter	0%
42	<b>(2) (10) For deductions allowed over a ten (10) year period:</b>	

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	YEAR OF DEDUCTION	PERCENTAGE
1		
2	1st	100%
3	2nd	<del>95%</del> <b>90%</b>
4	3rd	<del>90%</del> <b>80%</b>
5	4th	<del>85%</del> <b>70%</b>
6	5th	<del>80%</del> <b>60%</b>
7	6th	<del>70%</del> <b>50%</b>
8	7th	<del>55%</del> <b>40%</b>
9	8th	<del>40%</del> <b>30%</b>
10	9th	<del>30%</del> <b>20%</b>
11	10th	<del>25%</del> <b>10%</b>
12	11th and thereafter	0%

(f) Notwithstanding subsections (d) and (e), a deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment **or new research and development equipment, or both**, to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located (excluding personal property that is assessed as construction in process) to be less than the assessed value of all of the personal property of the owner in that taxing district (excluding personal property that is assessed as construction in process) in the immediately preceding year.

(g) If a deduction is not fully allowed under subsection (f) in the first year the deduction is claimed, then the percentages specified in subsection (d) or (e) apply in the subsequent years to the amount of deduction that was allowed in the first year.

(h) **For an economic revitalization area designated before July 1, 2000**, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. **For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years.** This determination shall be made:

- (1) as part of the resolution adopted under section 2.5 of this chapter; or
- (2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the state board of tax commissioners. A certified copy of the resolution shall be sent to the county auditor and the state board of tax commissioners.

A determination about ~~whether~~ the **number of years** the deduction is

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1 for a period of five (5) or ten (10) years **allowed** that is made under  
2 subdivision (1) is final and may not be changed by following the  
3 procedure under subdivision (2).

4 (i) The owner of new manufacturing equipment that is directly used  
5 to dispose of hazardous waste is not entitled to the deduction provided  
6 by this section for a particular assessment year if during that  
7 assessment year the owner:

8 (1) is convicted of a violation under IC 13-7-13-3 (repealed), IC  
9 13-7-13-4 (repealed), or IC 13-30-6; or

10 (2) is subject to an order or a consent decree with respect to  
11 property located in Indiana based on a violation of a federal or  
12 state rule, regulation, or statute governing the treatment, storage,  
13 or disposal of hazardous wastes that had a major or moderate  
14 potential for harm.

15 SECTION 7. IC 6-1.1-12.1-5 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 5. (a) A property owner  
17 who desires to obtain the deduction provided by section 3 of this  
18 chapter must file a certified deduction application, on forms prescribed  
19 by the state board of tax commissioners, with the auditor of the county  
20 in which the property is located. Except as otherwise provided in  
21 subsection (b) or (e), the deduction application must be filed before  
22 May 10 of the year in which the addition to assessed valuation is made.

23 (b) If notice of the addition to assessed valuation or new assessment  
24 for any year is not given to the property owner before April 10 of that  
25 year, the deduction application required by this section may be filed not  
26 later than thirty (30) days after the date such a notice is mailed to the  
27 property owner at the address shown on the records of the township  
28 assessor.

29 (c) The deduction application required by this section must contain  
30 the following information:

31 (1) The name of the property owner.

32 (2) A description of the property for which a deduction is claimed  
33 in sufficient detail to afford identification.

34 (3) The assessed value of the improvements before rehabilitation.

35 (4) The increase in the assessed value of improvements resulting  
36 from the rehabilitation.

37 (5) The assessed value of the new structure in the case of  
38 redevelopment.

39 (6) The amount of the deduction claimed for the first year of the  
40 deduction.

41 (7) If the deduction application is for a deduction in a  
42 residentially distressed area, the assessed value of the

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- 1 improvement or new structure for which the deduction is claimed.
- 2 (d) A deduction application filed under subsection (a) or (b) is  
 3 applicable for the year in which the addition to assessed value or  
 4 assessment of a new structure is made and in the ~~immediate~~ following  
 5 ~~two (2), four (4), five (5), or nine (9) years whichever is applicable;~~ **the**  
 6 **deduction is allowed** without any additional deduction application  
 7 being filed. However, property owners who had an area designated an  
 8 urban development area pursuant to a deduction application filed prior  
 9 to January 1, 1979, are only entitled to a deduction for a five (5) year  
 10 period. In addition, property owners who are entitled to a deduction  
 11 under this chapter pursuant to a deduction application filed after  
 12 December 31, 1978, and before January 1, 1986, are entitled to a  
 13 deduction for a ten (10) year period.
- 14 (e) A property owner who desires to obtain the deduction provided  
 15 by section 3 of this chapter but who has failed to file a deduction  
 16 application within the dates prescribed in subsection (a) or (b) may file  
 17 a deduction application between March 1 and May 10 of a subsequent  
 18 year which shall be applicable for the year filed and the subsequent  
 19 years without any additional deduction application being filed for the  
 20 amounts of the deduction which would be applicable to such years  
 21 pursuant to section 4 of this chapter if such a deduction application had  
 22 been filed in accordance with subsection (a) or (b).
- 23 (f) On verification of the correctness of a deduction application by  
 24 the assessor of the township in which the property is located, the  
 25 county auditor shall act as follows:
- 26 (1) If a determination about ~~whether the deduction is three (3); six~~  
 27 ~~(6); or ten (10) the number of years the deduction is allowed~~  
 28 has been made in the resolution adopted under section 2.5 of this  
 29 chapter, the county auditor shall make the appropriate deduction.
- 30 (2) If a determination about ~~whether the deduction is three (3); six~~  
 31 ~~(6); or ten (10) the number of years the deduction is allowed~~  
 32 has not been made in the resolution adopted under section 2.5 of  
 33 this chapter, the county auditor shall send a copy of the deduction  
 34 application to the designating body. Upon receipt of the resolution  
 35 stating ~~whether the number of years the deduction will be~~  
 36 ~~allowed, for three (3); six (6); or ten (10) years;~~ the county auditor  
 37 shall make the appropriate deduction.
- 38 (3) If the deduction application is for rehabilitation or  
 39 redevelopment in a residentially distressed area, the county  
 40 auditor shall make the appropriate deduction.
- 41 (g) The amount and period of the deduction provided for property  
 42 by section 3 of this chapter are not affected by a change in the

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1 ownership of the property if the new owner of the property:

2 (1) continues to use the property in compliance with any  
3 standards established under section 2(g) of this chapter; and

4 (2) files an application in the manner provided by subsection (e).

5 (h) The township assessor shall include a notice of the deadlines for  
6 filing a deduction application under subsections (a) and (b) with each  
7 notice to a property owner of an addition to assessed value or of a new  
8 assessment.

9 SECTION 8. IC 6-1.1-12.1-5.5 IS AMENDED TO READ AS  
10 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 5.5. (a) A person that  
11 desires to obtain the deduction provided by section 4.5 of this chapter  
12 must file a certified deduction application on forms prescribed by the  
13 state board of tax commissioners with:

14 (1) the auditor of the county in which the new manufacturing  
15 equipment **or new research and development equipment, or**  
16 **both**, is located; and

17 (2) the state board of tax commissioners.

18 A person that timely files a personal property return under  
19 IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment  
20 **or new research and development equipment, or both**, is installed  
21 must file the application between March 1 and May 15 of that year. A  
22 person that obtains a filing extension under IC 6-1.1-3-7(b) for the year  
23 in which the new manufacturing equipment **or new research and**  
24 **development equipment, or both**, is installed must file the application  
25 between March 1 and June 14 of that year.

26 (b) The deduction application required by this section must contain  
27 the following information:

28 (1) The name of the owner of the new manufacturing equipment  
29 **or new research and development equipment, or both.**

30 (2) A description of the new manufacturing equipment **or new**  
31 **research and development equipment, or both.**

32 (3) Proof of the date the new manufacturing equipment **or new**  
33 **research and development equipment, or both**, was installed.

34 (4) The amount of the deduction claimed for the first year of the  
35 deduction.

36 (c) This subsection applies to a deduction application with respect  
37 to new manufacturing equipment **or new research and development**  
38 **equipment, or both**, for which a statement of benefits was initially  
39 approved after April 30, 1991. If a determination about **whether the**  
40 **number of years** the deduction is for a period of five (5) or ten (10)  
41 **years allowed** has not been made in the resolution adopted under  
42 section 2.5 of this chapter, the county auditor shall send a copy of the

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1 deduction application to the designating body and the designating body  
2 shall adopt a resolution under section 4.5(h)(2) of this chapter.

3 (d) A deduction application must be filed under this section in the  
4 year in which the new manufacturing equipment **or new research and**  
5 **development equipment, or both**, is installed and in each of the  
6 immediately succeeding ~~four (4) or nine (9) years~~ **whichever is**  
7 **applicable. the deduction is allowed.**

8 (e) The state board of tax commissioners shall review and verify the  
9 correctness of each deduction application and shall notify the county  
10 auditor of the county in which the property is located that the deduction  
11 application is approved or denied or that the amount of the deduction  
12 is altered. Upon notification of approval of the deduction application  
13 or of alteration of the amount of the deduction, the county auditor shall  
14 make the deduction. The county auditor shall notify the county property  
15 tax assessment board of appeals of all deductions approved under this  
16 section.

17 (f) If the ownership of new manufacturing equipment **or new**  
18 **research and development equipment, or both**, changes, the  
19 deduction provided under section 4.5 of this chapter continues to apply  
20 to that equipment if the new owner:

- 21 (1) continues to use the equipment in compliance with any  
22 standards established under section 2(g) of this chapter; and  
23 (2) files the deduction applications required by this section.

24 (g) The amount of the deduction is the percentage under section 4.5  
25 of this chapter that would have applied if the ownership of the property  
26 had not changed multiplied by the assessed value of the equipment for  
27 the year the deduction is claimed by the new owner.

28 (h) If a person desires to initiate an appeal of the state board of tax  
29 commissioners' final determination, the person must do all of the  
30 following not more than forty-five (45) days after the state board of tax  
31 commissioners gives the person notice of the final determination:

- 32 (1) File a written notice with the state board of tax commissioners  
33 informing the board of the person's intention to appeal.  
34 (2) File a complaint in the tax court.  
35 (3) Serve the attorney general and the county auditor with a copy  
36 of the complaint.

37 SECTION 9. IC 6-1.1-12.1-5.6 IS AMENDED TO READ AS  
38 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 5.6. (a) This subsection  
39 applies to a property owner whose statement of benefits was approved  
40 under section 4.5 of this chapter before July 1, 1991. In addition to the  
41 requirements of section 5.5(b) of this chapter, a deduction application  
42 filed under section 5.5 of this chapter must contain information

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1 showing the extent to which there has been compliance with the  
 2 statement of benefits approved under section 4.5 of this chapter.  
 3 Failure to comply with a statement of benefits approved before July 1,  
 4 1991, may not be a basis for rejecting a deduction application.

5 (b) This subsection applies to a property owner whose statement of  
 6 benefits was approved under section 4.5 of this chapter after June 30,  
 7 1991. In addition to the requirements of section 5.5(b) of this chapter,  
 8 a property owner who files a deduction application under section 5.5  
 9 of this chapter must provide the county auditor and the designating  
 10 body with information showing the extent to which there has been  
 11 compliance with the statement of benefits approved under section 4.5  
 12 of this chapter.

13 (c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following  
 14 information is a public record if filed under this section:

15 (1) The name and address of the taxpayer.

16 (2) The location and description of the new manufacturing  
 17 equipment **or new research and development equipment, or**  
 18 **both**, for which the deduction was granted.

19 (3) Any information concerning the number of employees at the  
 20 facility where the new manufacturing equipment **or new research**  
 21 **and development equipment, or both**, is located, including  
 22 estimated totals that were provided as part of the statement of  
 23 benefits.

24 (4) Any information concerning the total of the salaries paid to  
 25 those employees, including estimated totals that were provided as  
 26 part of the statement of benefits.

27 (5) Any information concerning the amount of solid waste or  
 28 hazardous waste converted into energy or other useful products by  
 29 the new manufacturing equipment.

30 (6) Any information concerning the assessed value of the new  
 31 manufacturing equipment **or new research and development**  
 32 **equipment, or both**, including estimates that were provided as  
 33 part of the statement of benefits.

34 (d) The following information is confidential if filed under this  
 35 section:

36 (1) Any information concerning the specific salaries paid to  
 37 individual employees by the owner of the new manufacturing  
 38 equipment **or new research and development equipment, or**  
 39 **both**.

40 (2) Any information concerning the cost of the new  
 41 manufacturing equipment **or new research and development**  
 42 **equipment, or both**.

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1 SECTION 10. IC 6-1.1-12.1-5.8 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 5.8. In lieu of providing  
 3 the statement of benefits required by section 3 or 4.5 of this chapter and  
 4 the additional information required by section 5.1 or 5.6 of this chapter,  
 5 the designating body may, by resolution, waive the statement of  
 6 benefits if the designating body finds that the purposes of this chapter  
 7 are served by allowing the deduction and the property owner has,  
 8 during the thirty-six (36) months preceding the first assessment date to  
 9 which the waiver would apply, installed new manufacturing equipment  
 10 **or new research and development equipment, or both**, or developed  
 11 or rehabilitated property at a cost of at least ten million dollars  
 12 (\$10,000,000) as determined by the state board of tax commissioners.

13 SECTION 11. IC 6-1.1-12.1-8 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 8. (a) ~~No~~ **Not** later than  
 15 December 31 of each year, the county auditor shall publish the  
 16 following in a newspaper of general interest and readership and not one  
 17 of limited subject matter:

18 (1) A list of the approved deduction applications that were filed  
 19 under this chapter during that year. The list must contain the  
 20 following:

21 (A) The name and address of each person approved for or  
 22 receiving a deduction that was filed for during the year.

23 (B) The amount of each deduction that was filed for during the  
 24 year.

25 (C) The number of years for which each deduction that was  
 26 filed for during the year will be available.

27 (D) The total amount for all deductions that were filed for and  
 28 granted during the year.

29 (2) The total amount of all deductions for real property that were  
 30 in effect under section 3 of this chapter during the year.

31 (3) The total amount of all deductions for new manufacturing  
 32 equipment **or new research and development equipment, or**  
 33 **both**, that were in effect under section 4.5 of this chapter during  
 34 the year.

35 (b) The county auditor shall file the information described in  
 36 subsection (a)(2) and (a)(3) with the state board of tax commissioners  
 37 not later than December 31 of each year.

38 SECTION 12. IC 6-1.1-12.1-11.3 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 11.3. (a) This section  
 40 applies only to the following requirements under section 3 of this  
 41 chapter:

42 (1) Failure to provide the completed statement of benefits form to

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- 1 the designating body before the hearing required by section 2.5(c)  
 2 of this chapter.
- 3 (2) Failure to submit the completed statement of benefits form to  
 4 the designating body before the initiation of the redevelopment or  
 5 rehabilitation or the installation of new manufacturing equipment  
 6 **or new research and development equipment, or both,** for  
 7 which the person desires to claim a deduction under this chapter.
- 8 (3) Failure to designate an area as an economic revitalization area  
 9 before the initiation of the:
- 10 (A) redevelopment;  
 11 (B) installation of new manufacturing equipment **or new**  
 12 **research and development equipment, or both;** or  
 13 (C) rehabilitation;
- 14 for which the person desires to claim a deduction under this  
 15 chapter.
- 16 (4) Failure to make the required findings of fact before  
 17 designating an area as an economic revitalization area or  
 18 authorizing a deduction for new manufacturing equipment **or new**  
 19 **research and development equipment, or both,** under section  
 20 2, 3, or 4.5 of this chapter.
- 21 (b) This section does not grant a designating body the authority to  
 22 exempt a person from filing a statement of benefits or exempt a  
 23 designating body from making findings of fact.
- 24 (c) A designating body may by resolution waive noncompliance  
 25 described under subsection (a) under the terms and conditions specified  
 26 in the resolution. Before adopting a waiver under this subsection, the  
 27 designating body shall conduct a public hearing on the waiver.
- 28 SECTION 13. IC 6-3.1-4-6 IS AMENDED TO READ AS  
 29 FOLLOWS [EFFECTIVE DECEMBER 30, 1999]: Sec. 6.  
 30 Notwithstanding the other provisions of this chapter, a taxpayer is not  
 31 entitled to a credit for Indiana qualified research expense incurred after  
 32 December 31, ~~1999~~ **2002**. Notwithstanding Section 41 of the Internal  
 33 Revenue Code, the termination date in Section 41(h) of the Internal  
 34 Revenue Code does not apply to a taxpayer who is eligible for the  
 35 credit under this chapter for the taxable year in which the Indiana  
 36 qualified research expense is incurred.
- 37 SECTION 14. **An emergency is declared for this act.**

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SENATE MOTION

Mr. President: I move that Senator Kenley be removed as author of Senate Bill 14 and that Senator Skillman be substituted therefor, and that Senator Kenley be added as Co-Author.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 14, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, line 20, delete "2007" and insert "**2006**".

(Reference is to SB 14 as introduced.)

GARTON, Chairperson

Committee Vote: Yeas 8, Nays 0.

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