



February 18, 2005

HOUSE BILL No. 1584

DIGEST OF HB 1584 (Updated February 16, 2005 8:31 pm - DI 44)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Steel mill personal property assessment. Provides that special integrated steel mill equipment property tax valuation applies only if the mill produces steel in a blast furnace in Indiana.

Effective: January 1, 2004 (retroactive).

Becker, Stilwell

January 18, 2005, read first time and referred to Committee on Ways and Means.
February 17, 2005, reported — Do Pass.

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HB 1584—LS 6773/DI 52+



February 18, 2005

First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1584

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 6-1.1-3-23 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:
3 Sec. 23. (a) For purposes of this section:
4 (1) "adjusted cost" refers to the adjusted cost established in 50
5 IAC 4.2-4-4 (as in effect on January 1, 2003);
6 (2) "depreciable personal property" has the meaning set forth in
7 50 IAC 4.2-4-1 (as in effect on January 1, 2003);
8 (3) "integrated steel mill" means a person that produces steel by
9 processing iron ore and other raw materials in a blast furnace **in**
10 **Indiana**;
11 (4) "oil refinery/petrochemical company" means a person that
12 produces a variety of petroleum products by processing an annual
13 average of at least one hundred thousand (100,000) barrels of
14 crude oil per day;
15 (5) "permanently retired depreciable personal property" has the
16 meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1,
17 2003);

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- 1 (6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in
- 2 effect on January 1, 2003);
- 3 (7) "special integrated steel mill or oil refinery/petrochemical
- 4 equipment" means depreciable personal property, other than
- 5 special tools and permanently retired depreciable personal
- 6 property:
- 7 (A) that:
- 8 (i) is owned, leased, or used by an integrated steel mill or an
- 9 entity that is at least fifty percent (50%) owned by a
- 10 affiliate of an integrated steel mill; and
- 11 (ii) falls within Asset Class 33.4 as set forth in IRS Rev.
- 12 Proc. 87-56, 1987-2, C.B. 647; or
- 13 (B) that:
- 14 (i) is owned, leased, or used as an integrated part of an oil
- 15 refinery/petrochemical company or its affiliate; and
- 16 (ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS
- 17 Rev. Proc. 87-56, 1987-2, C.B. 647;
- 18 (8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as
- 19 in effect on January 1, 2003); and
- 20 (9) "year of acquisition" refers to the year of acquisition
- 21 determined under 50 IAC 4.2-4-6 (as in effect on January 1,
- 22 2003).

23 (b) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50
 24 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the
 25 taxpayer's special integrated steel mill or oil refinery/petrochemical
 26 equipment by multiplying the adjusted cost of that equipment by the
 27 percentage set forth in the following table:

Year of Acquisition	Percentage
1	40%
2	56%
3	42%
4	32%
5	24%
6	18%
7	15%
8 and older	10%

37 (c) The department of local government finance shall designate the
 38 table under subsection (b) as "Pool No. 5" on the business personal
 39 property tax return.

40 (d) The percentage factors in the table under subsection (b)
 41 automatically reflect all adjustments for depreciation and obsolescence,
 42 including abnormal obsolescence, for special integrated steel mill or oil

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1 refinery/petrochemical equipment. The equipment is entitled to all
2 exemptions, credits, and deductions for which it qualifies.

3 (e) The minimum valuation limitations under 50 IAC 4.2-4-9 do not
4 apply to special integrated steel mill or oil refinery/petrochemical
5 equipment valued under this section. The value of the equipment is not
6 included in the calculation of that minimum valuation limitation for the
7 taxpayer's other assessable depreciable personal property in the taxing
8 district.

9 (f) An election to value special integrated steel mill or oil
10 refinery/petrochemical equipment under this section:

11 (1) must be made by reporting the equipment under this section on
12 a business personal property tax return;

13 (2) applies to all of the taxpayer's special integrated steel mill or oil
14 refinery/petrochemical equipment located in the state (whether
15 owned or leased, or used as an integrated part of the equipment);
16 and

17 (3) is binding on the taxpayer for the assessment date for which the
18 election is made.

19 The department of local government finance shall prescribe the forms
20 to make the election beginning with the March 1, 2003, assessment
21 date. Any special integrated steel mill or oil refinery/petrochemical
22 equipment acquired by a taxpayer that has made an election under this
23 section is valued under this section.

24 (g) If fifty percent (50%) or more of the adjusted cost of a taxpayer's
25 property that would, notwithstanding this section, be reported in a pool
26 other than Pool No. 5 is attributable to special integrated steel mill or
27 oil refinery/petrochemical equipment, the taxpayer may elect to
28 calculate the true tax value of all of that property as special integrated
29 steel mill or oil refinery/petrochemical equipment. The true tax value
30 of property for which an election is made under this subsection is
31 calculated under subsections (b) through (f).

32 SECTION 2. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]
33 **IC 6-1.1-3-23, as amended by this act, applies only to property**
34 **taxes first due and payable after December 31, 2004.**

35 SECTION 3. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1584, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

AYRES, Vice Chair

Committee Vote: yeas 16, nays 2.

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