

## SENATE BILL No. 106

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-10-44.

**Synopsis:** Computer facility property tax exemption. Provides that a taxpayer qualifies for the property tax exemption for a data warehouse if the taxpayer is either a lessor or lessee and the lessor and all lessees together invest at least \$10,000,000 at the facility or data center. Provides that the exemption applies to the originally purchased enterprise information technology equipment and all additions to and replacements of the equipment.

**Effective:** July 1, 2011.

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### Charbonneau

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January 5, 2011, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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## SENATE BILL No. 106



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

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

1 SECTION 1. IC 6-1.1-10-44, AS ADDED BY P.L.163-2009,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2011]: Sec. 44. (a) As used in this section, "designating body"  
4 means the fiscal body of:  
5 (1) a county that does not contain a consolidated city; or  
6 (2) a municipality.  
7 (b) As used in this section, "eligible business" means an entity that  
8 meets the following requirements:  
9 (1) The entity is engaged in a business that operates one (1) or  
10 more facilities dedicated to computing, networking, or data  
11 storage activities.  
12 (2) The entity is located in a facility or data center in Indiana.  
13 (3) The entity invests in the aggregate at least ten million dollars  
14 (\$10,000,000) in real and personal property in Indiana after June  
15 30, 2009. **The investment requirement is satisfied if:**  
16 **(A) the entity is either a lessor or lessee at the facility or**  
17 **data center; and**



1 (B) the entity, the lessor (if the entity is a lessee), and all  
2 lessees invest in the aggregate at the facility or data center  
3 at least ten million dollars (\$10,000,000) in real and  
4 personal property.

5 (4) The average employee wage of the entity is at least one  
6 hundred twenty-five percent (125%) of the county average wage  
7 for each county in which the entity conducts business operations.

8 (c) As used in this section, "enterprise information technology  
9 equipment" means the following:

10 (1) Hardware supporting computing, networking, or data storage  
11 function, including servers and routers.

12 (2) Networking systems having an industry designation as  
13 equipment within the "enterprise" or "data center" class of  
14 networking systems that support the computing, networking, or  
15 data storage functions.

16 (3) Generators and other equipment used to ensure an  
17 uninterrupted power supply to equipment described in subdivision  
18 (1) or (2).

19 The term does not include computer hardware designed for single user,  
20 workstation, or departmental level use.

21 (d) As used in this section, "fiscal body" has the meaning set forth  
22 in IC 36-1-2-6.

23 (e) As used in this section, "municipality" has the meaning set forth  
24 in IC 36-1-2-11.

25 (f) As used in this section, "qualified property" means enterprise  
26 information technology equipment purchased after June 30, 2009. **The**  
27 **term includes all additions to and replacements of the enterprise**  
28 **information technology equipment.**

29 (g) Before adopting a final resolution under subsection (h) to  
30 provide a property tax exemption, a designating body must first adopt  
31 a declaratory resolution provisionally specifying that qualified property  
32 owned by a particular eligible business is exempt from property  
33 taxation. The designating body shall file a declaratory resolution  
34 adopted under this subsection with the county assessor. After a  
35 designating body adopts a declaratory resolution specifying that  
36 qualified property owned by a particular eligible business is exempt  
37 from property taxation, the designating body shall publish notice of the  
38 adoption and the substance of the declaratory resolution in accordance  
39 with IC 5-3-1 and file a copy of the notice and the declaratory  
40 resolution with each taxing unit in the county. The notice must specify  
41 a date when the designating body will receive and hear all  
42 remonstrances and objections from interested persons. The designating

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1 body shall file the notice and the declaratory resolution with the  
 2 officers of the taxing units who are authorized to fix budgets, tax rates,  
 3 and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date  
 4 for the public hearing. After the designating body considers the  
 5 testimony presented at the public hearing, the designating body may  
 6 adopt a second and final resolution under subsection (h). The second  
 7 and final resolution under subsection (h) may modify, confirm, or  
 8 rescind the declaratory resolution.

9 (h) Before January 1, 2013, a designating body may after following  
 10 the procedures of subsection (g) adopt a final resolution providing that  
 11 qualified property owned by a particular eligible business is exempt  
 12 from property taxation. In the case of a county, the exemption applies  
 13 only to qualified property that is located in unincorporated territory of  
 14 the county. In the case of a municipality, the exemption applies only to  
 15 qualified property that is located in the municipality. The property tax  
 16 exemption applies to the qualified property only if the designating body  
 17 and the eligible business enter into an agreement concerning the  
 18 property tax exemption. The agreement must specify the duration of the  
 19 property tax exemption. The agreement may specify that if the  
 20 ownership of qualified property is transferred by an eligible business,  
 21 the transferee is entitled to the property tax exemption on the same  
 22 terms as the transferor. If a designating body adopts a final resolution  
 23 under this subsection and enters into an agreement with an eligible  
 24 business, the qualified property owned by the eligible business is  
 25 exempt from property taxation as provided in the resolution and the  
 26 agreement.

27 (i) If a designating body adopts a final resolution and enters into an  
 28 agreement under subsection (h) to provide a property tax exemption,  
 29 the property tax exemption continues for the period specified in the  
 30 agreement, notwithstanding the January 1, 2013, deadline to adopt a  
 31 final resolution under subsection (h).

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