Reprinted
February 23, 2007

HOUSE BILL No. 1656

DIGEST OF HB 1656 (Updated February 22, 2007 3:42 pm - DI 52)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Property taxes. Extends the deadline for filing an amended personal property tax return. Allows local waiver of noncompliance with respect to filing deadlines and clerical errors for property tax credits, deductions, and exemptions. Allows certain taxpayers to file amended personal property tax returns for prior years.

Effective: Upon passage; January 1, 2007 (retroactive).

Mays, Buell

(SENATE SPONSORS — SIPES, WEATHERWAX)

January 23, 2007, read first time and referred to Committee on Ways and Means.
February 15, 2007, amended, reported — Do Pass.
February 19, 2007, read second time, amended, ordered engrossed.
February 20, 2007, engrossed.
February 22, 2007, read third time, recommitted to Committee of One, amended; passed. Yeas 97, nays 0.

C o p y

Reprinted
February 23, 2007

First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

C o p y

HOUSE BILL No. 1656

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-1.1-3-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: Sec. 7.5. (a) A taxpayer may file an amended personal property tax return, in conformity with the rules adopted by the department of local government finance, not more than ~~six (6) months~~ **one (1) year** after the later of the following:

(1) The filing date for the original personal property tax return, if the taxpayer is not granted an extension in which to file under section 7 of this chapter.

(2) The extension date for the original personal property tax return, if the taxpayer is granted an extension under section 7 of this chapter.

(b) A tax adjustment related to an amended personal property tax return shall be made in conformity with rules adopted under IC 4-22-2 by the department of local government finance.

(c) If a taxpayer wishes to correct an error made by the taxpayer on the taxpayer's original personal property tax return, the taxpayer must

file an amended personal property tax return under this section within the time required by subsection (a). A taxpayer may claim on an amended personal property tax return any adjustment or exemption that would have been allowable under any statute or rule adopted by the department of local government finance if the adjustment or exemption had been claimed on the original personal property tax return.

(d) Notwithstanding any other provision, if:

(1) a taxpayer files an amended personal property tax return under this section in order to correct an error made by the taxpayer on the taxpayer's original personal property tax return; and

(2) the taxpayer is entitled to a refund of personal property taxes paid by the taxpayer under the original personal property tax return;

the taxpayer is not entitled to interest on the refund.

(e) If a taxpayer files an amended personal property tax return for a year before July 16 of that year, the taxpayer shall pay taxes payable in the immediately succeeding year based on the assessed value reported on the amended return.

(f) If a taxpayer files an amended personal property tax return for a year after July 15 of that year, the taxpayer shall pay taxes payable in the immediately succeeding year based on the assessed value reported on the taxpayer's original personal property tax return. A taxpayer that paid taxes under this subsection is entitled to a credit in the amount of taxes paid by the taxpayer on the remainder of:

(1) the assessed value reported on the taxpayer's original personal property tax return; minus

(2) the finally determined assessed value that results from the filing of the taxpayer's amended personal property tax return.

Except as provided in subsection (k), the county auditor shall apply the credit against the taxpayer's property taxes on personal property payable in the year that immediately succeeds the year in which the taxes were paid.

(g) If the amount of the credit to which the taxpayer is entitled under subsection (f) exceeds the amount of the taxpayer's property taxes on personal property payable in the year that immediately succeeds the year in which the taxes were paid, the county auditor shall apply the amount of the excess credit against the taxpayer's property taxes on personal property in the next succeeding year.

(h) Not later than December 31 of the year in which a credit is applied under subsection (g), the county auditor shall refund to the taxpayer the amount of any excess credit that remains after application of the credit under subsection (g).

C o p y

(i) The taxpayer is not required to file an application for:

(1) a credit under subsection (f) or (g); or

(2) a refund under subsection (h).

(j) Before August 1 of each year, the county auditor shall provide to each taxing unit in the county an estimate of the total amount of the credits under subsection (f) or (g) that will be applied against taxes imposed by the taxing unit that are payable in the immediately succeeding year.

(k) A county auditor may refund a credit amount to a taxpayer before the time the credit would otherwise be applied against property tax payments under this section.

SECTION 2. IC 6-1.1-8.2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. **(a)** To obtain the credit provided by section 4 of this chapter for a particular calendar year, a taxpayer must file with the department of local government finance an accurate statement of the qualified expenditures that entitle the taxpayer to a credit. The statement must be filed:

(1) in the form prescribed by the department of local government finance; and

(2) with the statement required for the calendar year to which the credit applies under IC 6-1.1-8-19.

(b) The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error in the manner allowed under IC 6-1.1-20.9-11.3.

SECTION 3. IC 6-1.1-11-3.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.6. (a) As used in this section, "clerical error" includes mathematical errors and omitted signatures.**

(b) The county property tax assessment board of appeals may by resolution, with respect to an exemption under this chapter, waive noncompliance with:

(1) a filing deadline applicable to an application or another document that is required to be filed under this chapter; or

(2) a clerical error in an application or another document that is required to be filed under this chapter;

if the taxpayer otherwise qualifies for the exemption and the document is filed or the clerical error is corrected before the resolution is adopted. The resolution must specifically identify the property, exemptions, and taxpayer that are affected by the resolution, specifically identify the noncompliance that is the subject of the resolution, and include a finding that the

C o p y

noncompliance has been corrected before the adoption of the resolution.

(c) The county property tax assessment board of appeals shall certify a copy of a resolution adopted under this section to the taxpayer and the department of local government finance.

(d) If a noncompliance with this chapter has been corrected and a resolution is adopted under this section, the taxpayer shall be treated as if the taxpayer had complied with the procedural requirements of this chapter. However, if the county property tax assessment board of appeals determines that granting the relief permitted by this section would result in a delay in the issuance of tax bills, require the recalculation of tax rates or tax levies for a particular year, or otherwise cause an undue burden on a taxing unit, the county property tax assessment board of appeals may require that the exemption that the taxpayer would be entitled to receive for a particular year be applied to a subsequent year in the manner prescribed by the department of local government finance.

SECTION 4. IC 6-1.1-12-0.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.3. The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error under this chapter in the manner in which a designating body may waive noncompliance under IC 6-1.1-12.1-9.5.**

SECTION 5. IC 6-1.1-12.2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. **(a)** To qualify for the deduction, the taxpayer must claim the deduction, in the manner prescribed by the department of local government finance, on the taxpayer's personal property tax return filed under IC 6-1.1-3 or IC 6-1.1-8 (or an amended return filed within the time allowed under this article) for the abated property to which the deduction applies.

(b) The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error in the manner allowed under IC 6-1.1-12-0.3.

SECTION 6. IC 6-1.1-12.3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. **(a)** To qualify for the deduction, the taxpayer must claim the deduction, in the manner prescribed by the department of local government finance, on the taxpayer's personal property tax return filed under IC 6-1.1-3 or IC 6-1.1-8 (or an amended return filed within the time allowed under this article) for the abatement property to which the deduction applies.

(b) The county property tax assessment board of appeals may

C o p y

waive noncompliance with respect to a filing deadline or a clerical error in the manner allowed under IC 6-1.1-12-0.3.

SECTION 7. IC 6-1.1-12.4-2, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to a development, redevelopment, or rehabilitation that is first assessed after March 1, 2005, and before March 2, 2009. Except as provided in subsection (h) and sections 4, 5, and 8 of this chapter, an owner of real property that:

(1) develops, redevelops, or rehabilitates the real property; and

(2) creates or retains employment from the development, redevelopment, or rehabilitation;

is entitled to a deduction from the assessed value of the real property.

(c) The deduction under this section is first available in the year in which the increase in assessed value resulting from the development, redevelopment, or rehabilitation occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:

(1) two million dollars ($2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by

(B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor shall:

(1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and

(2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

(1) make the deductions; and

C o p y

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:

(1) a general reassessment of real property under IC 6-1.1-4-4; or

(2) an annual adjustment under IC 6-1.1-4-4.5.

(g) If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.

(h) The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

(i) The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error in the manner allowed under IC 6-1.1-12-0.3.

SECTION 8. IC 6-1.1-20.9-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) As used in this section, "clerical error" includes mathematical errors and omitted signatures.**

(b) The county property tax assessment board of appeals may by resolution, with respect to a credit under this chapter, waive noncompliance with:

(1) a filing deadline applicable to an application or another document that is required to be filed under this chapter; or

(2) a clerical error in an application or another document that is required to be filed under this chapter;

if the taxpayer otherwise qualifies for the credit and the document is filed or the clerical error is corrected before the resolution is adopted. The resolution must specifically identify the property, credit, and taxpayer that are affected by the resolution, specifically identify the noncompliance that is the subject of the resolution, and include a finding that the noncompliance has been corrected before the adoption of the resolution.

(c) The county property tax assessment board of appeals shall certify a copy of a resolution adopted under this section to the taxpayer and the department of local government finance.

(d) If a noncompliance with this chapter has been corrected and a resolution is adopted under this section, the taxpayer shall be treated as if the taxpayer had complied with the procedural

C o p y

requirements of this chapter. However, if the county property tax assessment board of appeals determines that granting the relief permitted by this section would result in a delay in the issuance of tax bills, require the recalculation of tax rates or tax levies for a particular year, or otherwise cause an undue burden on a taxing unit, the county property tax assessment board of appeals may require that the credit that the taxpayer would be entitled to receive for a particular year be applied to a subsequent year in the manner prescribed by the department of local government finance.

SECTION 9. IC 6-1.1-40-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) A person that desires to obtain the deduction provided by section 10 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with:

(1) the auditor of the county in which the new manufacturing equipment and inventory is located; and

(2) the department of local government finance.

A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment is installed or the inventory is subject to assessment must file the application between March 1 and May 15 of that year.

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

(1) The name of the owner of the new manufacturing equipment and inventory.

(2) A description of the new manufacturing equipment and inventory.

(3) Proof of the date the new manufacturing equipment was installed.

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

(c) A deduction application must be filed under this section in the year in which the new manufacturing equipment is installed or the inventory is subject to assessment and in each of the immediately succeeding nine (9) years.

(d) The department of local government finance shall review and verify the correctness of each application and shall notify the county auditor of the county in which the property is located that the application is approved or denied or that the amount of the deduction is altered. Upon notification of approval of the application or of alteration of the amount of the deduction, the county auditor shall make the deduction.

C o p y

(e) If the ownership of new manufacturing equipment changes, the deduction provided under section 10 of this chapter continues to apply to that equipment if the new owner:

(1) continues to use the equipment in compliance with any standards established under section 7(c) of this chapter; and

(2) files the applications required by this section.

(f) The amount of the deduction is:

(1) the percentage under section 10 of this chapter that would have applied if the ownership of the property had not changed; multiplied by

(2) the assessed value of the equipment for the year the deduction is claimed by the new owner.

(g) The commission may waive noncompliance with respect to a filing deadline or a clerical error under this chapter in the manner in which a designating body may waive noncompliance under IC 6-1.1-12.1-9.5.

SECTION 10. IC 6-1.1-42-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) A property owner who desires to obtain the deduction provided by section 24 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

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

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

(1) The name of each owner of the property.

(2) A certificate of completion of a voluntary remediation under IC 13-25-5-16.

(3) Proof that each owner who is applying for the deduction:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written

C o p y

standards adopted by the department of environmental management.

(4) Proof that the deduction was approved by the appropriate designating body.

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

(6) The assessed value of the improvements before remediation and redevelopment.

(7) The increase in the assessed value of improvements resulting from remediation and redevelopment.

(8) The amount of the deduction claimed for the first year of the deduction.

(d) A certified deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of property is made and each subsequent year to which the deduction applies under the resolution adopted under section 24 of this chapter.

(e) A property owner who desires to obtain the deduction provided by section 24 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year which is applicable for the year filed and the subsequent years without any additional certified deduction application being filed for the amounts of the deduction which would be applicable to such years under this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) On verification of the correctness of a certified deduction application by the assessor of the township in which the property is located, the county auditor shall, if the property is covered by a resolution adopted under section 24 of this chapter, make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 24 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) is a person that:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management;

C o p y

(2) continues to use the property in compliance with any standards established under sections 7 and 23 of this chapter; and

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

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

(i) The designating body may waive noncompliance with respect to a filing deadline or a clerical error under this chapter in the manner in which a designating body may waive noncompliance under IC 6-1.1-12.1-9.5.

SECTION 11. IC 6-1.1-44-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) To obtain a deduction under this chapter, a manufacturer must file an application on forms prescribed by the department of local government finance with the auditor of the county in which the investment property is located. A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the investment property is installed must file the application between March 1 and May 15 of that year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for the year in which the investment property is installed must file the application between March 1 and the extended due date for that year.

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

(1) The name of the owner of the investment property.

(2) A description of the investment property.

(3) Proof of purchase of the investment property and proof of the date the investment property was installed.

(4) The amount of the deduction claimed.

(c) The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error in the manner allowed under IC 6-1.1-12-0.3.

SECTION 12. IC 6-1.1-45-10, AS ADDED BY P.L.214-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) A taxpayer that desires to claim the deduction provided by section 9 of this chapter for a particular year shall file a certified application, on forms prescribed by the department of local government finance, with the auditor of the county where the property for which the deduction is claimed was located on the assessment date. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The application must be filed before May 10 of the assessment

C o p y

year to obtain the deduction.

(b) A taxpayer shall include on an application filed under this section all information that the department of local government finance and the corporation require to determine eligibility for the deduction provided under this chapter.

(c) The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error in the manner allowed under IC 6-1.1-12-0.3.

SECTION 13. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)] **(a) This SECTION applies notwithstanding the following:**

(1) IC 6-1.1-3-7.5.
(2) IC 6-1.1-10-31.1.
(3) IC 6-1.1-11.
(4) 50 IAC 4.2-2.
(5) 50 IAC 4.2-3.
(6) 50 IAC 4.2-11.
(7) 50 IAC 4.2-12.
(8) All of the following as in effect before being voided by IC 6-1.1-3-22:
(A) 50 IAC 4.3-2.
(B) 50 IAC 4.3-3.
(C) 50 IAC 4.3-11.
(D) 50 IAC 4.3-12.
(9) 50 IAC 16.

(b) As used in this SECTION, "amended return" means an amended personal property tax return submitted for filing by a taxpayer after December 31, 2006, and before February 1, 2007, for the assessment dates.

(c) As used in this SECTION, "assessment dates" refers to assessment dates (as defined in IC 6-1.1-1-2(1)) in 2002, 2003, and 2004.

(d) As used in this SECTION, "return" refers to the personal property tax return required under IC 6-1.1-3-7.

(e) As used in this SECTION, "taxpayer" means a taxpayer that:

(1) filed original returns under IC 6-1.1-3-7 for the assessment dates; and
(2) submitted for filing amended returns for the assessment dates.

(f) The amended returns:

(1) are allowed; and

C o p y

(2) are considered to have been timely filed.

(g) A taxpayer is entitled to the exemptions for tangible personal property claimed on:

(1) Schedule B of the amended returns; and

(2) the Form 103-W filed with the amended returns.

(h) Any notice of increased assessed value issued by a township assessor with respect to personal property that is the subject of an amended return is considered withdrawn and nullified.

(i) IC 6-1.1-37-7, IC 6-1.1-37-9, and IC 6-1.1-37-10 do not apply to any additional personal property taxes owed by a taxpayer as a result of filing an amended return.

(j) This SECTION expires July 1, 2008.

SECTION 14. **An emergency is declared for this act.**

C o p y

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1656, 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:

Page 1, between lines 9 and 10, begin a new line single block indented and insert:

"**(8) All of the following as in effect before being voided by IC 6-1.1-3-22:**

(A) 50 IAC 4.3-2.

(B) 50 IAC 4.3-3.

(C) 50 IAC 4.3-11.

(D) 50 IAC 4.3-12.".

Page 1, line 10, delete "(8)" and insert "**(9)**".

Page 1, line 12, delete "filed" and insert "**submitted for filing**".

Page 2, line 6, delete "filed" and insert "**submitted for filing**".

Page 2, line 17, after "(i)" insert "**IC 6-1.1-37-7,**".

Page 2, line 17, after "IC 6-1.1-37-9" insert "**,**".

and when so amended that said bill do pass.

(Reference is to HB 1656 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 19, nays 0.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1656 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-8.2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. **(a)** To obtain the credit provided by section 4 of this chapter for a particular calendar year, a taxpayer must file with the department of local government finance an accurate statement of the qualified expenditures that entitle the taxpayer to a credit. The statement must be filed:

C o p y

(1) in the form prescribed by the department of local government finance; and

(2) with the statement required for the calendar year to which the credit applies under IC 6-1.1-8-19.

(b) The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error in the manner allowed under IC 6-1.1-20.9-11.3.

SECTION 2. IC 6-1.1-11-3.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.6. (a) As used in this section, "clerical error" includes mathematical errors and omitted signatures.**

(b) The county property tax assessment board of appeals may by resolution, with respect to an exemption under this chapter, waive noncompliance with:

(1) a filing deadline applicable to an application or another document that is required to be filed under this chapter; or

(2) a clerical error in an application or another document that is required to be filed under this chapter;

if the taxpayer otherwise qualifies for the exemption and the document is filed or the clerical error is corrected before the resolution is adopted. The resolution must specifically identify the property, exemptions, and taxpayer that are affected by the resolution, specifically identify the noncompliance that is the subject of the resolution, and include a finding that the noncompliance has been corrected before the adoption of the resolution.

(c) The county property tax assessment board of appeals shall certify a copy of a resolution adopted under this section to the taxpayer and the department of local government finance.

(d) If a noncompliance with this chapter has been corrected and a resolution is adopted under this section, the taxpayer shall be treated as if the taxpayer had complied with the procedural requirements of this chapter. However, if the county property tax assessment board of appeals determines that granting the relief permitted by this section would result in a delay in the issuance of tax bills, require the recalculation of tax rates or tax levies for a particular year, or otherwise cause an undue burden on a taxing unit, the county property tax assessment board of appeals may require that the exemption that the taxpayer would be entitled to receive for a particular year be applied to a subsequent year in the manner prescribed by the department of local government finance.

C o p y

SECTION 3. IC 6-1.1-12-0.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.3. The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error under this chapter in the manner in which a designating body may waive noncompliance under IC 6-1.1-12.1-9.5.**

SECTION 4. IC 6-1.1-12.2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. **(a)** To qualify for the deduction, the taxpayer must claim the deduction, in the manner prescribed by the department of local government finance, on the taxpayer's personal property tax return filed under IC 6-1.1-3 or IC 6-1.1-8 (or an amended return filed within the time allowed under this article) for the abated property to which the deduction applies.

(b) The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error in the manner allowed under IC 6-1.1-12-0.3.

SECTION 5. IC 6-1.1-12.3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. **(a)** To qualify for the deduction, the taxpayer must claim the deduction, in the manner prescribed by the department of local government finance, on the taxpayer's personal property tax return filed under IC 6-1.1-3 or IC 6-1.1-8 (or an amended return filed within the time allowed under this article) for the abatement property to which the deduction applies.

(b) The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error in the manner allowed under IC 6-1.1-12-0.3.

SECTION 6. IC 6-1.1-12.4-2, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to a development, redevelopment, or rehabilitation that is first assessed after March 1, 2005, and before March 2, 2009. Except as provided in subsection (h) and sections 4, 5, and 8 of this chapter, an owner of real property that:

(1) develops, redevelops, or rehabilitates the real property; and

(2) creates or retains employment from the development, redevelopment, or rehabilitation;

is entitled to a deduction from the assessed value of the real property.

(c) The deduction under this section is first available in the year in

C o p y

which the increase in assessed value resulting from the development, redevelopment, or rehabilitation occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:

(1) two million dollars ($2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by

(B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor shall:

(1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and

(2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:

(1) a general reassessment of real property under IC 6-1.1-4-4; or

(2) an annual adjustment under IC 6-1.1-4-4.5.

(g) If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.

(h) The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

(i) The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error in the manner allowed under IC 6-1.1-12-0.3.

C o p y

SECTION 7. IC 6-1.1-20.9-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) As used in this section, "clerical error" includes mathematical errors and omitted signatures.**

(b) The county property tax assessment board of appeals may by resolution, with respect to a credit under this chapter, waive noncompliance with:

(1) a filing deadline applicable to an application or another document that is required to be filed under this chapter; or

(2) a clerical error in an application or another document that is required to be filed under this chapter;

if the taxpayer otherwise qualifies for the credit and the document is filed or the clerical error is corrected before the resolution is adopted. The resolution must specifically identify the property, credit, and taxpayer that are affected by the resolution, specifically identify the noncompliance that is the subject of the resolution, and include a finding that the noncompliance has been corrected before the adoption of the resolution.

(c) The county property tax assessment board of appeals shall certify a copy of a resolution adopted under this section to the taxpayer and the department of local government finance.

(d) If a noncompliance with this chapter has been corrected and a resolution is adopted under this section, the taxpayer shall be treated as if the taxpayer had complied with the procedural requirements of this chapter. However, if the county property tax assessment board of appeals determines that granting the relief permitted by this section would result in a delay in the issuance of tax bills, require the recalculation of tax rates or tax levies for a particular year, or otherwise cause an undue burden on a taxing unit, the county property tax assessment board of appeals may require that the credit that the taxpayer would be entitled to receive for a particular year be applied to a subsequent year in the manner prescribed by the department of local government finance.

SECTION 8. IC 6-1.1-40-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) A person that desires to obtain the deduction provided by section 10 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with:

(1) the auditor of the county in which the new manufacturing equipment and inventory is located; and

(2) the department of local government finance.

C o p y

A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment is installed or the inventory is subject to assessment must file the application between March 1 and May 15 of that year.

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

(1) The name of the owner of the new manufacturing equipment and inventory.

(2) A description of the new manufacturing equipment and inventory.

(3) Proof of the date the new manufacturing equipment was installed.

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

(c) A deduction application must be filed under this section in the year in which the new manufacturing equipment is installed or the inventory is subject to assessment and in each of the immediately succeeding nine (9) years.

(d) The department of local government finance shall review and verify the correctness of each application and shall notify the county auditor of the county in which the property is located that the application is approved or denied or that the amount of the deduction is altered. Upon notification of approval of the application or of alteration of the amount of the deduction, the county auditor shall make the deduction.

(e) If the ownership of new manufacturing equipment changes, the deduction provided under section 10 of this chapter continues to apply to that equipment if the new owner:

(1) continues to use the equipment in compliance with any standards established under section 7(c) of this chapter; and

(2) files the applications required by this section.

(f) The amount of the deduction is:

(1) the percentage under section 10 of this chapter that would have applied if the ownership of the property had not changed; multiplied by

(2) the assessed value of the equipment for the year the deduction is claimed by the new owner.

(g) The commission may waive noncompliance with respect to a filing deadline or a clerical error under this chapter in the manner in which a designating body may waive noncompliance under IC 6-1.1-12.1-9.5.

SECTION 9. IC 6-1.1-42-27 IS AMENDED TO READ AS

C o p y

FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) A property owner who desires to obtain the deduction provided by section 24 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

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

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

(1) The name of each owner of the property.

(2) A certificate of completion of a voluntary remediation under IC 13-25-5-16.

(3) Proof that each owner who is applying for the deduction:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

(4) Proof that the deduction was approved by the appropriate designating body.

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

(6) The assessed value of the improvements before remediation and redevelopment.

(7) The increase in the assessed value of improvements resulting from remediation and redevelopment.

(8) The amount of the deduction claimed for the first year of the deduction.

(d) A certified deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of property is made and each subsequent year to which the deduction applies under the resolution adopted under section 24 of this chapter.

C o p y

(e) A property owner who desires to obtain the deduction provided by section 24 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year which is applicable for the year filed and the subsequent years without any additional certified deduction application being filed for the amounts of the deduction which would be applicable to such years under this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) On verification of the correctness of a certified deduction application by the assessor of the township in which the property is located, the county auditor shall, if the property is covered by a resolution adopted under section 24 of this chapter, make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 24 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) is a person that:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management;

(2) continues to use the property in compliance with any standards established under sections 7 and 23 of this chapter; and

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

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

(i) The designating body may waive noncompliance with respect to a filing deadline or a clerical error under this chapter in the manner in which a designating body may waive noncompliance under IC 6-1.1-12.1-9.5.

SECTION 10. IC 6-1.1-44-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) To obtain a deduction under this chapter, a manufacturer must file an application on forms prescribed by the department of local government finance with the auditor of the county in which the investment property is located. A person that timely files a personal property return under

C o p y

IC 6-1.1-3-7(a) for the year in which the investment property is installed must file the application between March 1 and May 15 of that year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for the year in which the investment property is installed must file the application between March 1 and the extended due date for that year.

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

(1) The name of the owner of the investment property.

(2) A description of the investment property.

(3) Proof of purchase of the investment property and proof of the date the investment property was installed.

(4) The amount of the deduction claimed.

(c) The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error in the manner allowed under IC 6-1.1-12-0.3.

SECTION 11. IC 6-1.1-45-10, AS ADDED BY P.L.214-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) A taxpayer that desires to claim the deduction provided by section 9 of this chapter for a particular year shall file a certified application, on forms prescribed by the department of local government finance, with the auditor of the county where the property for which the deduction is claimed was located on the assessment date. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The application must be filed before May 10 of the assessment year to obtain the deduction.

(b) A taxpayer shall include on an application filed under this section all information that the department of local government finance and the corporation require to determine eligibility for the deduction provided under this chapter.

(c) The county property tax assessment board of appeals may waive noncompliance with respect to a filing deadline or a clerical error in the manner allowed under IC 6-1.1-12-0.3.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1656 as printed February 16, 2007.)

BUELL

C o p y

HOUSE MOTION

Mr. Speaker: I move that House Bill 1656 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-3-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: Sec. 7.5. (a) A taxpayer may file an amended personal property tax return, in conformity with the rules adopted by the department of local government finance, not more than ~~six (6) months~~ **one (1) year** after the later of the following:

(1) The filing date for the original personal property tax return, if the taxpayer is not granted an extension in which to file under section 7 of this chapter.

(2) The extension date for the original personal property tax return, if the taxpayer is granted an extension under section 7 of this chapter.

(b) A tax adjustment related to an amended personal property tax return shall be made in conformity with rules adopted under IC 4-22-2 by the department of local government finance.

(c) If a taxpayer wishes to correct an error made by the taxpayer on the taxpayer's original personal property tax return, the taxpayer must file an amended personal property tax return under this section within the time required by subsection (a). A taxpayer may claim on an amended personal property tax return any adjustment or exemption that would have been allowable under any statute or rule adopted by the department of local government finance if the adjustment or exemption had been claimed on the original personal property tax return.

(d) Notwithstanding any other provision, if:

(1) a taxpayer files an amended personal property tax return under this section in order to correct an error made by the taxpayer on the taxpayer's original personal property tax return; and

(2) the taxpayer is entitled to a refund of personal property taxes paid by the taxpayer under the original personal property tax return;

the taxpayer is not entitled to interest on the refund.

(e) If a taxpayer files an amended personal property tax return for a year before July 16 of that year, the taxpayer shall pay taxes payable in the immediately succeeding year based on the assessed value

C o p y

reported on the amended return.

(f) If a taxpayer files an amended personal property tax return for a year after July 15 of that year, the taxpayer shall pay taxes payable in the immediately succeeding year based on the assessed value reported on the taxpayer's original personal property tax return. A taxpayer that paid taxes under this subsection is entitled to a credit in the amount of taxes paid by the taxpayer on the remainder of:

(1) the assessed value reported on the taxpayer's original personal property tax return; minus

(2) the finally determined assessed value that results from the filing of the taxpayer's amended personal property tax return.

Except as provided in subsection (k), the county auditor shall apply the credit against the taxpayer's property taxes on personal property payable in the year that immediately succeeds the year in which the taxes were paid.

(g) If the amount of the credit to which the taxpayer is entitled under subsection (f) exceeds the amount of the taxpayer's property taxes on personal property payable in the year that immediately succeeds the year in which the taxes were paid, the county auditor shall apply the amount of the excess credit against the taxpayer's property taxes on personal property in the next succeeding year.

(h) Not later than December 31 of the year in which a credit is applied under subsection (g), the county auditor shall refund to the taxpayer the amount of any excess credit that remains after application of the credit under subsection (g).

(i) The taxpayer is not required to file an application for:

(1) a credit under subsection (f) or (g); or

(2) a refund under subsection (h).

(j) Before August 1 of each year, the county auditor shall provide to each taxing unit in the county an estimate of the total amount of the credits under subsection (f) or (g) that will be applied against taxes imposed by the taxing unit that are payable in the immediately succeeding year.

(k) A county auditor may refund a credit amount to a taxpayer before the time the credit would otherwise be applied against property tax payments under this section.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1656 as printed February 16, 2007.)

LEONARD

C o p y

HOUSE MOTION

Mr. Speaker: I move that House Bill 1656 be amended to read as follows:

Page 2, between lines 26 and 27, begin a new paragraph and insert:

"**(j) Notwithstanding IC 6-1.1-26, any refund amount that a taxpayer is entitled to receive under this SECTION must be applied as a credit against the taxpayer's property tax liability attributable to the taxpayer's personal property. A credit applied under this subsection must be applied in eight (8) equal amounts to the taxpayer's property tax statements due in May and November of the four (4) calendar years beginning after December 31 of the year in which it is determined that the taxpayer is entitled to a refund under this SECTION.**".

Page 2, line 27, delete "(j)" and insert "**(k)**".

(Reference is to HB 1656 as printed February 16, 2007.)

LEONARD

HOUSE MOTION

Mr. Speaker: I move that House Bill 1656 be recommitted to a Committee of One, its sponsor, with specific instructions to amend as follows:

Page 12, delete lines 12 through 20.

Page 12, line 21, delete "(k)" and insert "**(j)**".

(Reference is to HB 1656 as reprinted February 20, 2007.)

MAYS

COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred House Bill 1656, begs leave to report that said bill has been amended as directed.

MAYS

C o p y