



Reprinted  
April 10, 2013

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# ENGROSSED HOUSE BILL No. 1544

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DIGEST OF HB 1544 (Updated April 9, 2013 8:22 pm - DI 73)

**Citations Affected:** IC 6-1.1; IC 6-3.1; IC 12-17.2; IC 34-24; IC 35-43.

**Synopsis:** Various tax matters. Amends the law regarding economic revitalization areas to: (1) allow a designating body to establish an abatement schedule in all cases (current law allows designating bodies to establish an alternative abatement schedule); (2) provide that an abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits; (3) repeal a statute authorizing enhanced abatements; and (4) remove  
(Continued next page)

**Effective:** Upon passage; January 1, 2013 (retroactive); March 1, 2013 (retroactive); July 1, 2013; January 1, 2014.

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## Turner, Braun

(SENATE SPONSOR — HERSHMAN)

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January 22, 2013, read first time and referred to Committee on Ways and Means.  
February 18, 2013, amended, reported — Do Pass.  
February 20, 2013, read second time, ordered engrossed. Engrossed.  
February 25, 2013, read third time, failed. Yeas 48, nays 47. House reconsidered.  
February 25, 2013, re-read third time, recommitted to Committee of One, amended, passed. Yeas 65, nays 30.  
February 26, 2013, re-engrossed.

SENATE ACTION

February 27, 2013, read first time, referred to Committee on Tax and Fiscal Policy.  
April 4, 2013, amended, reported favorably — Do Pass.  
April 9, 2013, read second time, amended, ordered engrossed.

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references to deadline dates that have already passed. Defines the term "common areas" for purposes of the circuit breaker credit law. Provides that for purposes of the circuit breaker credit, the land that is a common area shared by dwelling units of a building that includes two or more dwelling units is considered "residential property". (Current law limits the land eligible to be classified as "residential property" to only the area of the building footprint.) Specifies that if a taxpayer is entitled to a property tax refund or credit because an assessment is decreased, the interest rate on the refund is the rate established for excess tax payments by the commissioner of the department of state revenue (rather than 4%, under current law). Provides for an Indiana new markets tax credit against state taxes similar to the federal new markets tax credit. Excludes from the definition of a qualified active low income community business a business that is primarily engaged in providing home ownership services. Excludes from the definition of a qualified active low income community business a business that is primarily engaged in providing child care services, unless the business is a licensed child care center, child care home, or child care ministry that has the highest rating in the paths to quality program. Requires a qualified community development entity to pay the state a conditionally refundable fee of \$500,000 and a nonrefundable application fee of \$5,000 for each qualified equity investment that the qualified community development entity seeks to have approved by the Indiana economic development corporation (IEDC). Provides that a denial of an application by the Indiana economic development corporation (IEDC) does not create a private right of action for the applicant. Limits fees that may be charged to a qualified active low income community business. Provides that an equity investment has to be made before January 1, 2016, to qualify for the new markets tax credit. Provides that the IEDC may not approve more than \$10,000,000 in new markets tax credits per state fiscal year. Provides that the IEDC is required to issue letter rulings requested by taxpayers, similar to private letter rulings issued by the Internal Revenue Service at the federal level, regarding the Indiana new markets tax credit. Establishes the paths to quality voluntary child care rating system program. Requires the division of family resources to adopt rules to administer the paths to quality program. Requires an annual report to the state budget committee by the IEDC on the credit program. Allows an individual to claim a standard deduction for a homestead for a particular assessment date (and to become entitled to the supplemental standard deduction and the 1% circuit-breaker cap) even if on that assessment date the property on which the homestead is currently located was vacant land or the construction of the dwelling that constitutes the homestead was not completed. Provides that: (1) the interest on property tax refunds or credits paid to a taxpayer; and (2) the interest paid by a taxpayer if an assessment is increased after a petition for review or a judicial proceeding has been pending; shall be calculated at the rate in effect for each year. Imposes a Class C felony penalty for sale, purchase, installation, transfer, or possession of an automated sales suppression device ("zapper") or phantom-ware.

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Reprinted  
April 10, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1544

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 6-1.1-12-37, AS AMENDED BY P.L.137-2012,  
2 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 MARCH 1, 2013 (RETROACTIVE)]: Sec. 37. (a) The following  
4 definitions apply throughout this section:  
5 (1) "Dwelling" means any of the following:  
6 (A) Residential real property improvements that an individual  
7 uses as the individual's residence, including a house or garage.  
8 (B) A mobile home that is not assessed as real property that an  
9 individual uses as the individual's residence.  
10 (C) A manufactured home that is not assessed as real property  
11 that an individual uses as the individual's residence.  
12 (2) "Homestead" means an individual's principal place of  
13 residence:  
14 (A) that is located in Indiana;  
15 (B) that:  
16 (i) the individual owns;  
17 (ii) the individual is buying under a contract; recorded in the

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- 1 county recorder's office, that provides that the individual is  
 2 to pay the property taxes on the residence;  
 3 (iii) the individual is entitled to occupy as a  
 4 tenant-stockholder (as defined in 26 U.S.C. 216) of a  
 5 cooperative housing corporation (as defined in 26 U.S.C.  
 6 216); or  
 7 (iv) is a residence described in section 17.9 of this chapter  
 8 that is owned by a trust if the individual is an individual  
 9 described in section 17.9 of this chapter; and  
 10 (C) that consists of a dwelling and the real estate, not  
 11 exceeding one (1) acre, that immediately surrounds that  
 12 dwelling.

13 Except as provided in subsection (k), the term does not include  
 14 property owned by a corporation, partnership, limited liability  
 15 company, or other entity not described in this subdivision.

16 (b) Each year a homestead is eligible for a standard deduction from  
 17 the assessed value of the homestead for an assessment date. **Except as**  
 18 **provided in subsection (p)**, the deduction provided by this section  
 19 applies to property taxes first due and payable for an assessment date  
 20 only if an individual has an interest in the homestead described in  
 21 subsection (a)(2)(B) on:

- 22 (1) the assessment date; or  
 23 (2) any date in the same year after an assessment date that a  
 24 statement is filed under subsection (e) or section 44 of this  
 25 chapter, if the property consists of real property.

26 Subject to subsection (c), the auditor of the county shall record and  
 27 make the deduction for the individual or entity qualifying for the  
 28 deduction.

29 (c) Except as provided in section 40.5 of this chapter, the total  
 30 amount of the deduction that a person may receive under this section  
 31 for a particular year is the lesser of:

- 32 (1) sixty percent (60%) of the assessed value of the real property,  
 33 mobile home not assessed as real property, or manufactured home  
 34 not assessed as real property; or  
 35 (2) forty-five thousand dollars (\$45,000).

36 (d) A person who has sold real property, a mobile home not assessed  
 37 as real property, or a manufactured home not assessed as real property  
 38 to another person under a contract that provides that the contract buyer  
 39 is to pay the property taxes on the real property, mobile home, or  
 40 manufactured home may not claim the deduction provided under this  
 41 section with respect to that real property, mobile home, or  
 42 manufactured home.



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1 (e) Except as provided in sections 17.8 and 44 of this chapter and  
 2 subject to section 45 of this chapter, an individual who desires to claim  
 3 the deduction provided by this section must file a certified statement in  
 4 duplicate, on forms prescribed by the department of local government  
 5 finance, with the auditor of the county in which the homestead is  
 6 located. The statement must include:

7 (1) the parcel number or key number of the property and the name  
 8 of the city, town, or township in which the property is located;

9 (2) the name of any other location in which the applicant or the  
 10 applicant's spouse owns, is buying, or has a beneficial interest in  
 11 residential real property;

12 (3) the names of:

13 (A) the applicant and the applicant's spouse (if any):

14 (i) as the names appear in the records of the United States  
 15 Social Security Administration for the purposes of the  
 16 issuance of a Social Security card and Social Security  
 17 number; or

18 (ii) that they use as their legal names when they sign their  
 19 names on legal documents;

20 if the applicant is an individual; or

21 (B) each individual who qualifies property as a homestead  
 22 under subsection (a)(2)(B) and the individual's spouse (if any):

23 (i) as the names appear in the records of the United States  
 24 Social Security Administration for the purposes of the  
 25 issuance of a Social Security card and Social Security  
 26 number; or

27 (ii) that they use as their legal names when they sign their  
 28 names on legal documents;

29 if the applicant is not an individual; and

30 (4) either:

31 (A) the last five (5) digits of the applicant's Social Security  
 32 number and the last five (5) digits of the Social Security  
 33 number of the applicant's spouse (if any); or

34 (B) if the applicant or the applicant's spouse (if any) do not  
 35 have a Social Security number, any of the following for that  
 36 individual:

37 (i) The last five (5) digits of the individual's driver's license  
 38 number.

39 (ii) The last five (5) digits of the individual's state  
 40 identification card number.

41 (iii) If the individual does not have a driver's license or a  
 42 state identification card, the last five (5) digits of a control

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1                    number that is on a document issued to the individual by the  
 2                    federal government and determined by the department of  
 3                    local government finance to be acceptable.

4                    If a form or statement provided to the county auditor under this section,  
 5                    IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or  
 6                    part or all of the Social Security number of a party or other number  
 7                    described in subdivision (4)(B) of a party, the telephone number and  
 8                    the Social Security number or other number described in subdivision  
 9                    (4)(B) included are confidential. The statement may be filed in person  
 10                    or by mail. If the statement is mailed, the mailing must be postmarked  
 11                    on or before the last day for filing. The statement applies for that first  
 12                    year and any succeeding year for which the deduction is allowed. With  
 13                    respect to real property, the statement must be completed and dated in  
 14                    the calendar year for which the person desires to obtain the deduction  
 15                    and filed with the county auditor on or before January 5 of the  
 16                    immediately succeeding calendar year. With respect to a mobile home  
 17                    that is not assessed as real property, the person must file the statement  
 18                    during the twelve (12) months before March 31 of the year for which  
 19                    the person desires to obtain the deduction.

20                    (f) If an individual who is receiving the deduction provided by this  
 21                    section or who otherwise qualifies property for a deduction under this  
 22                    section:

23                    (1) changes the use of the individual's property so that part or all  
 24                    of the property no longer qualifies for the deduction under this  
 25                    section; or

26                    (2) is no longer eligible for a deduction under this section on  
 27                    another parcel of property because:

28                    (A) the individual would otherwise receive the benefit of more  
 29                    than one (1) deduction under this chapter; or

30                    (B) the individual maintains the individual's principal place of  
 31                    residence with another individual who receives a deduction  
 32                    under this section;

33                    the individual must file a certified statement with the auditor of the  
 34                    county, notifying the auditor of the change of use, not more than sixty  
 35                    (60) days after the date of that change. An individual who fails to file  
 36                    the statement required by this subsection is liable for any additional  
 37                    taxes that would have been due on the property if the individual had  
 38                    filed the statement as required by this subsection plus a civil penalty  
 39                    equal to ten percent (10%) of the additional taxes due. The civil penalty  
 40                    imposed under this subsection is in addition to any interest and  
 41                    penalties for a delinquent payment that might otherwise be due. One  
 42                    percent (1%) of the total civil penalty collected under this subsection

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1 shall be transferred by the county to the department of local  
 2 government finance for use by the department in establishing and  
 3 maintaining the homestead property data base under subsection (i) and,  
 4 to the extent there is money remaining, for any other purposes of the  
 5 department. This amount becomes part of the property tax liability for  
 6 purposes of this article.

7 (g) The department of local government finance shall adopt rules or  
 8 guidelines concerning the application for a deduction under this  
 9 section.

10 (h) This subsection does not apply to property in the first year for  
 11 which a deduction is claimed under this section if the sole reason that  
 12 a deduction is claimed on other property is that the individual or  
 13 married couple maintained a principal residence at the other property  
 14 on March 1 in the same year in which an application for a deduction is  
 15 filed under this section or, if the application is for a homestead that is  
 16 assessed as personal property, on March 1 in the immediately  
 17 preceding year and the individual or married couple is moving the  
 18 individual's or married couple's principal residence to the property that  
 19 is the subject of the application. Except as provided in subsection (n),  
 20 the county auditor may not grant an individual or a married couple a  
 21 deduction under this section if:

22 (1) the individual or married couple, for the same year, claims the  
 23 deduction on two (2) or more different applications for the  
 24 deduction; and

25 (2) the applications claim the deduction for different property.

26 (i) The department of local government finance shall provide secure  
 27 access to county auditors to a homestead property data base that  
 28 includes access to the homestead owner's name and the numbers  
 29 required from the homestead owner under subsection (e)(4) for the sole  
 30 purpose of verifying whether an owner is wrongly claiming a deduction  
 31 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or  
 32 IC 6-3.5.

33 (j) A county auditor may require an individual to provide evidence  
 34 proving that the individual's residence is the individual's principal place  
 35 of residence as claimed in the certified statement filed under subsection  
 36 (e). The county auditor may limit the evidence that an individual is  
 37 required to submit to a state income tax return, a valid driver's license,  
 38 or a valid voter registration card showing that the residence for which  
 39 the deduction is claimed is the individual's principal place of residence.  
 40 The department of local government finance shall work with county  
 41 auditors to develop procedures to determine whether a property owner  
 42 that is claiming a standard deduction or homestead credit is not eligible



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1 for the standard deduction or homestead credit because the property  
2 owner's principal place of residence is outside Indiana.

3 (k) As used in this section, "homestead" includes property that  
4 satisfies each of the following requirements:

5 (1) The property is located in Indiana and consists of a dwelling  
6 and the real estate, not exceeding one (1) acre, that immediately  
7 surrounds that dwelling.

8 (2) The property is the principal place of residence of an  
9 individual.

10 (3) The property is owned by an entity that is not described in  
11 subsection (a)(2)(B).

12 (4) The individual residing on the property is a shareholder,  
13 partner, or member of the entity that owns the property.

14 (5) The property was eligible for the standard deduction under  
15 this section on March 1, 2009.

16 (l) If a county auditor terminates a deduction for property described  
17 in subsection (k) with respect to property taxes that are:

18 (1) imposed for an assessment date in 2009; and

19 (2) first due and payable in 2010;

20 on the grounds that the property is not owned by an entity described in  
21 subsection (a)(2)(B), the county auditor shall reinstate the deduction if  
22 the taxpayer provides proof that the property is eligible for the  
23 deduction in accordance with subsection (k) and that the individual  
24 residing on the property is not claiming the deduction for any other  
25 property.

26 (m) For assessments dates after 2009, the term "homestead"  
27 includes:

28 (1) a deck or patio;

29 (2) a gazebo; or

30 (3) another residential yard structure, as defined in rules adopted  
31 by the department of local government finance (other than a  
32 swimming pool);

33 that is assessed as real property and attached to the dwelling.

34 (n) A county auditor shall grant an individual a deduction under this  
35 section regardless of whether the individual and the individual's spouse  
36 claim a deduction on two (2) different applications and each  
37 application claims a deduction for different property if the property  
38 owned by the individual's spouse is located outside Indiana and the  
39 individual files an affidavit with the county auditor containing the  
40 following information:

41 (1) The names of the county and state in which the individual's  
42 spouse claims a deduction substantially similar to the deduction

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1 allowed by this section.

2 (2) A statement made under penalty of perjury that the following  
3 are true:

4 (A) That the individual and the individual's spouse maintain  
5 separate principal places of residence.

6 (B) That neither the individual nor the individual's spouse has  
7 an ownership interest in the other's principal place of  
8 residence.

9 (C) That neither the individual nor the individual's spouse has,  
10 for that same year, claimed a standard or substantially similar  
11 deduction for any property other than the property maintained  
12 as a principal place of residence by the respective individuals.

13 A county auditor may require an individual or an individual's spouse to  
14 provide evidence of the accuracy of the information contained in an  
15 affidavit submitted under this subsection. The evidence required of the  
16 individual or the individual's spouse may include state income tax  
17 returns, excise tax payment information, property tax payment  
18 information, driver license information, and voter registration  
19 information.

20 (o) If:

21 (1) a property owner files a statement under subsection (e) to  
22 claim the deduction provided by this section for a particular  
23 property; and

24 (2) the county auditor receiving the filed statement determines  
25 that the property owner's property is not eligible for the deduction;  
26 the county auditor shall inform the property owner of the county  
27 auditor's determination in writing. If a property owner's property is not  
28 eligible for the deduction because the county auditor has determined  
29 that the property is not the property owner's principal place of  
30 residence, the property owner may appeal the county auditor's  
31 determination to the county property tax assessment board of appeals  
32 as provided in IC 6-1.1-15. The county auditor shall inform the  
33 property owner of the owner's right to appeal to the county property tax  
34 assessment board of appeals when the county auditor informs the  
35 property owner of the county auditor's determination under this  
36 subsection.

37 **(p) An individual is entitled to the deduction under this section  
38 for a homestead for a particular assessment date if:**

39 **(1) either:**

40 **(A) the individual's interest in the homestead as described  
41 in subsection (a)(2)(B) is conveyed to the individual after  
42 the assessment date, but within the calendar year in which**

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- 1           the assessment date occurs; or
- 2           **(B) the individual contracts to purchase the homestead**
- 3           **after the assessment date, but within the calendar year in**
- 4           **which the assessment date occurs;**
- 5           **(2) on the assessment date:**
- 6           **(A) the property on which the homestead is currently**
- 7           **located was vacant land; or**
- 8           **(B) the construction of the dwelling that constitutes the**
- 9           **homestead was not completed;**
- 10          **(3) either:**
- 11          **(A) the individual files the certified statement required by**
- 12          **subsection (e) on or before December 31 of the calendar**
- 13          **year in which the assessment date occurs to claim the**
- 14          **deduction under this section; or**
- 15          **(B) a sales disclosure form that meets the requirements of**
- 16          **section 44 of this chapter is submitted to the county**
- 17          **assessor on or before December 31 of the calendar year for**
- 18          **the individual's purchase of the homestead; and**
- 19          **(4) the individual files with the county auditor on or before**
- 20          **December 31 of the calendar year in which the assessment**
- 21          **date occurs a statement that:**
- 22               **(A) lists any other property for which the individual would**
- 23               **otherwise receive a deduction under this section for the**
- 24               **assessment date; and**
- 25               **(B) cancels the deduction described in clause (A) for that**
- 26               **property.**

27           **An individual who satisfies the requirements of subdivisions (1)**  
 28           **through (4) is entitled to the deduction under this section for the**  
 29           **homestead for the assessment date, even if on the assessment date**  
 30           **the property on which the homestead is currently located was**  
 31           **vacant land or the construction of the dwelling that constitutes the**  
 32           **homestead was not completed. The county auditor shall apply the**  
 33           **deduction for the assessment date and for the assessment date in**  
 34           **any later year in which the homestead remains eligible for the**  
 35           **deduction. A homestead that qualifies for the deduction under this**  
 36           **section as provided in this subsection is considered a homestead for**  
 37           **purposes of section 37.5 of this chapter and IC 6-1.1-20.6. The**  
 38           **county auditor shall cancel the deduction under this section for any**  
 39           **property that is located in the county and is listed on the statement**  
 40           **filed by the individual under subdivision (4). If the property listed**  
 41           **on the statement filed under subdivision (4) is located in another**  
 42           **county, the county auditor who receives the statement shall**

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1 **forward the statement to the county auditor of that other county,**  
 2 **and the county auditor of that other county shall cancel the**  
 3 **deduction under this section for that property.**

4 SECTION 2. IC 6-1.1-12.1-1, AS AMENDED BY P.L.224-2007,  
 5 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2013]: Sec. 1. For purposes of this chapter:

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

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

20 (B) a residentially distressed area, except as otherwise  
 21 provided in this chapter.

22 (2) "City" means any city in this state, and "town" means any town  
 23 incorporated under IC 36-5-1.

24 (3) "New manufacturing equipment" means tangible personal  
 25 property that a deduction applicant:

26 (A) installs ~~after February 28, 1983,~~ and on or before the  
 27 approval deadline determined under section 9 of this chapter,  
 28 in an area that is declared an economic revitalization area ~~after~~  
 29 ~~February 28, 1983,~~ in which a deduction for tangible personal  
 30 property is allowed;

31 (B) uses in the direct production, manufacture, fabrication,  
 32 assembly, extraction, mining, processing, refining, or finishing  
 33 of other tangible personal property, including but not limited  
 34 to use to dispose of solid waste or hazardous waste by  
 35 converting the solid waste or hazardous waste into energy or  
 36 other useful products;

37 (C) acquires for use as described in clause (B):

38 (i) in an arms length transaction from an entity that is not an  
 39 affiliate of the deduction applicant, if the tangible personal  
 40 property has been previously used in Indiana before the  
 41 installation described in clause (A); or

42 (ii) in any manner, if the tangible personal property has

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- 1 never been previously used in Indiana before the installation
- 2 described in clause (A); and
- 3 (D) has never used for any purpose in Indiana before the
- 4 installation described in clause (A).
- 5 However, notwithstanding any other law, the term includes
- 6 tangible personal property that is used to dispose of solid waste or
- 7 hazardous waste by converting the solid waste or hazardous waste
- 8 into energy or other useful products and was installed after March
- 9 1, 1993, and before March 2, 1996, even if the property was
- 10 installed before the area where the property is located was
- 11 designated as an economic revitalization area or the statement of
- 12 benefits for the property was approved by the designating body.
- 13 (4) "Property" means a building or structure, but does not include
- 14 land.
- 15 (5) "Redevelopment" means the construction of new structures,
- 16 in economic revitalization areas, either:
- 17 (A) on unimproved real estate; or
- 18 (B) on real estate upon which a prior existing structure is
- 19 demolished to allow for a new construction.
- 20 (6) "Rehabilitation" means the remodeling, repair, or betterment
- 21 of property in any manner or any enlargement or extension of
- 22 property.
- 23 (7) "Designating body" means the following:
- 24 (A) For a county that does not contain a consolidated city, the
- 25 fiscal body of the county, city, or town.
- 26 (B) For a county containing a consolidated city, the
- 27 metropolitan development commission.
- 28 (8) "Deduction application" means:
- 29 (A) the application filed in accordance with section 5 of this
- 30 chapter by a property owner who desires to obtain the
- 31 deduction provided by section 3 of this chapter;
- 32 (B) the application filed in accordance with section 5.4 of this
- 33 chapter by a person who desires to obtain the deduction
- 34 provided by section 4.5 of this chapter; or
- 35 (C) the application filed in accordance with section 5.3 of this
- 36 chapter by a property owner that desires to obtain the
- 37 deduction provided by section 4.8 of this chapter.
- 38 (9) "Designation application" means an application that is filed
- 39 with a designating body to assist that body in making a
- 40 determination about whether a particular area should be
- 41 designated as an economic revitalization area.
- 42 (10) "Hazardous waste" has the meaning set forth in

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- 1 IC 13-11-2-99(a). The term includes waste determined to be a  
 2 hazardous waste under IC 13-22-2-3(b).  
 3 (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a).  
 4 However, the term does not include dead animals or any animal  
 5 solid or semisolid wastes.  
 6 (12) "New research and development equipment" means tangible  
 7 personal property that:  
 8 (A) a deduction applicant installs ~~after June 30, 2000, and~~ on  
 9 or before the approval deadline determined under section 9 of  
 10 this chapter, in an economic revitalization area in which a  
 11 deduction for tangible personal property is allowed;  
 12 (B) consists of:  
 13 (i) laboratory equipment;  
 14 (ii) research and development equipment;  
 15 (iii) computers and computer software;  
 16 (iv) telecommunications equipment; or  
 17 (v) testing equipment;  
 18 (C) the deduction applicant uses in research and development  
 19 activities devoted directly and exclusively to experimental or  
 20 laboratory research and development for new products, new  
 21 uses of existing products, or improving or testing existing  
 22 products;  
 23 (D) the deduction applicant acquires for purposes described in  
 24 this subdivision:  
 25 (i) in an arms length transaction from an entity that is not an  
 26 affiliate of the deduction applicant, if the tangible personal  
 27 property has been previously used in Indiana before the  
 28 installation described in clause (A); or  
 29 (ii) in any manner, if the tangible personal property has  
 30 never been previously used in Indiana before the installation  
 31 described in clause (A); and  
 32 (E) the deduction applicant has never used for any purpose in  
 33 Indiana before the installation described in clause (A).  
 34 The term does not include equipment installed in facilities used  
 35 for or in connection with efficiency surveys, management studies,  
 36 consumer surveys, economic surveys, advertising or promotion,  
 37 or research in connection with literacy, history, or similar  
 38 projects.  
 39 (13) "New logistical distribution equipment" means tangible  
 40 personal property that:  
 41 (A) a deduction applicant installs ~~after June 30, 2004, and~~ on  
 42 or before the approval deadline determined under section 9 of

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- 1 this chapter, in an economic revitalization area in which a  
 2 deduction for tangible personal property is allowed;  
 3 (B) consists of:  
 4 (i) racking equipment;  
 5 (ii) scanning or coding equipment;  
 6 (iii) separators;  
 7 (iv) conveyors;  
 8 (v) fork lifts or lifting equipment (including "walk  
 9 behinds");  
 10 (vi) transitional moving equipment;  
 11 (vii) packaging equipment;  
 12 (viii) sorting and picking equipment; or  
 13 (ix) software for technology used in logistical distribution;  
 14 (C) the deduction applicant acquires for the storage or  
 15 distribution of goods, services, or information:  
 16 (i) in an arms length transaction from an entity that is not an  
 17 affiliate of the deduction applicant, if the tangible personal  
 18 property has been previously used in Indiana before the  
 19 installation described in clause (A); and  
 20 (ii) in any manner, if the tangible personal property has  
 21 never been previously used in Indiana before the installation  
 22 described in clause (A); and  
 23 (D) the deduction applicant has never used for any purpose in  
 24 Indiana before the installation described in clause (A).  
 25 (14) "New information technology equipment" means tangible  
 26 personal property that:  
 27 (A) a deduction applicant installs ~~after June 30, 2004, and~~ on  
 28 or before the approval deadline determined under section 9 of  
 29 this chapter, in an economic revitalization area in which a  
 30 deduction for tangible personal property is allowed;  
 31 (B) consists of equipment, including software, used in the  
 32 fields of:  
 33 (i) information processing;  
 34 (ii) office automation;  
 35 (iii) telecommunication facilities and networks;  
 36 (iv) informatics;  
 37 (v) network administration;  
 38 (vi) software development; and  
 39 (vii) fiber optics;  
 40 (C) the deduction applicant acquires in an arms length  
 41 transaction from an entity that is not an affiliate of the  
 42 deduction applicant; and

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- 1 (D) the deduction applicant never used for any purpose in
- 2 Indiana before the installation described in clause (A).
- 3 (15) "Deduction applicant" means an owner of tangible personal
- 4 property who makes a deduction application.
- 5 (16) "Affiliate" means an entity that effectively controls or is
- 6 controlled by a deduction applicant or is associated with a
- 7 deduction applicant under common ownership or control, whether
- 8 by shareholdings or other means.
- 9 (17) "Eligible vacant building" means a building that:
- 10 (A) is zoned for commercial or industrial purposes; and
- 11 (B) is unoccupied for at least one (1) year before the owner of
- 12 the building or a tenant of the owner occupies the building, as
- 13 evidenced by a valid certificate of occupancy, paid utility
- 14 receipts, executed lease agreements, or any other evidence of
- 15 occupation that the department of local government finance
- 16 requires.
- 17 SECTION 3. IC 6-1.1-12.1-2, AS AMENDED BY P.L.119-2012,
- 18 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 19 JULY 1, 2013]: Sec. 2. (a) A designating body may find that a
- 20 particular area within its jurisdiction is an economic revitalization area.
- 21 However, the deduction provided by this chapter for economic
- 22 revitalization areas not within a city or town shall not be available to
- 23 retail businesses.
- 24 (b) In a county containing a consolidated city or within a city or
- 25 town, a designating body may find that a particular area within its
- 26 jurisdiction is a residentially distressed area. Designation of an area as
- 27 a residentially distressed area has the same effect as designating an
- 28 area as an economic revitalization area, except that the amount of the
- 29 deduction shall be calculated as specified in section 4.1 of this chapter
- 30 and the deduction is allowed for not more than ~~five (5) years~~: **the**
- 31 **number of years specified by the designating body under section 17**
- 32 **of this chapter**. In order to declare a particular area a residentially
- 33 distressed area, the designating body must follow the same procedure
- 34 that is required to designate an area as an economic revitalization area
- 35 and must make all the following additional findings or all the additional
- 36 findings described in subsection (c):
- 37 (1) The area is comprised of parcels that are either unimproved or
- 38 contain only one (1) or two (2) family dwellings or multifamily
- 39 dwellings designed for up to four (4) families, including accessory
- 40 buildings for those dwellings.
- 41 (2) Any dwellings in the area are not permanently occupied and
- 42 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) Parcels of property in the area:
- 4 (A) have been sold and not redeemed under IC 6-1.1-24 and
- 5 IC 6-1.1-25; or
- 6 (B) are owned by a unit of local government.

7 However, in a city in a county having a population of more than two  
 8 hundred fifty thousand (250,000) but less than two hundred seventy  
 9 thousand (270,000), the designating body is only required to make one  
 10 (1) of the additional findings described in this subsection or one (1) of  
 11 the additional findings described in subsection (c).

12 (c) In a county containing a consolidated city or within a city or  
 13 town, a designating body that wishes to designate a particular area a  
 14 residentially distressed area may make the following additional  
 15 findings as an alternative to the additional findings described in  
 16 subsection (b):

- 17 (1) A significant number of dwelling units within the area are not
- 18 permanently occupied or a significant number of parcels in the
- 19 area are vacant land.
- 20 (2) A significant number of dwelling units within the area are:
- 21 (A) the subject of an order issued under IC 36-7-9; or
- 22 (B) evidencing significant building deficiencies.
- 23 (3) The area has experienced a net loss in the number of dwelling
- 24 units, as documented by census information, local building and
- 25 demolition permits, or certificates of occupancy, or the area is
- 26 owned by Indiana or the United States.
- 27 (4) The area (plus any areas previously designated under this
- 28 subsection) will not exceed ten percent (10%) of the total area
- 29 within the designating body's jurisdiction.

30 However, in a city in a county having a population of more than two  
 31 hundred fifty thousand (250,000) but less than two hundred seventy  
 32 thousand (270,000), the designating body is only required to make one  
 33 (1) of the additional findings described in this subsection as an  
 34 alternative to one (1) of the additional findings described in subsection  
 35 (b).

36 (d) A designating body is required to attach the following conditions  
 37 to the grant of a residentially distressed area designation:

- 38 (1) The deduction will not be allowed unless the dwelling is
- 39 rehabilitated to meet local code standards for habitability.
- 40 (2) If a designation application is filed, the designating body may
- 41 require that the redevelopment or rehabilitation be completed
- 42 within a reasonable period of time.

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1 (e) To make a designation described in subsection (a) or (b), the  
2 designating body shall use procedures prescribed in section 2.5 of this  
3 chapter.

4 (f) The property tax deductions provided by section 3, 4.5, or 4.8 of  
5 this chapter are only available within an area which the designating  
6 body finds to be an economic revitalization area.

7 (g) The designating body may adopt a resolution establishing  
8 general standards to be used, along with the requirements set forth in  
9 the definition of economic revitalization area, by the designating body  
10 in finding an area to be an economic revitalization area. The standards  
11 must have a reasonable relationship to the development objectives of  
12 the area in which the designating body has jurisdiction. The following  
13 four (4) sets of standards may be established:

14 (1) One (1) relative to the deduction under section 3 of this  
15 chapter for economic revitalization areas that are not residentially  
16 distressed areas.

17 (2) One (1) relative to the deduction under section 3 of this  
18 chapter for residentially distressed areas.

19 (3) One (1) relative to the deduction allowed under section 4.5 of  
20 this chapter.

21 (4) One (1) relative to the deduction allowed under section 4.8 of  
22 this chapter.

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

30 (i) In declaring an area an economic revitalization area, the  
31 designating body may:

32 (1) limit the time period to a certain number of calendar years  
33 during which the economic revitalization area shall be so  
34 designated;

35 (2) limit the type of deductions that will be allowed within the  
36 economic revitalization area to the deduction allowed under  
37 section 3 of this chapter, the deduction allowed under section 4.5  
38 of this chapter, the deduction allowed under section 4.8 of this  
39 chapter, or any combination of these deductions;

40 (3) limit the dollar amount of the deduction that will be allowed  
41 with respect to new manufacturing equipment, new research and  
42 development equipment, new logistical distribution equipment,

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- 1 and new information technology equipment; ~~if a deduction under~~
- 2 ~~this chapter had not been filed before July 1, 1987, for that~~
- 3 ~~equipment;~~
- 4 (4) limit the dollar amount of the deduction that will be allowed
- 5 with respect to redevelopment and rehabilitation occurring in
- 6 areas that are designated as economic revitalization areas; ~~on or~~
- 7 ~~after September 1, 1988;~~
- 8 (5) limit the dollar amount of the deduction that will be allowed
- 9 under section 4.8 of this chapter with respect to the occupation of
- 10 an eligible vacant building; or
- 11 (6) impose reasonable conditions related to the purpose of this
- 12 chapter or to the general standards adopted under subsection (g)
- 13 for allowing the deduction for the redevelopment or rehabilitation
- 14 of the property or the installation of the new manufacturing
- 15 equipment, new research and development equipment, new
- 16 logistical distribution equipment, or new information technology
- 17 equipment.

18 To exercise one (1) or more of these powers, a designating body must  
 19 include this fact in the resolution passed under section 2.5 of this  
 20 chapter.

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

- 24 (1) prevent a taxpayer from obtaining a deduction for new
- 25 manufacturing equipment, new research and development
- 26 equipment, new logistical distribution equipment, or new
- 27 information technology equipment installed on or before the
- 28 approval deadline determined under section 9 of this chapter, but
- 29 after the expiration of the economic revitalization area if
- 30 (A) ~~the economic revitalization area designation expires after~~
- 31 ~~December 30, 1995; and~~
- 32 (B) the new manufacturing equipment, new research and
- 33 development equipment, new logistical distribution
- 34 equipment, or new information technology equipment was
- 35 described in a statement of benefits submitted to and approved
- 36 by the designating body in accordance with section 4.5 of this
- 37 chapter before the expiration of the economic revitalization
- 38 area designation; or
- 39 (2) limit the length of time a taxpayer is entitled to receive a
- 40 deduction to a number of years that is less than the number of
- 41 years designated under section ~~4, 4.5, or 4.8~~ **17** of this chapter.

42 ~~(k) Notwithstanding any other provision of this chapter, deductions:~~

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1 (1) that are authorized under section 3 of this chapter for property  
 2 in an area designated as an urban development area before March  
 3 1, 1983, and that are based on an increase in assessed valuation  
 4 resulting from redevelopment or rehabilitation that occurs before  
 5 March 1, 1983; or

6 (2) that are authorized under section 4.5 of this chapter for new  
 7 manufacturing equipment installed in an area designated as an  
 8 urban development area before March 1, 1983;

9 apply according to the provisions of this chapter as they existed at the  
 10 time that an application for the deduction was first made. No deduction  
 11 that is based on the location of property or new manufacturing  
 12 equipment in an urban development area is authorized under this  
 13 chapter after February 28, 1983, unless the initial increase in assessed  
 14 value resulting from the redevelopment or rehabilitation of the property  
 15 or the installation of the new manufacturing equipment occurred before  
 16 March 1, 1983.

17 (†) (k) In addition to the other requirements of this chapter, if  
 18 property located in an economic revitalization area is also located in an  
 19 allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), a  
 20 taxpayer's statement of benefits concerning that property may not be  
 21 approved under this chapter unless a resolution approving the  
 22 statement of benefits is adopted by the legislative body of the unit that  
 23 approved the designation of the allocation area.

24 SECTION 4. IC 6-1.1-12.1-2.5, AS AMENDED BY P.L.154-2006,  
 25 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JULY 1, 2013]: Sec. 2.5. (a) If a designating body finds that an area in  
 27 its jurisdiction is an economic revitalization area, it shall either:

28 (1) prepare maps and plats that identify the area; or

29 (2) prepare a simplified description of the boundaries of the area  
 30 by describing its location in relation to public ways, streams, or  
 31 otherwise.

32 (b) After the compilation of the materials described in subsection  
 33 (a), the designating body shall pass a resolution declaring the area an  
 34 economic revitalization area. The resolution must contain a description  
 35 of the affected area and be filed with the county assessor. A resolution  
 36 adopted after June 30, 2000, may include a determination of the  
 37 number of years a deduction under section 3, 4.5, or 4.8 of this chapter  
 38 is allowed.

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

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

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- 1 (2) File the following information with each taxing unit that has
- 2 authority to levy property taxes in the geographic area where the
- 3 economic revitalization area is located:
- 4 (A) A copy of the notice required by subdivision (1).
- 5 (B) A statement containing substantially the same information
- 6 as a statement of benefits filed with the designating body
- 7 before the hearing required by this section under section 3, 4.5,
- 8 or 4.8 of this chapter.

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

22 (d) A person who filed a written remonstrance with the designating  
 23 body under this section and who is aggrieved by the final action taken  
 24 may, within ten (10) days after that final action, initiate an appeal of  
 25 that action by filing in the office of the clerk of the circuit or superior  
 26 court a copy of the order of the designating body and the person's  
 27 remonstrance against that order, together with the person's bond  
 28 conditioned to pay the costs of the person's appeal if the appeal is  
 29 determined against the person. The only ground of appeal that the court  
 30 may hear is whether the proposed project will meet the qualifications  
 31 of the economic revitalization area law. The burden of proof is on the  
 32 appellant.

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

40 SECTION 5. IC 6-1.1-12.1-3, AS AMENDED BY P.L.119-2012,  
 41 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42 JULY 1, 2013]: Sec. 3. (a) An applicant must provide a statement of

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1 benefits to the designating body. If the designating body requires  
 2 information from the applicant for economic revitalization area status  
 3 for use in making its decision about whether to designate an economic  
 4 revitalization area, the applicant shall provide the completed statement  
 5 of benefits form to the designating body before the hearing required by  
 6 section 2.5(c) of this chapter. Otherwise, the statement of benefits form  
 7 must be submitted to the designating body before the initiation of the  
 8 redevelopment or rehabilitation for which the person desires to claim  
 9 a deduction under this chapter. The department of local government  
 10 finance shall prescribe a form for the statement of benefits. The  
 11 statement of benefits must include the following information:

- 12 (1) A description of the proposed redevelopment or rehabilitation.
- 13 (2) An estimate of the number of individuals who will be
- 14 employed or whose employment will be retained by the person as
- 15 a result of the redevelopment or rehabilitation and an estimate of
- 16 the annual salaries of these individuals.
- 17 (3) An estimate of the value of the redevelopment or
- 18 rehabilitation.

19 With the approval of the designating body, the statement of benefits  
 20 may be incorporated in a designation application. Notwithstanding any  
 21 other law, a statement of benefits is a public record that may be  
 22 inspected and copied under IC 5-14-3-3.

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

- 28 (1) Whether the estimate of the value of the redevelopment or
- 29 rehabilitation is reasonable for projects of that nature.
- 30 (2) Whether the estimate of the number of individuals who will be
- 31 employed or whose employment will be retained can be
- 32 reasonably expected to result from the proposed described
- 33 redevelopment or rehabilitation.
- 34 (3) Whether the estimate of the annual salaries of those
- 35 individuals who will be employed or whose employment will be
- 36 retained can be reasonably expected to result from the proposed
- 37 described redevelopment or rehabilitation.
- 38 (4) Whether any other benefits about which information was
- 39 requested are benefits that can be reasonably expected to result
- 40 from the proposed described redevelopment or rehabilitation.
- 41 (5) Whether the totality of benefits is sufficient to justify the
- 42 deduction.

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

4 (c) Except as provided in subsections (a) through (b), the owner of  
 5 property which is located in an economic revitalization area is entitled  
 6 to a deduction from the assessed value of the property. ~~If the area is a~~  
 7 ~~residentially distressed area, the period is not more than five (5) years.~~  
 8 ~~For all other economic revitalization areas designated before July 1,~~  
 9 ~~2000, the period is three (3), six (6), or ten (10) years.~~ For all economic  
 10 revitalization areas ~~designated after June 30, 2000,~~ the period is the  
 11 number of years determined under ~~subsection (d):~~ **section 17 of this**  
 12 **chapter.** The owner is entitled to a deduction if:

- 13 (1) the property has been rehabilitated; or  
 14 (2) the property is located on real estate which has been  
 15 redeveloped.

16 The owner is entitled to the deduction for the first year, and any  
 17 successive year or years, in which an increase in assessed value  
 18 resulting from the rehabilitation or redevelopment occurs and for the  
 19 following years determined under ~~subsection (d):~~ However, property  
 20 owners who had an area designated an urban development area  
 21 pursuant to an application filed prior to January 1, 1979, are only  
 22 entitled to a deduction for a five (5) year period. In addition, property  
 23 owners who are entitled to a deduction under this chapter pursuant to  
 24 an application filed after December 31, 1978, and before January 1,  
 25 1986, are entitled to a deduction for a ten (10) year period. **section 17**  
 26 **of this chapter.**

27 (d) For an area designated as an economic revitalization area after  
 28 June 30, 2000, that is not a residentially distressed area, the designating  
 29 body shall determine the number of years for which the property owner  
 30 is entitled to a deduction. However, the deduction may not be allowed  
 31 for more than ten (10) years. ~~This~~ **The designating body's**  
 32 ~~determination shall~~ **must** be made:

- 33 (1) as part of the resolution adopted under section 2.5 of this  
 34 chapter; or  
 35 (2) by resolution adopted within sixty (60) days after receiving a  
 36 copy of a property owner's certified deduction application from  
 37 the county auditor. A certified copy of the resolution ~~shall~~ **must**  
 38 be sent to the county auditor, who shall make the deduction as  
 39 provided in section 5 of this chapter.

40 A determination about the number of years the deduction is allowed  
 41 that is made under subdivision (1) is final and may not be changed by  
 42 following the procedure under subdivision (2).



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1 (e) Except for deductions related to redevelopment or rehabilitation  
 2 of real property in a county containing a consolidated city, ~~or a~~  
 3 ~~deduction related to redevelopment or rehabilitation of real property~~  
 4 ~~initiated before December 31, 1987, in areas designated as economic~~  
 5 ~~revitalization areas before that date;~~ a deduction for the redevelopment  
 6 or rehabilitation of real property may not be approved for the following  
 7 facilities:

- 8 (1) Private or commercial golf course.  
 9 (2) Country club.  
 10 (3) Massage parlor.  
 11 (4) Tennis club.  
 12 (5) Skating facility (including roller skating, skateboarding, or ice  
 13 skating).  
 14 (6) Racquet sport facility (including any handball or racquetball  
 15 court).  
 16 (7) Hot tub facility.  
 17 (8) Suntan facility.  
 18 (9) Racetrack.  
 19 (10) Any facility the primary purpose of which is:  
 20 (A) retail food and beverage service;  
 21 (B) automobile sales or service; or  
 22 (C) other retail;  
 23 unless the facility is located in an economic development target  
 24 area established under section 7 of this chapter.  
 25 (11) Residential, unless:  
 26 (A) the facility is a multifamily facility that contains at least  
 27 twenty percent (20%) of the units available for use by low and  
 28 moderate income individuals;  
 29 (B) the facility is located in an economic development target  
 30 area established under section 7 of this chapter; or  
 31 (C) the area is designated as a residentially distressed area.  
 32 (12) A package liquor store that holds a liquor dealer's permit  
 33 under IC 7.1-3-10 or any other entity that is required to operate  
 34 under a license issued under IC 7.1. ~~This subdivision does not~~  
 35 ~~apply to an applicant that:~~  
 36 (A) ~~was eligible for tax abatement under this chapter before~~  
 37 ~~July 1, 1995;~~  
 38 (B) ~~is described in IC 7.1-5-7-11; or~~  
 39 (C) ~~operates a facility under:~~  
 40 (i) ~~a beer wholesaler's permit under IC 7.1-3-3;~~  
 41 (ii) ~~a liquor wholesaler's permit under IC 7.1-3-8; or~~  
 42 (iii) ~~a wine wholesaler's permit under IC 7.1-3-13;~~

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1 for which the applicant claims a deduction under this chapter.  
 2 SECTION 6. IC 6-1.1-12.1-4, AS AMENDED BY P.L.112-2012,  
 3 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 4 JULY 1, 2013]: Sec. 4. (a) Except as provided in section 2(i)(4) of this  
 5 chapter, and subject to section 15 of this chapter, the amount of the  
 6 deduction which the property owner is entitled to receive under section  
 7 3 of this chapter for a particular year equals the product of:

8 (1) the increase in the assessed value resulting from the  
 9 rehabilitation or redevelopment; multiplied by  
 10 (2) either of the following:

11 (A) The percentage prescribed in the table set forth in  
 12 subsection (d):

13 ~~(B) a the~~ percentage determined under section 17 of this  
 14 chapter. ~~if the designating body elects to use an alternative~~  
 15 ~~abatement schedule provided under section 17 of this chapter.~~

16 (b) The amount of the deduction determined under subsection (a)  
 17 shall be adjusted in accordance with this subsection in the following  
 18 circumstances:

19 (1) If:  
 20 (A) a general reassessment of real property under IC 6-1.1-4-4;  
 21 or  
 22 (B) a reassessment under a county's reassessment plan  
 23 prepared under IC 6-1.1-4-4.2;

24 occurs within the particular period of the deduction, the amount  
 25 determined under subsection (a)(1) shall be adjusted to reflect the  
 26 percentage increase or decrease in assessed valuation that resulted  
 27 from the reassessment.

28 (2) If an appeal of an assessment is approved that results in a  
 29 reduction of the assessed value of the redeveloped or rehabilitated  
 30 property, the amount of any deduction shall be adjusted to reflect  
 31 the percentage decrease that resulted from the appeal.

32 The department of local government finance shall adopt rules under  
 33 IC 4-22-2 to implement this subsection.

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

42 (d) The percentage that may be used in calculating the deduction



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1 under subsection (a)(2)(A) is as follows:  
2 (1) For deductions allowed over a one (1) year period:  
3 YEAR OF DEDUCTION PERCENTAGE  
4 1st 100%  
5 (2) For deductions allowed over a two (2) year period:  
6 YEAR OF DEDUCTION PERCENTAGE  
7 1st 100%  
8 2nd 50%  
9 (3) For deductions allowed over a three (3) year period:  
10 YEAR OF DEDUCTION PERCENTAGE  
11 1st 100%  
12 2nd 66%  
13 3rd 33%  
14 (4) For deductions allowed over a four (4) year period:  
15 YEAR OF DEDUCTION PERCENTAGE  
16 1st 100%  
17 2nd 75%  
18 3rd 50%  
19 4th 25%  
20 (5) For deductions allowed over a five (5) year period:  
21 YEAR OF DEDUCTION PERCENTAGE  
22 1st 100%  
23 2nd 80%  
24 3rd 60%  
25 4th 40%  
26 5th 20%  
27 (6) For deductions allowed over a six (6) year period:  
28 YEAR OF DEDUCTION PERCENTAGE  
29 1st 100%  
30 2nd 85%  
31 3rd 66%  
32 4th 50%  
33 5th 34%  
34 6th 17%  
35 (7) For deductions allowed over a seven (7) year period:  
36 YEAR OF DEDUCTION PERCENTAGE  
37 1st 100%  
38 2nd 85%  
39 3rd 71%  
40 4th 57%  
41 5th 43%  
42 6th 29%

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

SECTION 7. IC 6-1.1-12.1-4.1, AS AMENDED BY P.L.219-2007, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4.1. (a) Section 4 of this chapter applies to economic revitalization areas that are not residentially distressed areas.

(b) This subsection applies to **deductions approved before July 1, 2013, for the redevelopment or rehabilitation of property located in** economic revitalization areas that are residentially distressed areas. Subject to section 15 of this chapter, the amount of the deduction that



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1 a property owner is entitled to receive under section 3 of this chapter  
 2 for a particular year equals the lesser of:

3 (1) the assessed value of the improvement to the property after the  
 4 rehabilitation or redevelopment has occurred; or

5 (2) the following amount:

6 TYPE OF DWELLING	AMOUNT
7 One (1) family dwelling	\$74,880
8 Two (2) family dwelling	\$106,080
9 Three (3) unit multifamily dwelling	\$156,000
10 Four (4) unit multifamily dwelling	\$199,680

11 **(c) This subsection applies to deductions approved after June**  
 12 **30, 2013, for the redevelopment or rehabilitation of property**  
 13 **located in economic revitalization areas that are residentially**  
 14 **distressed areas. Subject to section 15 of this chapter, the amount**  
 15 **of the deduction the property owner is entitled to receive under**  
 16 **section 3 of this chapter in a residentially distressed area for a**  
 17 **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 determined under section 17 of this**  
 21 **chapter.**

22 SECTION 8. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.6-2012,  
 23 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JULY 1, 2013]: Sec. 4.5. (a) An applicant must provide a statement of  
 25 benefits to the designating body. The applicant must provide the  
 26 completed statement of benefits form to the designating body before  
 27 the hearing specified in section 2.5(c) of this chapter or before the  
 28 installation of the new manufacturing equipment, new research and  
 29 development equipment, new logistical distribution equipment, or new  
 30 information technology equipment for which the person desires to  
 31 claim a deduction under this chapter. The department of local  
 32 government finance shall prescribe a form for the statement of benefits.

33 The statement of benefits must include the following information:

34 (1) A description of the new manufacturing equipment, new  
 35 research and development equipment, new logistical distribution  
 36 equipment, or new information technology equipment that the  
 37 person proposes to acquire.

38 (2) With respect to:

39 (A) new manufacturing equipment not used to dispose of solid  
 40 waste or hazardous waste by converting the solid waste or  
 41 hazardous waste into energy or other useful products; and

42 (B) new research and development equipment, new logistical

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1 distribution equipment, or new information technology  
 2 equipment;  
 3 an estimate of the number of individuals who will be employed or  
 4 whose employment will be retained by the person as a result of  
 5 the installation of the new manufacturing equipment, new  
 6 research and development equipment, new logistical distribution  
 7 equipment, or new information technology equipment and an  
 8 estimate of the annual salaries of these individuals.  
 9 (3) An estimate of the cost of the new manufacturing equipment,  
 10 new research and development equipment, new logistical  
 11 distribution equipment, or new information technology  
 12 equipment.  
 13 (4) With respect to new manufacturing equipment used to dispose  
 14 of solid waste or hazardous waste by converting the solid waste  
 15 or hazardous waste into energy or other useful products, an  
 16 estimate of the amount of solid waste or hazardous waste that will  
 17 be converted into energy or other useful products by the new  
 18 manufacturing equipment.  
 19 The statement of benefits may be incorporated in a designation  
 20 application. Notwithstanding any other law, a statement of benefits is  
 21 a public record that may be inspected and copied under IC 5-14-3-3.  
 22 (b) The designating body must review the statement of benefits  
 23 required under subsection (a). The designating body shall determine  
 24 whether an area should be designated an economic revitalization area  
 25 or whether the deduction shall be allowed, based on (and after it has  
 26 made) the following findings:  
 27 (1) Whether the estimate of the cost of the new manufacturing  
 28 equipment, new research and development equipment, new  
 29 logistical distribution equipment, or new information technology  
 30 equipment is reasonable for equipment of that type.  
 31 (2) With respect to:  
 32 (A) new manufacturing equipment not used to dispose of solid  
 33 waste or hazardous waste by converting the solid waste or  
 34 hazardous waste into energy or other useful products; and  
 35 (B) new research and development equipment, new logistical  
 36 distribution equipment, or new information technology  
 37 equipment;  
 38 whether the estimate of the number of individuals who will be  
 39 employed or whose employment will be retained can be  
 40 reasonably expected to result from the installation of the new  
 41 manufacturing equipment, new research and development  
 42 equipment, new logistical distribution equipment, or new

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1 information technology equipment.

2 (3) Whether the estimate of the annual salaries of those  
3 individuals who will be employed or whose employment will be  
4 retained can be reasonably expected to result from the proposed  
5 installation of new manufacturing equipment, new research and  
6 development equipment, new logistical distribution equipment, or  
7 new information technology equipment.

8 (4) With respect to new manufacturing equipment used to dispose  
9 of solid waste or hazardous waste by converting the solid waste  
10 or hazardous waste into energy or other useful products, whether  
11 the estimate of the amount of solid waste or hazardous waste that  
12 will be converted into energy or other useful products can be  
13 reasonably expected to result from the installation of the new  
14 manufacturing equipment.

15 (5) Whether any other benefits about which information was  
16 requested are benefits that can be reasonably expected to result  
17 from the proposed installation of new manufacturing equipment,  
18 new research and development equipment, new logistical  
19 distribution equipment, or new information technology  
20 equipment.

21 (6) Whether the totality of benefits is sufficient to justify the  
22 deduction.

23 The designating body may not designate an area an economic  
24 revitalization area or approve the deduction unless it makes the  
25 findings required by this subsection in the affirmative.

26 (c) Except as provided in subsection ~~(g)~~, ~~(f)~~, and subject to  
27 subsection ~~(h)~~ ~~(g)~~ and section 15 of this chapter, an owner of new  
28 manufacturing equipment, new research and development equipment,  
29 new logistical distribution equipment, or new information technology  
30 equipment whose statement of benefits is approved ~~after June 30, 2000~~,  
31 is entitled to a deduction from the assessed value of that equipment for  
32 the number of years determined by the designating body under  
33 ~~subsection (f)~~. **section 17 of this chapter**. Except as provided in  
34 subsection ~~(e)~~ ~~(d)~~ and in section 2(i)(3) of this chapter, and subject to  
35 subsection ~~(h)~~ ~~(g)~~ and section 15 of this chapter, the amount of the  
36 deduction that an owner is entitled to for a particular year equals the  
37 product of:

38 (1) the assessed value of the new manufacturing equipment, new  
39 research and development equipment, new logistical distribution  
40 equipment, or new information technology equipment in the year  
41 of deduction under the ~~appropriate table set forth in subsection~~  
42 ~~(d)~~; **abatement schedule established under section 17 of this**

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1 **chapter; multiplied by**  
 2 **(2) the percentage prescribed in the appropriate table set forth in**  
 3 **subsection (d): by the designating body under section 17 of this**  
 4 **chapter.**

5 (d) Unless the designating body elects to use an alternative  
 6 abatement schedule provided under section 17 of this chapter to  
 7 calculate a deduction, the percentage to be used in calculating the  
 8 deduction under subsection (c) is as follows:

- 9 (1) For deductions allowed over a one (1) year period:
- |    |                    |            |
|----|--------------------|------------|
| 10 | YEAR OF DEDUCTION  | PERCENTAGE |
| 11 | 1st                | 100%       |
| 12 | 2nd and thereafter | 0%         |
- 13 (2) For deductions allowed over a two (2) year period:
- |    |                    |            |
|----|--------------------|------------|
| 14 | YEAR OF DEDUCTION  | PERCENTAGE |
| 15 | 1st                | 100%       |
| 16 | 2nd                | 50%        |
| 17 | 3rd and thereafter | 0%         |
- 18 (3) For deductions allowed over a three (3) year period:
- |    |                    |            |
|----|--------------------|------------|
| 19 | YEAR OF DEDUCTION  | PERCENTAGE |
| 20 | 1st                | 100%       |
| 21 | 2nd                | 66%        |
| 22 | 3rd                | 33%        |
| 23 | 4th and thereafter | 0%         |
- 24 (4) For deductions allowed over a four (4) year period:
- |    |                    |            |
|----|--------------------|------------|
| 25 | YEAR OF DEDUCTION  | PERCENTAGE |
| 26 | 1st                | 100%       |
| 27 | 2nd                | 75%        |
| 28 | 3rd                | 50%        |
| 29 | 4th                | 25%        |
| 30 | 5th and thereafter | 0%         |
- 31 (5) For deductions allowed over a five (5) year period:
- |    |                    |            |
|----|--------------------|------------|
| 32 | YEAR OF DEDUCTION  | PERCENTAGE |
| 33 | 1st                | 100%       |
| 34 | 2nd                | 80%        |
| 35 | 3rd                | 60%        |
| 36 | 4th                | 40%        |
| 37 | 5th                | 20%        |
| 38 | 6th and thereafter | 0%         |
- 39 (6) For deductions allowed over a six (6) year period:
- |    |                   |            |
|----|-------------------|------------|
| 40 | YEAR OF DEDUCTION | PERCENTAGE |
| 41 | 1st               | 100%       |
| 42 | 2nd               | 85%        |

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1	3rd	66%
2	4th	50%
3	5th	34%
4	6th	25%
5	7th and thereafter	0%
6	(7) For deductions allowed over a seven (7) year period:	
7	YEAR OF DEDUCTION	PERCENTAGE
8	1st	100%
9	2nd	85%
10	3rd	71%
11	4th	57%
12	5th	43%
13	6th	29%
14	7th	14%
15	8th and thereafter	0%
16	(8) For deductions allowed over an eight (8) year period:	
17	YEAR OF DEDUCTION	PERCENTAGE
18	1st	100%
19	2nd	88%
20	3rd	75%
21	4th	63%
22	5th	50%
23	6th	38%
24	7th	25%
25	8th	13%
26	9th and thereafter	0%
27	(9) For deductions allowed over a nine (9) year period:	
28	YEAR OF DEDUCTION	PERCENTAGE
29	1st	100%
30	2nd	88%
31	3rd	77%
32	4th	66%
33	5th	55%
34	6th	44%
35	7th	33%
36	8th	22%
37	9th	11%
38	10th and thereafter	0%
39	(10) For deductions allowed over a ten (10) year period:	
40	YEAR OF DEDUCTION	PERCENTAGE
41	1st	100%
42	2nd	90%

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1	3rd	80%
2	4th	70%
3	5th	60%
4	6th	50%
5	7th	40%
6	8th	30%
7	9th	20%
8	10th	10%
9	11th and thereafter	0%

10 (e) (d) With respect to new manufacturing equipment and new  
 11 research and development equipment installed before March 2, 2001,  
 12 the deduction under this section is the amount that causes the net  
 13 assessed value of the property after the application of the deduction  
 14 under this section to equal the net assessed value after the application  
 15 of the deduction under this section that results from computing:

- 16 (1) the deduction under this section as in effect on March 1, 2001;
- 17 and
- 18 (2) the assessed value of the property under 50 IAC 4.2, as in
- 19 effect on March 1, 2001, or, in the case of property subject to
- 20 IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

21 (f) (e) For an economic revitalization area designated before July 1,  
 22 2000, the designating body shall determine whether a property owner  
 23 whose statement of benefits is approved after April 30, 1991, is entitled  
 24 to a deduction for five (5) or ten (10) years. For an economic  
 25 revitalization area designated after June 30, 2000, The designating  
 26 body shall determine the number of years the deduction is allowed  
 27 under section 17 of this chapter. However, the deduction may not be  
 28 allowed for more than ten (10) years. This determination shall be made:

- 29 (1) as part of the resolution adopted under section 2.5 of this
- 30 chapter; or
- 31 (2) by resolution adopted within sixty (60) days after receiving a
- 32 copy of a property owner's certified deduction application from
- 33 the county auditor. A certified copy of the resolution shall be sent
- 34 to the county auditor.

35 A determination about the number of years the deduction is allowed  
 36 that is made under subdivision (1) is final and may not be changed by  
 37 following the procedure under subdivision (2).

38 (g) (f) The owner of new manufacturing equipment that is directly  
 39 used to dispose of hazardous waste is not entitled to the deduction  
 40 provided by this section for a particular assessment year if during that  
 41 assessment year the owner:

- 42 (1) is convicted of a criminal violation under IC 13, including

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1 IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or  
 2 (2) is subject to an order or a consent decree with respect to  
 3 property located in Indiana based on a violation of a federal or  
 4 state rule, regulation, or statute governing the treatment, storage,  
 5 or disposal of hazardous wastes that had a major or moderate  
 6 potential for harm.

7 ~~(h)~~ (g) For purposes of subsection (c), the assessed value of new  
 8 manufacturing equipment, new research and development equipment,  
 9 new logistical distribution equipment, or new information technology  
 10 equipment that is part of an owner's assessable depreciable personal  
 11 property in a single taxing district subject to the valuation limitation in  
 12 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

13 (1) the assessed value of the equipment determined without  
 14 regard to the valuation limitation in 50 IAC 4.2-4-9 or 50  
 15 IAC 5.1-6-9; multiplied by

16 (2) the quotient of:  
 17 (A) the amount of the valuation limitation determined under  
 18 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's  
 19 depreciable personal property in the taxing district; divided by  
 20 (B) the total true tax value of all of the owner's depreciable  
 21 personal property in the taxing district that is subject to the  
 22 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9  
 23 determined:

24 (i) under the depreciation schedules in the rules of the  
 25 department of local government finance before any  
 26 adjustment for abnormal obsolescence; and

27 (ii) without regard to the valuation limitation in 50  
 28 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

29 SECTION 9. IC 6-1.1-12.1-4.7, AS AMENDED BY P.L.119-2012,  
 30 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 JULY 1, 2013]: Sec. 4.7. (a) Section ~~4.5(c)~~ **4.5(d)** of this chapter does  
 32 not apply to new manufacturing equipment located in a township  
 33 having a population of more than four thousand (4,000) but less than  
 34 seven thousand (7,000) located in a county having a population of more  
 35 than forty-two thousand (42,000) but less than forty-two thousand three  
 36 hundred (42,300) if the total original cost of all new manufacturing  
 37 equipment placed into service by the owner during the preceding sixty  
 38 (60) months exceeds fifty million dollars (\$50,000,000), and if the  
 39 economic revitalization area in which the new manufacturing  
 40 equipment was installed was approved by the designating body before  
 41 September 1, 1994.

42 (b) Section ~~4.5(c)~~ **4.5(d)** of this chapter does not apply to new

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1 manufacturing equipment located in a county having a population of  
 2 more than thirty-three thousand five hundred (33,500) but less than  
 3 thirty-four thousand (34,000) if:

4 (1) the total original cost of all new manufacturing equipment  
 5 placed into service in the county by the owner exceeds five  
 6 hundred million dollars (\$500,000,000); and

7 (2) the economic revitalization area in which the new  
 8 manufacturing equipment was installed was approved by the  
 9 designating body before January 1, 2001.

10 (c) A deduction under section 4.5(c) of this chapter is not allowed  
 11 with respect to new manufacturing equipment described in subsection  
 12 (b) in the first year the deduction is claimed or in subsequent years as  
 13 permitted by section 4.5(c) of this chapter to the extent the deduction  
 14 would cause the assessed value of all real property and personal  
 15 property of the owner in the taxing district to be less than the  
 16 incremental net assessed value for that year.

17 (d) The following apply for purposes of subsection (c):

18 (1) A deduction under section 4.5(c) of this chapter shall be  
 19 disallowed only with respect to new manufacturing equipment  
 20 installed after March 1, 2000.

21 (2) "Incremental net assessed value" means the sum of:

22 (A) the net assessed value of real property and depreciable  
 23 personal property from which property tax revenues are  
 24 required to be held in trust and pledged for the benefit of the  
 25 owners of bonds issued by the redevelopment commission of  
 26 a county described in subsection (b) under resolutions adopted  
 27 November 16, 1998, and July 13, 2000 (as amended  
 28 November 27, 2000); plus

29 (B) fifty-four million four hundred eighty-one thousand seven  
 30 hundred seventy dollars (\$54,481,770).

31 (3) The assessed value of real property and personal property of  
 32 the owner shall be determined after the deductions provided by  
 33 sections 3 and 4.5 of this chapter.

34 (4) The personal property of the owner shall include inventory.

35 (5) The amount of deductions provided by section 4.5 of this  
 36 chapter with respect to new manufacturing equipment that was  
 37 installed on or before March 1, 2000, shall be increased from  
 38 thirty-three and one-third percent (33 1/3%) of true tax value to  
 39 one hundred percent (100%) of true tax value for assessment  
 40 dates after February 28, 2001.

41 (e) A deduction not fully allowed under subsection (c) in the first  
 42 year the deduction is claimed or in a subsequent year permitted by

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1 section 4.5 of this chapter shall be carried over and allowed as a  
2 deduction in succeeding years. A deduction that is carried over to a  
3 year but is not allowed in that year under this subsection shall be  
4 carried over and allowed as a deduction in succeeding years. The  
5 following apply for purposes of this subsection:

6 (1) A deduction that is carried over to a succeeding year is not  
7 allowed in that year to the extent that the deduction, together  
8 with:

9 (A) deductions otherwise allowed under section 3 of this  
10 chapter;

11 (B) deductions otherwise allowed under section 4.5 of this  
12 chapter; and

13 (C) other deductions carried over to the year under this  
14 subsection;

15 would cause the assessed value of all real property and personal  
16 property of the owner in the taxing district to be less than the  
17 incremental net assessed value for that year.

18 (2) Each time a deduction is carried over to a succeeding year, the  
19 deduction shall be reduced by the amount of the deduction that  
20 was allowed in the immediately preceding year.

21 (3) A deduction may not be carried over to a succeeding year  
22 under this subsection if such year is after the period specified in  
23 section 4.5(c) of this chapter or the period specified in a  
24 resolution adopted by the designating body under section ~~4.5(g)~~  
25 **4.5(e)** of this chapter.

26 SECTION 10. IC 6-1.1-12.1-4.8, AS AMENDED BY P.L.112-2012,  
27 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
28 JULY 1, 2013]: Sec. 4.8. (a) A property owner that is an applicant for  
29 a deduction under this section must provide a statement of benefits to  
30 the designating body.

31 (b) If the designating body requires information from the property  
32 owner for the designating body's use in deciding whether to designate  
33 an economic revitalization area, the property owner must provide the  
34 completed statement of benefits form to the designating body before  
35 the hearing required by section 2.5(c) of this chapter. Otherwise, the  
36 property owner must submit the completed statement of benefits form  
37 to the designating body before the occupation of the eligible vacant  
38 building for which the property owner desires to claim a deduction.

39 (c) The department of local government finance shall prescribe a  
40 form for the statement of benefits. The statement of benefits must  
41 include the following information:

42 (1) A description of the eligible vacant building that the property

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- 1 owner or a tenant of the property owner will occupy.
- 2 (2) An estimate of the number of individuals who will be
- 3 employed or whose employment will be retained by the property
- 4 owner or the tenant as a result of the occupation of the eligible
- 5 vacant building, and an estimate of the annual salaries of those
- 6 individuals.
- 7 (3) Information regarding efforts by the owner or a previous
- 8 owner to sell, lease, or rent the eligible vacant building during the
- 9 period the eligible vacant building was unoccupied.
- 10 (4) Information regarding the amount for which the eligible
- 11 vacant building was offered for sale, lease, or rent by the owner
- 12 or a previous owner during the period the eligible vacant building
- 13 was unoccupied.
- 14 (d) With the approval of the designating body, the statement of
- 15 benefits may be incorporated in a designation application. A statement
- 16 of benefits is a public record that may be inspected and copied under
- 17 IC 5-14-3.
- 18 (e) The designating body must review the statement of benefits
- 19 required by subsection (a). The designating body shall determine
- 20 whether an area should be designated an economic revitalization area
- 21 or whether a deduction should be allowed, after the designating body
- 22 has made the following findings:
- 23 (1) Whether the estimate of the number of individuals who will be
- 24 employed or whose employment will be retained can be
- 25 reasonably expected to result from the proposed occupation of the
- 26 eligible vacant building.
- 27 (2) Whether the estimate of the annual salaries of those
- 28 individuals who will be employed or whose employment will be
- 29 retained can be reasonably expected to result from the proposed
- 30 occupation of the eligible vacant building.
- 31 (3) Whether any other benefits about which information was
- 32 requested are benefits that can be reasonably expected to result
- 33 from the proposed occupation of the eligible vacant building.
- 34 (4) Whether the occupation of the eligible vacant building will
- 35 increase the tax base and assist in the rehabilitation of the
- 36 economic revitalization area.
- 37 (5) Whether the totality of benefits is sufficient to justify the
- 38 deduction.
- 39 A designating body may not designate an area an economic
- 40 revitalization area or approve a deduction under this section unless the
- 41 findings required by this subsection are made in the affirmative.
- 42 (f) Except as otherwise provided in this section, the owner of an

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1 eligible vacant building located in an economic revitalization area is  
2 entitled to a deduction from the assessed value of the building if the  
3 property owner or a tenant of the property owner occupies the eligible  
4 vacant building and uses it for commercial or industrial purposes. The  
5 property owner is entitled to the deduction:

6 (1) for the first year in which the property owner or a tenant of the  
7 property owner occupies the eligible vacant building and uses it  
8 for commercial or industrial purposes; and

9 (2) for subsequent years determined under subsection (g).

10 (g) The designating body shall determine **under section 17 of this**  
11 **chapter** the number of years for which a property owner is entitled to  
12 a deduction under this section. ~~However, subject to section 15 of this~~  
13 ~~chapter, the deduction may not be allowed for more than two (2) years.~~  
14 This determination shall be made:

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

17 (2) by a resolution adopted not more than sixty (60) days after the  
18 designating body receives a copy of the property owner's  
19 deduction application from the county auditor.

20 A certified copy of a resolution under subdivision (2) shall be sent to  
21 the county auditor, who shall make the deduction as provided in section  
22 5.3 of this chapter. A determination concerning the number of years the  
23 deduction is allowed that is made under subdivision (1) is final and  
24 may not be changed by using the procedure under subdivision (2).

25 (h) Except as provided in section 2(i)(5) of this chapter, ~~and~~  
26 ~~subsection (k)~~; and subject to section 15 of this chapter, the amount of  
27 the deduction the property owner is entitled to receive under this  
28 section for a particular year equals the product of:

29 (1) the assessed value of the building or part of the building that  
30 is occupied by the property owner or a tenant of the property  
31 owner; multiplied by

32 (2) the percentage ~~set forth in the table in subsection (i)~~.  
33 **determined by the designating body under section 17 of this**  
34 **chapter.**

35 (i) The percentage to be used in calculating the deduction under  
36 subsection (h) is as follows:

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

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1 property owner at the address shown on the records of the township or  
2 county assessor.

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

5 (1) The name of the property owner.

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

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

9 (4) The increase in the assessed value of improvements resulting  
10 from the rehabilitation.

11 (5) The assessed value of the new structure in the case of  
12 redevelopment.

13 (6) The amount of the deduction claimed for the first year of the  
14 deduction.

15 (7) If the deduction application is for a deduction in a  
16 residentially distressed area, the assessed value of the  
17 improvement or new structure for which the deduction is claimed.

18 (d) A deduction application filed under subsection (a) or (b) is  
19 applicable for the year in which the addition to assessed value or  
20 assessment of a new structure is made and in the following years the  
21 deduction is allowed without any additional deduction application  
22 being filed. ~~However, property owners who had an area designated an~~  
23 ~~urban development area pursuant to a deduction application filed prior~~  
24 ~~to January 1, 1979, are only entitled to a deduction for a five (5) year~~  
25 ~~period. In addition, property owners who are entitled to a deduction~~  
26 ~~under this chapter pursuant to a deduction application filed after~~  
27 ~~December 31, 1978, and before January 1, 1986, are entitled to a~~  
28 ~~deduction for a ten (10) year period.~~

29 (e) A property owner who desires to obtain the deduction provided  
30 by section 3 of this chapter but who has failed to file a deduction  
31 application within the dates prescribed in subsection (a) or (b) may file  
32 a deduction application between March 1 and May 10 of a subsequent  
33 year which shall be applicable for the year filed and the subsequent  
34 years without any additional deduction application being filed for the  
35 amounts of the deduction which would be applicable to such years  
36 pursuant to section 4 of this chapter if such a deduction application had  
37 been filed in accordance with subsection (a) or (b).

38 (f) Subject to subsection (i), the county auditor shall act as follows:

39 (1) If a determination about the number of years the deduction is  
40 allowed has been made in the resolution adopted under section  
41 2.5 of this chapter, the county auditor shall make the appropriate  
42 deduction.

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1 (2) If a determination about the number of years the deduction is  
2 allowed has not been made in the resolution adopted under  
3 section 2.5 of this chapter, the county auditor shall send a copy of  
4 the deduction application to the designating body. Upon receipt  
5 of the resolution stating the number of years the deduction will be  
6 allowed, the county auditor shall make the appropriate deduction.  
7 (3) If the deduction application is for rehabilitation or  
8 redevelopment in a residentially distressed area, the county  
9 auditor shall make the appropriate deduction.  
10 (g) The amount and period of the deduction provided for property  
11 by section 3 of this chapter are not affected by a change in the  
12 ownership of the property if the new owner of the property:  
13 (1) continues to use the property in compliance with any  
14 standards established under section 2(g) of this chapter; and  
15 (2) files an application in the manner provided by subsection (e).  
16 (h) The township or county assessor shall include a notice of the  
17 deadlines for filing a deduction application under subsections (a) and  
18 (b) with each notice to a property owner of an addition to assessed  
19 value or of a new assessment.  
20 (i) Before the county auditor acts under subsection (f), the county  
21 auditor may request that the township assessor of the township in  
22 which the property is located, or the county assessor if there is no  
23 township assessor for the township, review the deduction application.  
24 (j) A property owner may appeal a determination of the county  
25 auditor under subsection (f) to deny or alter the amount of the  
26 deduction by requesting in writing a preliminary conference with the  
27 county auditor not more than forty-five (45) days after the county  
28 auditor gives the person notice of the determination. An appeal  
29 initiated under this subsection is processed and determined in the same  
30 manner that an appeal is processed and determined under IC 6-1.1-15.  
31 SECTION 12. IC 6-1.1-12.1-5.1, AS AMENDED BY P.L.193-2005,  
32 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 JULY 1, 2013]: Sec. 5.1. (a) This subsection applies to  
34 ~~(1) all deductions under section 3 of this chapter for property~~  
35 ~~located in a residentially distressed area. and~~  
36 ~~(2) any other deductions for which a statement of benefits was~~  
37 ~~approved under section 3 of this chapter before July 1, 1991.~~  
38 In addition to the requirements of section 5(c) of this chapter, a  
39 deduction application filed under section 5 of this chapter must contain  
40 information showing the extent to which there has been compliance  
41 with the statement of benefits approved under section 3 of this chapter.  
42 Failure to comply with a statement of benefits approved before July 1,

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1 ~~1991, may not be a basis for rejecting a deduction application.~~  
2 (b) This subsection applies to each deduction (other than a  
3 deduction for property located in a residentially distressed area) for  
4 which a statement of benefits was approved under section 3 of this  
5 chapter. ~~after June 30, 1991.~~ In addition to the requirements of section  
6 5(c) of this chapter, a property owner who files a deduction application  
7 under section 5 of this chapter must provide the county auditor and the  
8 designating body with information showing the extent to which there  
9 has been compliance with the statement of benefits approved under  
10 section 3 of this chapter. This information must be included in the  
11 deduction application and must also be updated each year in which the  
12 deduction is applicable at the same time that the property owner is  
13 required to file a personal property tax return in the taxing district in  
14 which the property for which the deduction was granted is located. If  
15 the taxpayer does not file a personal property tax return in the taxing  
16 district in which the property is located, the information must be  
17 provided before May 15.  
18 (c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following  
19 information is a public record if filed under this section:  
20 (1) The name and address of the taxpayer.  
21 (2) The location and description of the property for which the  
22 deduction was granted.  
23 (3) Any information concerning the number of employees at the  
24 property for which the deduction was granted, including estimated  
25 totals that were provided as part of the statement of benefits.  
26 (4) Any information concerning the total of the salaries paid to  
27 those employees, including estimated totals that were provided as  
28 part of the statement of benefits.  
29 (5) Any information concerning the assessed value of the  
30 property, including estimates that were provided as part of the  
31 statement of benefits.  
32 (d) The following information is confidential if filed under this  
33 section:  
34 (1) Any information concerning the specific salaries paid to  
35 individual employees by the property owner.  
36 (2) Any information concerning the cost of the property.  
37 SECTION 13. IC 6-1.1-12.1-5.4, AS AMENDED BY P.L. 146-2008,  
38 SECTION 126, IS AMENDED TO READ AS FOLLOWS  
39 [EFFECTIVE JULY 1, 2013]: Sec. 5.4. (a) A person that desires to  
40 obtain the deduction provided by section 4.5 of this chapter must file  
41 a certified deduction schedule with the person's personal property  
42 return on a form prescribed by the department of local government

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1 finance with the township assessor of the township in which the new  
2 manufacturing equipment, new research and development equipment,  
3 new logistical distribution equipment, or new information technology  
4 equipment is located, or with the county assessor if there is no  
5 township assessor for the township. Except as provided in subsection  
6 (e), the deduction is applied in the amount claimed in a certified  
7 schedule that a person files with:

- 8 (1) a timely personal property return under IC 6-1.1-3-7(a) or
- 9 IC 6-1.1-3-7(b); or
- 10 (2) a timely amended personal property return under
- 11 IC 6-1.1-3-7.5.

12 The township or county assessor shall forward to the county auditor a  
13 copy of each certified deduction schedule filed under this subsection.  
14 The township assessor shall forward to the county assessor a copy of  
15 each certified deduction schedule filed with the township assessor  
16 under this subsection.

17 (b) The deduction schedule required by this section must contain the  
18 following information:

- 19 (1) The name of the owner of the new manufacturing equipment,  
20 new research and development equipment, new logistical  
21 distribution equipment, or new information technology  
22 equipment.
- 23 (2) A description of the new manufacturing equipment, new  
24 research and development equipment, new logistical distribution  
25 equipment, or new information technology equipment.
- 26 (3) The amount of the deduction claimed for the first year of the  
27 deduction.

28 (c) ~~This subsection applies to a deduction schedule with respect to~~  
29 ~~new manufacturing equipment, new research and development~~  
30 ~~equipment, new logistical distribution equipment, or new information~~  
31 ~~technology equipment for which a statement of benefits was initially~~  
32 ~~approved after April 30, 1991.~~ If a determination about the number of  
33 years the deduction is allowed has not been made in the resolution  
34 adopted under section 2.5 of this chapter, the county auditor shall ~~send~~  
35 ~~a copy of the deduction schedule to~~ **notify** the designating body, and  
36 the designating body shall adopt a resolution under section ~~4.5(f)(2)~~  
37 **4.5(e)(2)** of this chapter.

38 (d) A deduction schedule must be filed under this section in the year  
39 in which the new manufacturing equipment, new research and  
40 development equipment, new logistical distribution equipment, or new  
41 information technology equipment is installed and in each of the  
42 immediately succeeding years the deduction is allowed.

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1 (e) The township assessor, or the county assessor if there is no  
 2 township assessor for the township, may:  
 3 (1) review the deduction schedule; and  
 4 (2) before the March 1 that next succeeds the assessment date for  
 5 which the deduction is claimed, deny or alter the amount of the  
 6 deduction.

7 If the township or county assessor does not deny the deduction, the  
 8 county auditor shall apply the deduction in the amount claimed in the  
 9 deduction schedule or in the amount as altered by the township or  
 10 county assessor. A township or county assessor who denies a deduction  
 11 under this subsection or alters the amount of the deduction shall notify  
 12 the person that claimed the deduction and the county auditor of the  
 13 assessor's action. The county auditor shall notify the designating body  
 14 and the county property tax assessment board of appeals of all  
 15 deductions applied under this section.

16 (f) If the ownership of new manufacturing equipment, new research  
 17 and development equipment, new logistical distribution equipment, or  
 18 new information technology equipment changes, the deduction  
 19 provided under section 4.5 of this chapter continues to apply to that  
 20 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 schedules 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) A person may appeal a determination of the township or county  
 29 assessor under subsection (e) to deny or alter the amount of the  
 30 deduction by requesting in writing a preliminary conference with the  
 31 township or county assessor not more than forty-five (45) days after the  
 32 township or county assessor gives the person notice of the  
 33 determination. Except as provided in subsection (i), an appeal initiated  
 34 under this subsection is processed and determined in the same manner  
 35 that an appeal is processed and determined under IC 6-1.1-15.

36 (i) The county assessor is recused from any action the county  
 37 property tax assessment board of appeals takes with respect to an  
 38 appeal under subsection (h) of a determination by the county assessor.

39 SECTION 14. IC 6-1.1-12.1-5.6, AS AMENDED BY P.L.1-2006,  
 40 SECTION 134, IS AMENDED TO READ AS FOLLOWS  
 41 [EFFECTIVE JULY 1, 2013]: Sec. 5.6. (a) This subsection applies to  
 42 a property owner whose statement of benefits was approved under

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1 section 4.5 of this chapter before July 1, 1991. In addition to the  
 2 requirements of section 5.4(b) of this chapter, a deduction schedule  
 3 filed under section 5.4 of this chapter must contain information  
 4 showing the extent to which there has been compliance with the  
 5 statement of benefits approved under section 4.5 of this chapter.  
 6 Failure to comply with a statement of benefits approved before July 1,  
 7 1991, may not be a basis for rejecting a deduction schedule.

8 (b) This subsection applies to a property owner whose statement of  
 9 benefits was approved under section 4.5 of this chapter after June 30,  
 10 1991. (a) In addition to the requirements of section 5.4(b) of this  
 11 chapter, a property owner who files a deduction schedule under section  
 12 5.4 of this chapter must provide the county auditor and the designating  
 13 body with information showing the extent to which there has been  
 14 compliance with the statement of benefits approved under section 4.5  
 15 of this chapter.

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

- 18 (1) The name and address of the taxpayer.
- 19 (2) The location and description of the new manufacturing  
 20 equipment, new research and development equipment, new  
 21 logistical distribution equipment, or new information technology  
 22 equipment for which the deduction was granted.
- 23 (3) Any information concerning the number of employees at the  
 24 facility where the new manufacturing equipment, new research  
 25 and development equipment, new logistical distribution  
 26 equipment, or new information technology equipment is located,  
 27 including estimated totals that were provided as part of the  
 28 statement of benefits.
- 29 (4) Any information concerning the total of the salaries paid to  
 30 those employees, including estimated totals that were provided as  
 31 part of the statement of benefits.
- 32 (5) Any information concerning the amount of solid waste or  
 33 hazardous waste converted into energy or other useful products by  
 34 the new manufacturing equipment.
- 35 (6) Any information concerning the assessed value of the new  
 36 manufacturing equipment, new research and development  
 37 equipment, new logistical distribution equipment, or new  
 38 information technology equipment including estimates that were  
 39 provided as part of the statement of benefits.

40 (d) (c) The following information is confidential if filed under this  
 41 section:

- 42 (1) Any information concerning the specific salaries paid to

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1 individual employees by the owner of the new manufacturing  
2 equipment, new research and development equipment, new  
3 logistical distribution equipment, or new information technology  
4 equipment.

5 (2) Any information concerning the cost of the new  
6 manufacturing equipment, new research and development  
7 equipment, new logistical distribution equipment, or new  
8 information technology equipment.

9 SECTION 15. IC 6-1.1-12.1-5.9, AS AMENDED BY P.L.146-2008,  
10 SECTION 128, IS AMENDED TO READ AS FOLLOWS  
11 [EFFECTIVE JULY 1, 2013]: Sec. 5.9. (a) This section does not apply  
12 to

13 ~~(1) a deduction under section 3 of this chapter for property~~  
14 ~~located in a residentially distressed area. or~~

15 ~~(2) any other deduction under section 3 or 4.5 of this chapter for~~  
16 ~~which a statement of benefits was approved before July 1, 1991.~~

17 (b) Not later than forty-five (45) days after receipt of the information  
18 described in section 5.1, 5.3(j), or 5.6 of this chapter, the designating  
19 body may determine whether the property owner has substantially  
20 complied with the statement of benefits approved under section 3, 4.5,  
21 or 4.8 of this chapter. If the designating body determines that the  
22 property owner has not substantially complied with the statement of  
23 benefits and that the failure to substantially comply was not caused by  
24 factors beyond the control of the property owner (such as declines in  
25 demand for the property owner's products or services), the designating  
26 body shall mail a written notice to the property owner. The written  
27 notice must include the following provisions:

28 (1) An explanation of the reasons for the designating body's  
29 determination.

30 (2) The date, time, and place of a hearing to be conducted by the  
31 designating body for the purpose of further considering the  
32 property owner's compliance with the statement of benefits. The  
33 date of the hearing may not be more than thirty (30) days after the  
34 date on which the notice is mailed.

35 (c) On the date specified in the notice described in subsection  
36 (b)(2), the designating body shall conduct a hearing for the purpose of  
37 further considering the property owner's compliance with the statement  
38 of benefits. Based on the information presented at the hearing by the  
39 property owner and other interested parties, the designating body shall  
40 again determine whether the property owner has made reasonable  
41 efforts to substantially comply with the statement of benefits and  
42 whether any failure to substantially comply was caused by factors

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1 beyond the control of the property owner. If the designating body  
 2 determines that the property owner has not made reasonable efforts to  
 3 comply with the statement of benefits, the designating body shall adopt  
 4 a resolution terminating the property owner's deduction under section  
 5 3, 4.5, or 4.8 of this chapter. If the designating body adopts such a  
 6 resolution, the deduction does not apply to the next installment of  
 7 property taxes owed by the property owner or to any subsequent  
 8 installment of property taxes.

9 (d) If the designating body adopts a resolution terminating a  
 10 deduction under subsection (c), the designating body shall immediately  
 11 mail a certified copy of the resolution to:

- 12 (1) the property owner;
- 13 (2) the county auditor; and
- 14 (3) the county assessor.

15 The county auditor shall remove the deduction from the tax duplicate  
 16 and shall notify the county treasurer of the termination of the  
 17 deduction. If the designating body's resolution is adopted after the  
 18 county treasurer has mailed the statement required by IC 6-1.1-22-8.1,  
 19 the county treasurer shall immediately mail the property owner a  
 20 revised statement that reflects the termination of the deduction.

21 (e) A property owner whose deduction is terminated by the  
 22 designating body under this section may appeal the designating body's  
 23 decision by filing a complaint in the office of the clerk of the circuit or  
 24 superior court together with a bond conditioned to pay the costs of the  
 25 appeal if the appeal is determined against the property owner. An  
 26 appeal under this subsection shall be promptly heard by the court  
 27 without a jury and determined within thirty (30) days after the time of  
 28 the filing of the appeal. The court shall hear evidence on the appeal and  
 29 may confirm the action of the designating body or sustain the appeal.  
 30 The judgment of the court is final and conclusive unless an appeal is  
 31 taken as in other civil actions.

32 (f) If an appeal under subsection (e) is pending, the taxes resulting  
 33 from the termination of the deduction are not due until after the appeal  
 34 is finally adjudicated and the termination of the deduction is finally  
 35 determined.

36 SECTION 16. IC 6-1.1-12.1-11.3, AS AMENDED BY  
 37 P.L.173-2011, SECTION 7, IS AMENDED TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 2013]: Sec. 11.3. (a) This section applies only  
 39 to the following requirements:

- 40 (1) Failure to provide the completed statement of benefits form to  
 41 the designating body before the hearing required by section 2.5(c)  
 42 of this chapter.

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- 1 (2) Failure to submit the completed statement of benefits form to  
 2 the designating body before the:  
 3 (A) initiation of the redevelopment or rehabilitation;  
 4 (B) installation of new manufacturing equipment, new  
 5 research and development equipment, new logistical  
 6 distribution equipment, or new information technology  
 7 equipment; or  
 8 (C) occupation of an eligible vacant building;  
 9 for which the person desires to claim a deduction under this  
 10 chapter.  
 11 (3) Failure to designate an area as an economic revitalization area  
 12 before the initiation of the:  
 13 (A) redevelopment;  
 14 (B) installation of new manufacturing equipment, new  
 15 research and development equipment, new logistical  
 16 distribution equipment, or new information technology  
 17 equipment;  
 18 (C) rehabilitation; or  
 19 (D) occupation of an eligible vacant building;  
 20 for which the person desires to claim a deduction under this  
 21 chapter.  
 22 (4) Failure to make the required findings of fact before  
 23 designating an area as an economic revitalization area or  
 24 authorizing a deduction for new manufacturing equipment, new  
 25 research and development equipment, new logistical distribution  
 26 equipment, or new information technology equipment under  
 27 section 2, 3, 4.5, or 4.8 of this chapter.  
 28 (5) Failure to file a:  
 29 (A) timely; or  
 30 (B) complete;  
 31 deduction application under section 5, 5.3, or 5.4 of this chapter.  
 32 ~~(6) Failure to designate an area as a designated downtown area~~  
 33 ~~under section 16 of this chapter before enhancing a deduction~~  
 34 ~~under section 16 of this chapter.~~  
 35 (b) This section does not grant a designating body the authority to  
 36 exempt a person from filing a statement of benefits or exempt a  
 37 designating body from making findings of fact.  
 38 (c) A designating body may by resolution waive noncompliance  
 39 described under subsection (a) under the terms and conditions specified  
 40 in the resolution. Before adopting a waiver under this subsection, the  
 41 designating body shall conduct a public hearing on the waiver.  
 42 SECTION 17. IC 6-1.1-12.1-16 IS REPEALED [EFFECTIVE JULY

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1 1, 2013]. Sec. 16: (a) This section applies to property that is the subject  
2 of a deduction application filed after June 30, 2011, if:

3 (1) property that is the subject of a deduction application is an  
4 eligible vacant building with at least fifty thousand (50,000)  
5 square feet and; as a condition of obtaining the deduction; the  
6 deduction applicant agrees to use the eligible vacant building for  
7 industrial or commercial purposes;

8 (2) as a condition of obtaining a deduction under this chapter; the  
9 deduction applicant agrees to invest at least ten million dollars  
10 (\$10,000,000) in property that is eligible for a deduction under  
11 this chapter;

12 (3) property that is the subject of a deduction application consists  
13 of a proposed rehabilitation of property in a designated downtown  
14 area; or

15 (4) the property that is the subject of a deduction application is or  
16 will be located in a county in which:

17 (A) the average annualized unemployment rate in each of the  
18 two (2) calendar years immediately preceding the current  
19 calendar year exceeded the statewide average annualized  
20 unemployment rate for each of the same calendar years by at  
21 least two percent (2%); or

22 (B) the average annualized unemployment rate in the  
23 immediately preceding calendar year was at least double the  
24 statewide average annualized unemployment rate for the same  
25 period;

26 as determined by the department of workforce development.

27 (b) A designating body may enhance under this section the  
28 deduction schedule that would otherwise apply to tangible property  
29 described in subsection (a) to provide a deduction equal to one hundred  
30 percent (100%) of the gross assessed value of property for up to three  
31 (3) consecutive years, beginning with the first year that the property is  
32 eligible for a deduction under this chapter. If the deduction application  
33 is for a deduction under section 4.8 of this chapter; the designating  
34 body may extend under this section the maximum term of the  
35 deduction from two (2) to three (3) years.

36 (c) A designating body may enhance the deduction as provided in  
37 subsection (b) in the resolution designating the number of years to  
38 which a deduction allowed under section 3, 4.5, or 4.8 of this chapter  
39 applies. The designating body may grant an enhancement under the  
40 terms and conditions specified in the resolution. Before adopting a  
41 resolution under this subsection; the designating body shall conduct a  
42 public hearing on the resolution. Notice of the public hearing shall be



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1 published in accordance with IC 5-3-1. In addition, the designating  
 2 body shall notify each taxing unit within the taxing district where the  
 3 property is or will be located of the proposed resolution, including the  
 4 date and time of the public hearing. If a resolution is adopted under this  
 5 section, the designating body shall deliver a copy of the adopted  
 6 resolution to the:

7 (1) county auditor; and

8 (2) township assessor for the township where the property is  
 9 located or, if there is no township assessor, the county assessor;  
 10 within thirty (30) days after its adoption.

11 (d) A public hearing or resolution under this section may be  
 12 combined with any other public hearing or resolution required under  
 13 this chapter.

14 (e) For purposes of applying this section to property described in  
 15 subsection (a)(3), the fiscal body of a city or town may by ordinance  
 16 designate any part of:

17 (1) the central business district of a city or town; or

18 (2) any commercial or mixed use area within a neighborhood of  
 19 a city or town that has traditionally served, since the founding of  
 20 the community, as the retail service and communal focal point  
 21 within the community;

22 as a designated downtown area. The ordinance must include a  
 23 simplified description of the boundaries of the area by describing its  
 24 location in relation to public ways, streams, or otherwise. The fiscal  
 25 body may designate a maximum of fifteen percent (15%) of the total  
 26 geographic territory of the city or town as a designated downtown area.  
 27 A resolution adopted under subsection (c) concerning property  
 28 described in subsection (a)(3) must include a certified copy of the  
 29 ordinance adopted under this subsection.

30 SECTION 18. IC 6-1.1-12.1-17, AS ADDED BY P.L.173-2011,  
 31 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JULY 1, 2013]: Sec. 17. (a) A designating body may provide to a  
 33 business that is established in or relocated to a revitalization area and  
 34 that receives a deduction under section 4 or 4.5 of this chapter an  
 35 alternative abatement schedule based on the following factors:

36 (1) The total amount of the taxpayer's investment in real and  
 37 personal property.

38 (2) The number of new full-time equivalent jobs created.

39 (3) The average wage of the new employees compared to the state  
 40 minimum wage.

41 (4) The infrastructure requirements for the taxpayer's investment.

42 (b) **This subsection applies to a statement of benefits approved**

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1 after June 30, 2013. A designating body shall establish an  
 2 abatement schedule for each deduction allowed under this chapter.  
 3 An alternative abatement schedule must specify the percentage amount  
 4 of the deduction for each year of the deduction. An alternative  
 5 abatement schedule may not exceed ten (10) years.

6 (c) An abatement schedule approved for a particular taxpayer  
 7 before July 1, 2013, remains in effect until the abatement schedule  
 8 expires under the terms of the resolution approving the taxpayer's  
 9 statement of benefits.

10 SECTION 19. IC 6-1.1-20.6-1.2 IS ADDED TO THE INDIANA  
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 12 [EFFECTIVE JANUARY 1, 2014]: Sec. 1.2. (a) This section applies  
 13 to credit determinations after 2013.

14 (b) As used in this chapter, "common areas" means any of the  
 15 following:

16 (1) Residential property improvements on real property on  
 17 which a building that includes two (2) or more dwelling units,  
 18 a mobile home, or a manufactured home is located, including  
 19 all roads, swimming pools, tennis courts, basketball courts,  
 20 playgrounds, carports, garages, other parking areas, gazebos,  
 21 decks, and patios.

22 (2) The land and all appurtenances to the land used in  
 23 connection with a building or structure described in  
 24 subdivision (1), including land that is outside the footprint of  
 25 the building, mobile home, manufactured home, or  
 26 improvement.

27 SECTION 20. IC 6-1.1-20.6-4, AS AMENDED BY P.L.131-2008,  
 28 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JANUARY 1, 2014]: Sec. 4. As used in this chapter, "residential  
 30 property" refers to real property that consists of any of the following:

31 (1) A single family dwelling that is not part of a homestead and  
 32 the land, not exceeding one (1) acre, on which the dwelling is  
 33 located.

34 (2) Real property that consists of:

35 (A) a building that includes two (2) or more dwelling units;

36 (B) any common areas shared by the dwelling units (**including**  
 37 **any land that is a common area, as described in section**  
 38 **1.2(2) of this chapter**); and

39 (C) the land not exceeding the area of the building footprint;  
 40 on which the building is located.

41 (3) Land rented or leased for the placement of a manufactured  
 42 home or mobile home, including any common areas shared by the

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1 manufactured homes or mobile homes.

2 SECTION 21. IC 6-1.1-26-5, AS AMENDED BY P.L.120-2012,  
 3 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 4 JULY 1, 2013]: Sec. 5. (a) When a claim for refund filed under section  
 5 1 of this chapter is allowed either by the county board of  
 6 commissioners, the department of local government finance, the  
 7 Indiana board, or the Indiana tax court on appeal, the claimant is  
 8 entitled to a refund. The amount of the refund shall equal the amount  
 9 of the claim so allowed plus, with respect to claims for refund filed  
 10 after December 31, 2001, interest at the rate established for excess tax  
 11 payments by the commissioner of the department of state revenue  
 12 under IC 6-8.1-10-1 from the date on which the taxes were paid or  
 13 payable, whichever is later, to the date of the refund. **The interest shall**  
 14 **be calculated at the rate in effect for each year of the refund.** The  
 15 county auditor shall, without an appropriation being required, issue a  
 16 warrant to the claimant payable from the county general fund for the  
 17 amount due the claimant under this section.

18 (b) In the June or December settlement and apportionment of taxes,  
 19 or both the June and December settlement and apportionment of taxes,  
 20 immediately following a refund made under this section the county  
 21 auditor shall deduct the amount refunded from the gross tax collections  
 22 of the taxing units for which the refunded taxes were originally paid  
 23 and shall pay the amount so deducted into the general fund of the  
 24 county. However, the county auditor shall make the deductions and  
 25 payments required by this subsection not later than the December  
 26 settlement and apportionment.

27 SECTION 22. IC 6-1.1-37-9, AS AMENDED BY P.L.120-2012,  
 28 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2013]: Sec. 9. (a) This section applies when:

- 30 (1) an assessment is made or increased after the date or dates on  
 31 which the taxes for the year for which the assessment is made  
 32 were originally due;
- 33 (2) the assessment upon which a taxpayer has been paying taxes  
 34 under IC 6-1.1-15-10(a)(1) or IC 6-1.1-15-10(a)(2) while a  
 35 petition for review or a judicial proceeding has been pending is  
 36 less than the assessment that results from the final determination  
 37 of the petition for review or judicial proceeding; or
- 38 (3) the collection of certain ad valorem property taxes has been  
 39 enjoined under IC 33-26-6-2, and under the final determination of  
 40 the petition for judicial review the taxpayer is liable for at least  
 41 part of those taxes.

42 (b) Except as provided in subsections (c) and (g), a taxpayer shall

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1 pay interest on the taxes the taxpayer is required to pay as a result of an  
 2 action or a determination described in subsection (a) at the rate  
 3 established by the commissioner of the department of state revenue  
 4 under IC 6-8.1-10-1 from the original due date or dates for those taxes  
 5 to:

6 (1) the date of payment; or

7 (2) the date on which penalties for the late payment of a tax  
 8 installment may be charged under subsection (e) or (f);

9 whichever occurs first. **The interest shall be calculated at the rate in  
 10 effect for each year from the original due date or dates for those  
 11 taxes to the later of the dates described in subdivisions (1) and (2).**

12 (c) Except as provided in subsection (g), a taxpayer shall pay  
 13 interest on the taxes the taxpayer is ultimately required to pay in excess  
 14 of the amount that the taxpayer is required to pay under  
 15 IC 6-1.1-15-10(a)(1) while a petition for review or a judicial  
 16 proceeding has been pending at the overpayment rate established under  
 17 Section 6621(c)(1) of the Internal Revenue Code in effect on the  
 18 original due date or dates for those taxes from the original due date or  
 19 dates for those taxes to:

20 (1) the date of payment; or

21 (2) the date on which penalties for the late payment of a tax  
 22 installment may be charged under subsection (e) or (f);

23 whichever occurs first.

24 (d) With respect to an action or determination described in  
 25 subsection (a), the taxpayer shall pay the taxes resulting from that  
 26 action or determination and the interest prescribed under subsection (b)  
 27 or (c) on or before:

28 (1) the next May 10; or

29 (2) the next November 10;

30 whichever occurs first.

31 (e) A taxpayer shall, to the extent that the penalty is not waived  
 32 under section 10.1 or 10.7 of this chapter, begin paying the penalty  
 33 prescribed in section 10 of this chapter on the day after the date for  
 34 payment prescribed in subsection (d) if:

35 (1) the taxpayer has not paid the amount of taxes resulting from  
 36 the action or determination; and

37 (2) the taxpayer either:

38 (A) received notice of the taxes the taxpayer is required to pay  
 39 as a result of the action or determination at least thirty (30)  
 40 days before the date for payment; or

41 (B) voluntarily signed and filed an assessment return for the  
 42 taxes.

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1 (f) If subsection (e) does not apply, a taxpayer who has not paid the  
 2 amount of taxes resulting from the action or determination shall, to the  
 3 extent that the penalty is not waived under section 10.1 or 10.7 of this  
 4 chapter, begin paying the penalty prescribed in section 10 of this  
 5 chapter on:

6 (1) the next May 10 which follows the date for payment  
 7 prescribed in subsection (d); or

8 (2) the next November 10 which follows the date for payment  
 9 prescribed in subsection (d);

10 whichever occurs first.

11 (g) A taxpayer is not subject to the payment of interest on real  
 12 property assessments under subsection (b) or (c) if:

13 (1) an assessment is made or increased after the date or dates on  
 14 which the taxes for the year for which the assessment is made  
 15 were due;

16 (2) the assessment or the assessment increase is made as the result  
 17 of error or neglect by the assessor or by any other official  
 18 involved with the assessment of property or the collection of  
 19 property taxes; and

20 (3) the assessment:

21 (A) would have been made on the normal assessment date if  
 22 the error or neglect had not occurred; or

23 (B) increase would have been included in the assessment on  
 24 the normal annual assessment date if the error or neglect had  
 25 not occurred.

26 SECTION 23. IC 6-1.1-37-11, AS AMENDED BY SEA 85-2013,  
 27 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JULY 1, 2013]: Sec. 11. (a) If a taxpayer is entitled to a property tax  
 29 refund or credit because an assessment is decreased, the taxpayer shall  
 30 also be paid, or credited with, interest on the excess taxes that the  
 31 taxpayer paid at the rate of ~~four percent (4%) per annum~~. **established**  
 32 **for excess tax payments by the commissioner of the department of**  
 33 **state revenue under IC 6-8.1-10-1 from the date on which the taxes**  
 34 **were paid or payable, whichever is later, to the date of the refund**  
 35 **or credit. The interest shall be calculated at the rate in effect for**  
 36 **each year of the refund or credit.** However, in the case of an  
 37 assessment that is decreased by the Indiana board or the Indiana tax  
 38 court, the taxpayer is not entitled to the greater of five hundred dollars  
 39 (\$500) or twenty percent (20%) of the interest to which the taxpayer  
 40 would otherwise be entitled on the excess taxes unless the taxpayer  
 41 affirms, under penalty of perjury, that substantive evidence supporting  
 42 the taxpayer's position had been:

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1 (1) presented by the taxpayer to the assessor before; or  
 2 (2) introduced by the taxpayer at;  
 3 the hearing held by the county property tax assessment board of  
 4 appeals. An appraisal may not be required by the county property tax  
 5 assessment board of appeals or the assessor in a proceeding before the  
 6 county property tax assessment board of appeals or in a preliminary  
 7 informal meeting under IC 6-1.1-15-1(h)(2).

8 (b) For purposes of this section and except as provided in subsection  
 9 (c), the interest shall be computed from the date on which the taxes  
 10 were paid or due, whichever is later, to the date of the refund or credit.  
 11 If a taxpayer is sent a provisional tax statement and is later sent a final  
 12 or reconciling tax statement, interest shall be computed after the date  
 13 on which the taxes were paid or first due under the provisional tax  
 14 statement, whichever is later, through the date of the refund or credit.

15 (c) This subsection applies if a taxpayer who is entitled to a refund  
 16 or credit does not make a written request for the refund or credit to the  
 17 county auditor within forty-five (45) days after the final determination  
 18 of the county property tax assessment board of appeals, the state board  
 19 of tax commissioners, the department of local government finance, the  
 20 Indiana board, or the tax court that entitles the taxpayer to the refund  
 21 or credit. In the case of a taxpayer described in this subsection, the  
 22 interest shall be computed from the date on which the taxes were paid  
 23 or due to the date that is forty-five (45) days after the final  
 24 determination of the county property tax assessment board of appeals,  
 25 the state board of tax commissioners, the department of local  
 26 government finance, the Indiana board of tax review, or the Indiana tax  
 27 court. In any event, a property tax refund or credit must be issued not  
 28 later than ninety (90) days after the request is received.

29 SECTION 24. IC 6-3.1-34 IS ADDED TO THE INDIANA CODE  
 30 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 31 JANUARY 1, 2013 (RETROACTIVE)];

32 **Chapter 34. Indiana New Markets Job Act**

33 **Sec. 1. This chapter applies only to taxable years beginning after**  
 34 **December 31, 2012.**

35 **Sec. 2. The following definitions apply throughout this chapter:**

36 (1) "Applicable percentage" means:

37 (A) zero percent (0%) for the first two (2) credit allowance  
 38 dates;

39 (B) seven percent (7%) for the third credit allowance date;  
 40 and

41 (C) eight percent (8%) for the next four (4) credit  
 42 allowance dates.



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- 1 (2) "Credit allowance date" means, with respect to any  
2 qualified equity investment:  
3 (A) the date on which the investment is initially made; and  
4 (B) each of the six (6) anniversary dates immediately  
5 following the date specified in clause (A).  
6 (3) "IEDC" refers to the Indiana economic development  
7 corporation.  
8 (4) "Long term debt security" means any debt instrument  
9 issued by a qualified community development entity, at par  
10 value or a premium, with an original maturity date at least  
11 seven (7) years after the date the debt instrument is issued,  
12 with no acceleration of repayment, amortization, or  
13 prepayment features before the original maturity date. The  
14 qualified community development entity that issues the debt  
15 instrument may not make cash interest payments on the debt  
16 instrument during the period beginning on the date of  
17 issuance and ending on the final credit allowance date in an  
18 amount that exceeds the cumulative operating income, as  
19 defined by regulations adopted under Section 45D of the  
20 Internal Revenue Code of the qualified community  
21 development entity for that period before giving effect to the  
22 expense of the cash interest payments. The foregoing does not  
23 limit the holder's ability to accelerate payments on the debt  
24 instrument if the issuer has defaulted on covenants designed  
25 to ensure compliance with this chapter or Section 45D of the  
26 Internal Revenue Code.  
27 (5) "Low income community" has the meaning set forth in  
28 Section 45D of the Internal Revenue Code.  
29 (6) "Paths to quality program" refers to the program  
30 established by IC 12-17.2-2-14.  
31 (7) "Purchase price" means the amount paid to an issuer of a  
32 qualified equity investment for the qualified equity  
33 investment.  
34 (8) "Qualified active low income community business" has the  
35 meaning set forth in Section 45D of the Internal Revenue  
36 Code, and 26 CFR 1.45D-1. A business is considered a  
37 qualified active low income community business for the  
38 duration of the qualified community development entity's  
39 investment in, or loan to, the business if the qualified  
40 community development entity reasonably expects, at the time  
41 the qualified community development entity makes the  
42 investment or loan, that the business will continue to satisfy

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1 the requirements for being a qualified active low income  
 2 community business throughout the entire period of the  
 3 investment or loan. The term excludes the following:

4 (A) Any business that derives or projects to derive fifteen  
 5 percent (15%) or more of the business's annual revenue  
 6 from the rental or sale of real estate. This exclusion does  
 7 not apply to a business that is controlled by, or under  
 8 common control with, another business, if the second  
 9 business does not derive, or project to derive, fifteen  
 10 percent (15%) or more of its annual revenue from the  
 11 rental or sale of real estate and is the primary tenant of the  
 12 real estate leased from the first business.

13 (B) A business that is primarily engaged in providing home  
 14 ownership services.

15 (C) A business that is primarily engaged in providing child  
 16 care services, unless the business is:

17 (i) a child care center licensed under IC 12-17.2-4;

18 (ii) a child care home licensed under IC 12-17.2-5; or

19 (iii) a child care ministry licensed under IC 12-17.2-6;

20 that has, at the time the investment is made, the highest  
 21 rating under the paths to quality program.

22 (9) "Qualified community development entity" has the  
 23 meaning set forth in Section 45D of the Internal Revenue  
 24 Code, for any period during which an allocation agreement is  
 25 in effect between the entity and the Community Development  
 26 Financial Institutions Fund of the U.S. Treasury Department  
 27 with respect to credits authorized by Section 45D of the  
 28 Internal Revenue Code that includes the state of Indiana  
 29 within the service area described in the allocation agreement.  
 30 The term includes a subsidiary community development  
 31 entity of a qualified community development entity.

32 (10) "Qualified equity investment" means any equity  
 33 investment in, or long term debt security issued by, a qualified  
 34 community development entity:

35 (A) that is made or acquired after December 31, 2012, and  
 36 before January 1, 2016, at its original issuance solely in  
 37 exchange for cash;

38 (B) of which at least eighty-five percent (85%) of the cash  
 39 purchase price is used by the issuing qualified community  
 40 development entity before the first anniversary of the  
 41 initial credit allowance date to make qualified low income  
 42 community investments in qualified active low income

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- 1 community businesses located in Indiana;  
 2 (C) that is designated by the issuing qualified community  
 3 development entity as a qualified equity investment; and  
 4 (D) that is certified by the IEDC under section 7 of this  
 5 chapter.  
 6 The term includes any qualified equity investment that does  
 7 not meet the condition specified in clause (A) if the investment  
 8 was a qualified equity investment in the hands of a previous  
 9 holder.  
 10 (11) "Qualified low income community investment" means  
 11 any capital or equity investment in, or loan to, any qualified  
 12 active low income community business.  
 13 (12) "State tax liability" means a person's total tax liability  
 14 that is incurred under:  
 15 (A) IC 6-3-1 through IC 6-3-7 (the adjusted gross income  
 16 tax);  
 17 (B) IC 6-5.5 (the financial institutions tax);  
 18 (C) IC 27-1-18-2 (the insurance premiums tax); and  
 19 (D) IC 27-1-20-12 (retaliatory tax);  
 20 as computed after the application of the credits that under  
 21 IC 6-3.1-1-2 are to be applied before the credit provided by  
 22 this chapter.  
 23 (13) "Taxpayer" means an individual, a corporation, a  
 24 partnership, or another person or entity that has state tax  
 25 liability.  
 26 **Sec. 3.** Any entity that makes a qualified equity investment earns  
 27 a vested right to a credit against the entity's state tax liability that  
 28 may be utilized as follows:  
 29 (1) For each taxable year that includes a credit allowance date  
 30 of the qualified equity investment, the entity, or subsequent  
 31 holder of the qualified equity investment, is entitled to claim  
 32 part of the credit against the entity's or the subsequent  
 33 holder's state tax liability for the taxable year.  
 34 (2) Each taxable year, subject to subdivision (3), the credit  
 35 amount equals:  
 36 (A) the applicable percentage associated with the credit  
 37 allowance date that occurs during the taxable year;  
 38 multiplied by  
 39 (B) the purchase price paid to the issuer of the qualified  
 40 equity investment.  
 41 (3) The amount of the tax credit claimed may not exceed the  
 42 amount of the taxpayer's state tax liability for the taxable

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1           year for which the tax credit is claimed.  
2       **Sec. 4. (a) If:**  
3           (1) a pass through entity does not have state tax liability  
4           against which the tax credit provided by this chapter may be  
5           applied; and  
6           (2) the pass through entity would be eligible for the tax credit  
7           if the pass through entity were a taxpayer;  
8       a shareholder, partner, or member of the pass through entity is  
9       entitled to a tax credit under this chapter.  
10       (b) Tax credits earned by a pass through entity may be allocated  
11       to the partners, members, or shareholders of the pass through  
12       entity for their direct use in accordance with the provisions of any  
13       agreement among the partners, members, or shareholders.  
14       **Sec. 5. (a) If the amount of a tax credit for a taxpayer in a**  
15       **taxable year exceeds the taxpayer's state tax liability for that**  
16       **taxable year, the taxpayer may carry the excess over to a**  
17       **subsequent taxable year. The amount of the tax credit carryover**  
18       **from a taxable year is reduced each taxable year thereafter to the**  
19       **extent that the carryover is used by the taxpayer to obtain a tax**  
20       **credit under this chapter for any subsequent taxable year.**  
21       (b) A taxpayer is not entitled to a carryback or refund of an  
22       unused tax credit.  
23       **Sec. 6. The tax credit provided by this chapter is not saleable on**  
24       **the open market.**  
25       **Sec. 7. (a) After July 31, 2013, a qualified community**  
26       **development entity may apply to have an equity investment or a**  
27       **long term debt security designated as a qualified equity investment**  
28       **that meets the requirements for the tax credit provided by this**  
29       **chapter. An application submitted under this subsection must**  
30       **include the following:**  
31           (1) Evidence of the applicant's certification as a qualified  
32           community development entity, including evidence that the  
33           applicant's service area includes the state of Indiana.  
34           (2) A copy of an allocation agreement executed by the  
35           applicant, or its controlling entity, and the Community  
36           Development Financial Institutions Fund.  
37           (3) A certificate executed by an executive officer of the  
38           applicant attesting that the allocation agreement remains in  
39           effect and has not been revoked or canceled by the  
40           Community Development Financial Institutions Fund.  
41           (4) A description of the proposed amount, structure, and  
42           purchaser of the qualified equity investment.

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- 1 (5) Identifying information for any entity that will earn tax  
2 credits as a result of the issuance of the qualified equity  
3 investment, if known.
- 4 (6) Examples of the types of qualified active low income  
5 businesses in which the applicant, its controlling entity, or  
6 affiliates of its controlling entity have invested under the  
7 federal new markets tax credit program. An applicant is not  
8 required when submitting an application to identify a  
9 qualified active low income community business in which the  
10 applicant will invest.
- 11 (7) A nonrefundable application fee of five thousand dollars  
12 (\$5,000). This fee shall be paid to the IEDC and shall be  
13 required of each application submitted.
- 14 (8) The refundable performance fee of five hundred thousand  
15 dollars (\$500,000) required by section 11(a) of this chapter.
- 16 (b) Within thirty (30) days after receipt of an application  
17 submitted under subsection (a), including the payment of the  
18 application fee and the refundable performance fee, the IEDC shall  
19 grant or deny the application in full or in part. If the IEDC denies  
20 any part of the application, the IEDC shall inform the qualified  
21 community development entity of the grounds for the denial. A  
22 denial of an application by the IEDC does not create a private right  
23 of action for the applicant. If the qualified community development  
24 entity provides any additional information required by the IEDC  
25 or otherwise completes the application within fifteen (15) days of  
26 the notice of denial, the application is considered completed as of  
27 the original date of submission. If the qualified community  
28 development entity fails to provide the information or complete the  
29 application within the fifteen (15) day period, the application  
30 remains denied and must be resubmitted in full with a new  
31 submission date.
- 32 (c) Subject to subsection (d), if the application is complete, the  
33 IEDC shall certify the proposed equity investment or long term  
34 debt security as a qualified equity investment that is eligible for tax  
35 credits under this chapter. The IEDC shall provide written notice  
36 of the certification to the qualified community development entity  
37 and to the department. The notice must include the names of those  
38 entities who earned the credits and their respective credit amounts.  
39 If the names of the entities that are eligible to utilize the credits  
40 change due to a transfer of a qualified equity investment or a  
41 change in allocation of credits pursuant to section 4(b) of this  
42 chapter, the qualified community development entity shall notify

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1 the IEDC of the change. The IEDC shall then notify the  
2 department.

3 (d) The IEDC shall certify qualified equity investments in the  
4 order applications are received by the IEDC. Applications received  
5 on the same day are considered to have been received  
6 simultaneously. If the sum of the amounts of the proposed qualified  
7 equity investments submitted in applications received on the same  
8 day would cause the limitation specified in subsection (e) to be  
9 exceeded, the IEDC shall ask each applicant that submitted an  
10 application that day whether the applicant is willing to accept a  
11 partial certification of the applicant's proposed qualified equity  
12 investment or would instead prefer to withdraw its application. If  
13 the sum of the proposed qualified equity investments of the  
14 applicants that have not withdrawn their applications would not  
15 cause the limit specified in subsection (e) to be exceeded, the IEDC  
16 shall certify each proposed qualified equity investment of the  
17 applicants that have not withdrawn their applications in full. If the  
18 sum of the proposed qualified equity investments of the applicants  
19 that have not withdrawn their applications would cause the limit  
20 specified in subsection (e) to be exceeded, the IEDC shall certify a  
21 fractional amount of each proposed qualified equity investment  
22 described in applications that were received that day and not  
23 withdrawn equal to:

24 (1) the remaining amount of the limitation specified in  
25 subsection (e) at the conclusion of the previous day; multiplied  
26 by

27 (2) the ratio of the amount of the proposed qualified equity  
28 investment requested in an application to the total amount of  
29 proposed qualified equity investments requested in all  
30 applications received that day.

31 (e) The IEDC may not certify qualified equity investments that  
32 earn tax credits at the applicable percentage rate that would  
33 exceed more than ten million dollars (\$10,000,000) of tax credits  
34 under this chapter during any state fiscal year.

35 (f) An approved applicant may transfer all or a portion of its  
36 certified qualified equity investment authority to its controlling  
37 entity or any subsidiary qualified community development entity  
38 of the controlling entity, provided that the applicant provides the  
39 information required in the application with respect to the  
40 transferee and the applicant notifies the IEDC of the transfer  
41 within thirty (30) days of the transfer.

42 (g) Within thirty (30) days of the applicant receiving notice of

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1 certification, the qualified community development entity or any  
 2 transferee under subsection (f) shall issue the qualified equity  
 3 investment and receive cash in the amount of the certified amount.  
 4 The qualified community development entity or transferee under  
 5 subsection (f) must provide the IEDC with evidence of the receipt  
 6 of the cash investment within ten (10) business days after receipt.  
 7 If the qualified community development entity or any transferee  
 8 under subsection (f) does not receive the cash investment and issue  
 9 the qualified equity investment within thirty (30) days following  
 10 receipt of the certification notice, the certification lapses and the  
 11 entity may not issue the qualified equity investment without  
 12 reapplying to the IEDC for certification. A lapsed certification  
 13 reverts back to the IEDC and may be reissued, first, if applicable,  
 14 to applicants that received a reduced certification of a qualified  
 15 equity investment under subsection (d), and, thereafter, if any part  
 16 of the lapsed certification remains, to applicants in accordance  
 17 with subsection (c).

18 (h) The IEDC shall transfer the nonrefundable application fees  
 19 collected by the IEDC under subsection (a)(7) to the treasurer of  
 20 state. The treasurer of state shall deposit the nonrefundable  
 21 application fees received from the IEDC under this section in the  
 22 state general fund.

23 Sec. 8. The department shall recapture part of the credit  
 24 provided by this chapter from an entity that claims the credit on a  
 25 return, to the extent any of the following apply:

26 (1) Any amount of a federal tax credit available with respect  
 27 to a qualified equity investment that is eligible for a credit  
 28 under this chapter is recaptured under Section 45D of the  
 29 Internal Revenue Code. If this subdivision applies, the  
 30 recapture amount is proportionate to the federal recapture  
 31 amount with respect to the qualified equity investment.

32 (2) The issuer redeems or makes principal repayment with  
 33 respect to a qualified equity investment prior to the seventh  
 34 anniversary on which the qualified equity investment is made.  
 35 If this subdivision applies, the recapture amount is  
 36 proportionate to the amount of the redemption or repayment  
 37 with respect to the qualified equity investment.

38 (3) The issuer fails to invest an amount equal to eighty-five  
 39 percent (85%) of the purchase price of the qualified equity  
 40 investment in qualified low income community investments in  
 41 Indiana within twelve (12) months of the issuance of the  
 42 qualified equity investment and maintain at least eighty-five



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1 percent (85%) of the level of investment in qualified low  
 2 income community investments in Indiana until the last credit  
 3 allowance date for the qualified equity investment. For  
 4 purposes of this subdivision, an investment is considered held  
 5 by an issuer even if the investment has been sold or repaid if  
 6 the issuer reinvests an amount equal to the capital returned to  
 7 or recovered by the issuer from the original investment,  
 8 exclusive of any profits realized, in another qualified low  
 9 income community investment within twelve (12) months of  
 10 the receipt of the capital. An issuer is not required to reinvest  
 11 capital returned from qualified low income community  
 12 investments after the sixth anniversary of the issuance of the  
 13 qualified equity investment, the proceeds of which were used  
 14 to make the qualified low income community investment, and  
 15 the qualified low income community investment is considered  
 16 held by the issuer through the seventh anniversary of the  
 17 qualified equity investment's issuance.

18 (4) At any time before the final credit allowance date of a  
 19 qualified equity investment, the issuer uses the cash proceeds  
 20 of the qualified equity investment to make qualified low  
 21 income community investments in any one (1) qualified active  
 22 low income community business, including affiliated qualified  
 23 active low income community businesses, in excess of ten  
 24 million dollars (\$10,000,000) of cash proceeds of the qualified  
 25 equity investment, exclusive of reinvestments of capital  
 26 returned or repaid with respect to earlier investments in the  
 27 qualified active low income community business and its  
 28 affiliates.

29 Sec. 9. A recapture provision described in section 8 of this  
 30 chapter is subject to a six (6) month cure period. The department  
 31 may not take action to recapture part of the credit provided by this  
 32 chapter in a circumstance described in section 8 of this chapter  
 33 until the qualified community development entity is given notice of  
 34 noncompliance and afforded six (6) months from the date of the  
 35 notice to cure the noncompliance.

36 Sec. 10. (a) As used in this section, "fund" refers to the new  
 37 markets performance guarantee fund established in subsection (b).

38 (b) The new markets performance guarantee fund is established  
 39 within the state treasury.

40 (c) The fund consists of fees paid under this chapter by qualified  
 41 community development entities to the state under section 11 of  
 42 this chapter.



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- 1           (d) The treasurer of state shall administer the fund.
- 2           (e) Money in the fund at the end of a state fiscal year does not
- 3           revert to the state general fund.
- 4           (f) The treasurer of state shall hold a fee deposited in the fund
- 5           until a determination is made whether a qualified community
- 6           development entity that paid the fee has complied with the
- 7           requirements of section 11(b) of this chapter. If the treasurer of
- 8           state receives notice from the department under section 11(d) of
- 9           this chapter that a qualified community development entity is no
- 10          longer eligible for a refund of the fee, the treasurer of state shall
- 11          transfer the qualified community development entity's fee from the
- 12          fund to the state general fund.
- 13          Sec. 11. (a) A qualified community development entity seeking
- 14          to have an equity investment or long term debt security designated
- 15          as a qualified equity investment that is eligible for tax credits under
- 16          this chapter must pay a fee in the amount of five hundred thousand
- 17          dollars (\$500,000) to the IEDC. The IEDC shall transfer a fee
- 18          payable under this subsection to the treasurer of state for deposit
- 19          in the new markets performance guarantee fund.
- 20          (b) A qualified community development entity that has had an
- 21          equity investment or long term debt security designated as a
- 22          qualified equity investment eligible for tax credits under this
- 23          chapter must meet the following requirements:
- 24                (1) The qualified community development entity and its
- 25                subsidiary qualified community development entities must:
- 26                      (A) issue the total amount of qualified equity investments
- 27                      certified by the IEDC under this chapter; and
- 28                      (B) receive cash in the total amount certified under section
- 29                      7(c) of this chapter.
- 30                (2) The qualified community development entity or any
- 31                subsidiary qualified community development entity that issues
- 32                a qualified equity investment certified under this chapter
- 33                must meet the investment requirement under section 8(3) of
- 34                this chapter before the second credit allowance date of the
- 35                qualified equity investment.
- 36          (c) If the department determines that a qualified community
- 37          development entity has met the conditions specified in subsection
- 38          (b), the department shall notify the qualified community
- 39          development entity and the auditor of state that the qualified
- 40          community development entity is entitled to a refund of the fee
- 41          paid under subsection (a). The auditor of state shall then issue a
- 42          warrant to the qualified community development entity for the

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1 amount of the fee paid by the qualified community development  
2 entity under subsection (a).

3 (d) If the department determines that a qualified community  
4 development entity has failed to meet the condition specified in  
5 subsection (b)(2), the department shall notify the qualified  
6 community development entity. The qualified community  
7 development entity then has six (6) months from the date the notice  
8 is issued to cure the qualified community development entity's  
9 noncompliance with the condition specified in subsection (b)(2). If  
10 at the end of the six (6) month cure period, the department  
11 determines that the qualified community development entity has  
12 met the condition specified in subsection (b)(2), the department  
13 shall proceed as directed in subsection (c). If at the end of the six  
14 (6) month cure period, the department determines that the  
15 qualified community development entity has failed to meet the  
16 condition specified in subsection (b)(2), the department shall notify  
17 the qualified community development entity, the treasurer of state,  
18 and the auditor of state that the qualified community development  
19 entity is no longer eligible for a refund of the fee.

20 Sec. 12. (a) As used in this section, "letter ruling" means a  
21 written interpretation of law as applied to a specific set of facts  
22 submitted by an entity requesting the interpretation.

23 (b) The IEDC shall issue letter rulings regarding the credit  
24 provided by this chapter, subject to the terms and conditions set  
25 forth in this section.

26 (c) The IEDC shall respond to a request for a letter ruling  
27 within sixty (60) days after receiving the request. The applicant  
28 may provide a draft letter ruling for the IEDC's consideration. The  
29 applicant may withdraw the request for a letter ruling, in writing,  
30 prior to the issuance of the letter ruling. The IEDC may refuse to  
31 issue a letter ruling for good cause, but must state the specific  
32 reasons for refusing to issue the letter ruling. Good cause includes  
33 the following:

- 34 (1) The applicant is requesting that the IEDC determine  
35 whether a statute is constitutional or a regulation is lawful.
- 36 (2) The request involves a hypothetical situation or alternative  
37 plans.
- 38 (3) The facts or issues presented in the request are unclear,  
39 overbroad, insufficient, or otherwise inappropriate as a basis  
40 upon which to issue a letter ruling.
- 41 (4) The issue is currently being considered in a rulemaking  
42 procedure, contested case, or other agency or judicial



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1 proceeding that may definitely resolve the issue.

2 (d) Letter rulings bind the IEDC, its agents and their successors,  
3 and the department until after the entity or its shareholders,  
4 members, or partners, as applicable, claim all of the credits on an  
5 Indiana tax return, subject to the terms and conditions set forth in  
6 properly published regulations. A letter ruling applies only to the  
7 applicant for the letter ruling.

8 (e) In rendering letter rulings and making other determinations  
9 under this chapter, to the extent applicable, the IEDC shall look for  
10 guidance to Section 45D of the Internal Revenue Code and the  
11 regulations issued under Section 45D of the Internal Revenue  
12 Code.

13 **Sec. 13. An entity claiming a credit under this chapter is not**  
14 **required to pay any additional tax as a result of claiming the credit,**  
15 **including the tax levied under IC 27-1-20-12.**

16 **Sec. 14. In connection with a qualified low income community**  
17 **investment under this chapter, a qualified active low income**  
18 **community business, or any affiliate of such a business, may not be**  
19 **required to pay any fee to or reimburse any expense of a qualified**  
20 **community development entity before the later of:**

- 21 (1) the seventh credit allowance date; or  
22 (2) the date on which the qualified community development  
23 entity has made qualified low income community investments  
24 equal to one hundred percent (100%) of the amount of its  
25 qualified equity investment.

26 **However, the qualified active low income community business or**  
27 **affiliate may be charged a closing fee, not to exceed two percent**  
28 **(2%) of the amount of the qualified low income community**  
29 **investment. This section does not preclude the payment of interest**  
30 **or dividends with respect to the qualified low income community**  
31 **investment as otherwise permitted by this chapter.**

32 **Sec. 15. The IEDC shall, not later than December 1 each year,**  
33 **submit to the budget committee a report on the granting of credits**  
34 **under this chapter.**

35 SECTION 25. IC 12-17.2-2-14 IS ADDED TO THE INDIANA  
36 CODE AS A NEW SECTION TO READ AS FOLLOWS  
37 [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) As used in this section,**  
38 **"program" refers to the paths to quality program established by**  
39 **subsection (b).**

40 (b) The paths to quality program is established. The program is  
41 a voluntary child care facility quality rating and improvement  
42 system implemented by the division in partnership with the

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following organizations:

- (1) Indiana Association for the Education of Young Children.
- (2) Indiana Association for Child Care Resource and Referral.
- (3) Indiana Head Start Collaboration Office.
- (4) Department of education established by IC 20-19-3-1.
- (5) Early Childhood Alliance.
- (6) 4C's of Southern Indiana.

(c) The program shall use four (4) levels at which a child care facility participating in the program may be rated, with level 4 indicating the highest level of quality child care.

(d) The division shall adopt rules under IC 4-22-2 to administer the paths to quality program rating system. The rules must include procedures that outline eligibility and application procedures for the program, the establishment of procedures relating to the rating process, and the establishment or alteration of standards used in the rating process.

(e) The division shall adopt rules under IC 4-22-2 to establish the steering council of the program to make recommendations to the division on program issues and resources. Rules adopted under this subsection must require that council members be appointed from partner organizations that assist in the implementation of the program and serve to coordinate the program plan.

SECTION 26. IC 34-24-1-1, AS AMENDED BY SEA 536-2013, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) The following may be seized:

- (1) All vehicles (as defined by IC 35-31.5-2-346), if they are used or are intended for use by the person or persons in possession of them to transport or in any manner to facilitate the transportation of the following:
  - (A) A controlled substance for the purpose of committing, attempting to commit, or conspiring to commit any of the following:
    - (i) Dealing in or manufacturing cocaine or a narcotic drug (IC 35-48-4-1).
    - (ii) Dealing in methamphetamine (IC 35-48-4-1.1).
    - (iii) Dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2).
    - (iv) Dealing in a schedule IV controlled substance (IC 35-48-4-3).
    - (v) Dealing in a schedule V controlled substance (IC 35-48-4-4).
    - (vi) Dealing in a counterfeit substance (IC 35-48-4-5).

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- 1 (vii) Possession of cocaine or a narcotic drug (IC 35-48-4-6).  
 2 (viii) Possession of methamphetamine (IC 35-48-4-6.1).  
 3 (ix) Dealing in paraphernalia (IC 35-48-4-8.5).  
 4 (x) Dealing in marijuana, hash oil, hashish, or salvia  
 5 (IC 35-48-4-10).  
 6 (xi) Dealing in a synthetic drug or synthetic drug lookalike  
 7 substance (IC 35-48-4-10.5, or IC 35-48-4-10 before its  
 8 amendment in 2013).  
 9 (B) Any stolen (IC 35-43-4-2) or converted property  
 10 (IC 35-43-4-3) if the retail or repurchase value of that property  
 11 is one hundred dollars (\$100) or more.  
 12 (C) Any hazardous waste in violation of IC 13-30-10-1.5.  
 13 (D) A bomb (as defined in IC 35-31.5-2-31) or weapon of  
 14 mass destruction (as defined in IC 35-31.5-2-354) used to  
 15 commit, used in an attempt to commit, or used in a conspiracy  
 16 to commit an offense under IC 35-47 as part of or in  
 17 furtherance of an act of terrorism (as defined by  
 18 IC 35-31.5-2-329).  
 19 (2) All money, negotiable instruments, securities, weapons,  
 20 communications devices, or any property used to commit, used in  
 21 an attempt to commit, or used in a conspiracy to commit an  
 22 offense under IC 35-47 as part of or in furtherance of an act of  
 23 terrorism or commonly used as consideration for a violation of  
 24 IC 35-48-4 (other than items subject to forfeiture under  
 25 IC 16-42-20-5 or IC 16-6-8.5-5.1 before its repeal):  
 26 (A) furnished or intended to be furnished by any person in  
 27 exchange for an act that is in violation of a criminal statute;  
 28 (B) used to facilitate any violation of a criminal statute; or  
 29 (C) traceable as proceeds of the violation of a criminal statute.  
 30 (3) Any portion of real or personal property purchased with  
 31 money that is traceable as a proceed of a violation of a criminal  
 32 statute.  
 33 (4) A vehicle that is used by a person to:  
 34 (A) commit, attempt to commit, or conspire to commit;  
 35 (B) facilitate the commission of; or  
 36 (C) escape from the commission of;  
 37 murder (IC 35-42-1-1), kidnapping (IC 35-42-3-2), criminal  
 38 confinement (IC 35-42-3-3), rape (IC 35-42-4-1), child molesting  
 39 (IC 35-42-4-3), or child exploitation (IC 35-42-4-4), or an offense  
 40 under IC 35-47 as part of or in furtherance of an act of terrorism.  
 41 (5) Real property owned by a person who uses it to commit any of  
 42 the following as a Class A felony, a Class B felony, or a Class C

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- 1 felony:
- 2 (A) Dealing in or manufacturing cocaine or a narcotic drug
- 3 (IC 35-48-4-1).
- 4 (B) Dealing in methamphetamine (IC 35-48-4-1.1).
- 5 (C) Dealing in a schedule I, II, or III controlled substance
- 6 (IC 35-48-4-2).
- 7 (D) Dealing in a schedule IV controlled substance
- 8 (IC 35-48-4-3).
- 9 (E) Dealing in marijuana, hash oil, hashish, or salvia
- 10 (IC 35-48-4-10).
- 11 (F) Dealing in a synthetic drug or synthetic drug lookalike
- 12 substance (IC 35-48-4-10.5, or IC 35-48-4-10 before its
- 13 amendment in 2013).
- 14 (6) Equipment and recordings used by a person to commit fraud
- 15 under IC 35-43-5-4(10).
- 16 (7) Recordings sold, rented, transported, or possessed by a person
- 17 in violation of IC 24-4-10.
- 18 (8) Property (as defined by IC 35-31.5-2-253) or an enterprise (as
- 19 defined by IC 35-45-6-1) that is the object of a corrupt business
- 20 influence violation (IC 35-45-6-2).
- 21 (9) Unlawful telecommunications devices (as defined in
- 22 IC 35-45-13-6) and plans, instructions, or publications used to
- 23 commit an offense under IC 35-45-13.
- 24 (10) Any equipment, including computer equipment and cellular
- 25 telephones, used for or intended for use in preparing,
- 26 photographing, recording, videotaping, digitizing, printing,
- 27 copying, or disseminating matter in violation of IC 35-42-4.
- 28 (11) Destructive devices used, possessed, transported, or sold in
- 29 violation of IC 35-47.5.
- 30 (12) Tobacco products that are sold in violation of IC 24-3-5,
- 31 tobacco products that a person attempts to sell in violation of
- 32 IC 24-3-5, and other personal property owned and used by a
- 33 person to facilitate a violation of IC 24-3-5.
- 34 (13) Property used by a person to commit counterfeiting or
- 35 forgery in violation of IC 35-43-5-2.
- 36 (14) After December 31, 2005, if a person is convicted of an
- 37 offense specified in IC 25-26-14-26(b) or IC 35-43-10, the
- 38 following real or personal property:
- 39 (A) Property used or intended to be used to commit, facilitate,
- 40 or promote the commission of the offense.
- 41 (B) Property constituting, derived from, or traceable to the
- 42 gross proceeds that the person obtained directly or indirectly

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- 1 as a result of the offense.
- 2 (15) Except as provided in subsection (e), a vehicle used by a
- 3 person who operates the vehicle:
- 4 (A) while intoxicated, in violation of IC 9-30-5-1 through
- 5 IC 9-30-5-5, if in the previous five (5) years the person has two
- 6 (2) or more prior unrelated convictions:
- 7 (i) for operating a motor vehicle while intoxicated in
- 8 violation of IC 9-30-5-1 through IC 9-30-5-5; or
- 9 (ii) for an offense that is substantially similar to IC 9-30-5-1
- 10 through IC 9-30-5-5 in another jurisdiction; or
- 11 (B) on a highway while the person's driving privileges are
- 12 suspended in violation of IC 9-24-19-2 through IC 9-24-19-4,
- 13 if in the previous five (5) years the person has two (2) or more
- 14 prior unrelated convictions:
- 15 (i) for operating a vehicle while intoxicated in violation of
- 16 IC 9-30-5-1 through IC 9-30-5-5; or
- 17 (ii) for an offense that is substantially similar to IC 9-30-5-1
- 18 through IC 9-30-5-5 in another jurisdiction.
- 19 If a court orders the seizure of a vehicle under this subdivision,
- 20 the court shall transmit an order to the bureau of motor vehicles
- 21 recommending that the bureau not permit a vehicle to be
- 22 registered in the name of the person whose vehicle was seized
- 23 until the person possesses a current driving license (as defined in
- 24 IC 9-13-2-41).
- 25 (16) The following real or personal property:
- 26 (A) Property used or intended to be used to commit, facilitate,
- 27 or promote the commission of an offense specified in
- 28 IC 23-14-48-9, IC 30-2-9-7(b), IC 30-2-10-9(b), or
- 29 IC 30-2-13-38(f).
- 30 (B) Property constituting, derived from, or traceable to the
- 31 gross proceeds that a person obtains directly or indirectly as a
- 32 result of an offense specified in IC 23-14-48-9, IC 30-2-9-7(b),
- 33 IC 30-2-10-9(b), or IC 30-2-13-38(f).
- 34 **(17) An automated sales suppression device (as defined in**
- 35 **IC 35-43-5-4.4(a)(1)) or phantom-ware (as defined in**
- 36 **IC 35-43-5-4.4(a)(3)).**
- 37 (b) A vehicle used by any person as a common or contract carrier in
- 38 the transaction of business as a common or contract carrier is not
- 39 subject to seizure under this section, unless it can be proven by a
- 40 preponderance of the evidence that the owner of the vehicle knowingly
- 41 permitted the vehicle to be used to engage in conduct that subjects it to
- 42 seizure under subsection (a).

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1 (c) Equipment under subsection (a)(10) may not be seized unless it  
 2 can be proven by a preponderance of the evidence that the owner of the  
 3 equipment knowingly permitted the equipment to be used to engage in  
 4 conduct that subjects it to seizure under subsection (a)(10).

5 (d) Money, negotiable instruments, securities, weapons,  
 6 communications devices, or any property commonly used as  
 7 consideration for a violation of IC 35-48-4 found near or on a person  
 8 who is committing, attempting to commit, or conspiring to commit any  
 9 of the following offenses shall be admitted into evidence in an action  
 10 under this chapter as prima facie evidence that the money, negotiable  
 11 instrument, security, or other thing of value is property that has been  
 12 used or was to have been used to facilitate the violation of a criminal  
 13 statute or is the proceeds of the violation of a criminal statute:

14 (1) IC 35-48-4-1 (dealing in or manufacturing cocaine or a  
 15 narcotic drug).

16 (2) IC 35-48-4-1.1 (dealing in methamphetamine).

17 (3) IC 35-48-4-2 (dealing in a schedule I, II, or III controlled  
 18 substance).

19 (4) IC 35-48-4-3 (dealing in a schedule IV controlled substance).

20 (5) IC 35-48-4-4 (dealing in a schedule V controlled substance)  
 21 as a Class B felony.

22 (6) IC 35-48-4-6 (possession of cocaine or a narcotic drug) as a  
 23 Class A felony, Class B felony, or Class C felony.

24 (7) IC 35-48-4-6.1 (possession of methamphetamine) as a Class  
 25 A felony, Class B felony, or Class C felony.

26 (8) IC 35-48-4-10 (dealing in marijuana, hash oil, hashish, or  
 27 salvia) as a Class C felony.

28 (9) IC 35-48-4-10.5 (dealing in a synthetic drug or synthetic drug  
 29 lookalike substance) as a Class C felony or Class D felony (or as  
 30 a Class C felony or Class D felony under IC 35-48-4-10 before its  
 31 amendment in 2013).

32 (e) A vehicle operated by a person who is not:

33 (1) an owner of the vehicle; or

34 (2) the spouse of the person who owns the vehicle;

35 is not subject to seizure under subsection (a)(15) unless it can be  
 36 proven by a preponderance of the evidence that the owner of the  
 37 vehicle knowingly permitted the vehicle to be used to engage in  
 38 conduct that subjects it to seizure under subsection (a)(15).

39 SECTION 27. IC 35-43-5-4.4 IS ADDED TO THE INDIANA  
 40 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 41 [EFFECTIVE JULY 1, 2013]: **Sec. 4.4. (a) The following definitions**  
 42 **apply throughout this section:**

**EH 1544—LS 6995/DI 92+**



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- 1 (1) "Automated sales suppression device" means a software  
 2 program:  
 3 (A) carried on a memory stick or removable compact disc;  
 4 (B) accessed through an Internet link; or  
 5 (C) accessed through any other means;  
 6 that falsifies the electronic records of electronic cash registers  
 7 and other point-of-sale systems, including transaction data  
 8 and transaction reports.
- 9 (2) "Electronic cash register" means a device that keeps a  
 10 register or supporting documents through the means of an  
 11 electronic device or a computer system designed to record  
 12 transaction data for the purpose of computing, compiling, or  
 13 processing retail sales transaction data in any manner.
- 14 (3) "Phantom-ware" means a programming option that is  
 15 hidden, pre-installed, or installed at a later time, that is  
 16 embedded in the operating system of an electronic cash  
 17 register or hardwired into the electronic cash register, and  
 18 that:  
 19 (A) can be used to create a virtual second till; or  
 20 (B) may eliminate or manipulate transaction records that  
 21 may or may not be preserved in digital formats to  
 22 represent the true or manipulated record of transactions  
 23 in the electronic cash register.
- 24 (4) "Transaction data" includes information regarding:  
 25 (A) items purchased by a customer;  
 26 (B) the price for each item;  
 27 (C) a taxability determination for each item;  
 28 (D) a segregated tax amount for each of the taxed items;  
 29 (E) the amount of cash or credit tendered;  
 30 (F) the net amount returned to the customer in change;  
 31 (G) the date and time of the purchase;  
 32 (H) the name, address, and identification number of the  
 33 vendor; and  
 34 (I) the receipt or invoice number of the transaction.
- 35 (5) "Transaction report" means:  
 36 (A) a report that includes:  
 37 (i) the sales;  
 38 (ii) taxes collected;  
 39 (iii) media totals; and  
 40 (iv) discount voids;  
 41 at an electronic cash register and that is printed on cash  
 42 register tape at the end of a day or shift; or

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1                   **(B) a report documenting every action at an electronic cash**  
2                   **register that is stored electronically.**  
3                   **(6) "Zapper" refers to an automated sales suppression device.**  
4                   **(b) A person who knowingly or intentionally sells, purchases,**  
5                   **installs, transfers, or possesses:**  
6                   **(1) an automated sales suppression device or a zapper; or**  
7                   **(2) phantom-ware;**  
8                   **after June 30, 2012, commits unlawful sale or possession of a**  
9                   **transaction manipulation device, a Class C felony.**  
10                   **SECTION 28. 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 1544, 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 2, line 4, delete "is equal" and insert "**amount must be specified in the ordinance adopted under this section and may be any amount up**".

Page 43, line 14, after "." insert "**The credit amount must be specified in the ordinance and may be any amount up to one hundred percent (100%) of a taxpayer's property tax liability.**".

and when so amended that said bill do pass.

(Reference is to HB 1544 as introduced.)

BROWN T, Chair

Committee Vote: yeas 18, nays 4.

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 HOUSE MOTION

Mr. Speaker: I move that Engrossed House Bill 1544, which failed to pass for want of a constitutional majority on February 25, 2013, be handed down again and placed before the House on final passage.

TURNER

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 HOUSE MOTION

Mr. Speaker: I move that House Bill 1544 be recommitted to a Committee of One, its author, with specific instructions to amend as follows:

Page 1, delete lines 1 through 17.

Delete page 2.

Page 3, delete lines 1 through 8.

Page 42, line 17, delete "2011" and insert "**2013**".

Page 42, delete lines 30 through 42.

Delete page 43.

Page 44, delete lines 1 through 30.

Page 50, between lines 7 and 8, begin a new paragraph and insert:

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"SECTION 21. [EFFECTIVE MARCH 1, 2013 (RETROACTIVE)]  
**(a) IC 6-1.1-20.6-1.2, as added by this act, applies only to property taxes first due and payable after December 31, 2013.**

**(b) This SECTION expires July 1, 2016."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1544 as printed February 18, 2013.)

TURNER

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COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred House Bill 1544, begs leave to report that said bill has been amended as directed.

TURNER

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1544, 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 41, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 19. IC 6-1.1-20.6-4, AS AMENDED BY P.L.131-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2013 (RETROACTIVE)]: Sec. 4. As used in this chapter, "residential property" refers to real property that consists of any of the following:

- (1) A single family dwelling that is not part of a homestead and the land, not exceeding one (1) acre, on which the dwelling is located.
- (2) Real property that consists of:
  - (A) a building that includes two (2) or more dwelling units;
  - (B) any common areas shared by the dwelling units **(including any land that is a common area, as described in section 1.2(2) of this chapter)**; and
  - (C) the land **not exceeding the area of the building footprint**, on which the building is located.



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(3) Land rented or leased for the placement of a manufactured home or mobile home, including any common areas shared by the manufactured homes or mobile homes.

SECTION 20. IC 6-1.1-26-5, AS AMENDED BY P.L.120-2012, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) When a claim for refund filed under section 1 of this chapter is allowed either by the county board of commissioners, the department of local government finance, the Indiana board, or the Indiana tax court on appeal, the claimant is entitled to a refund. The amount of the refund shall equal the amount of the claim so allowed plus, with respect to claims for refund filed after December 31, 2001, interest at the rate established for excess tax payments by the commissioner of the department of state revenue under IC 6-8.1-10-1 from the date on which the taxes were paid or payable, whichever is later, to the date of the refund. **The interest shall be calculated at the rate in effect for each year of the refund.** The county auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount due the claimant under this section.

(b) In the June or December settlement and apportionment of taxes, or both the June and December settlement and apportionment of taxes, immediately following a refund made under this section the county auditor shall deduct the amount refunded from the gross tax collections of the taxing units for which the refunded taxes were originally paid and shall pay the amount so deducted into the general fund of the county. However, the county auditor shall make the deductions and payments required by this subsection not later than the December settlement and apportionment.

SECTION 21. IC 6-1.1-37-9, AS AMENDED BY P.L.120-2012, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) This section applies when:

- (1) an assessment is made or increased after the date or dates on which the taxes for the year for which the assessment is made were originally due;
- (2) the assessment upon which a taxpayer has been paying taxes under IC 6-1.1-15-10(a)(1) or IC 6-1.1-15-10(a)(2) while a petition for review or a judicial proceeding has been pending is less than the assessment that results from the final determination of the petition for review or judicial proceeding; or
- (3) the collection of certain ad valorem property taxes has been enjoined under IC 33-26-6-2, and under the final determination of the petition for judicial review the taxpayer is liable for at least

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part of those taxes.

(b) Except as provided in subsections (c) and (g), a taxpayer shall pay interest on the taxes the taxpayer is required to pay as a result of an action or a determination described in subsection (a) at the rate established by the commissioner of the department of state revenue under IC 6-8.1-10-1 from the original due date or dates for those taxes to:

- (1) the date of payment; or
- (2) the date on which penalties for the late payment of a tax installment may be charged under subsection (e) or (f);

whichever occurs first. **The interest shall be calculated at the rate in effect for each year from the original due date or dates for those taxes to the later of the dates described in subdivisions (1) and (2).**

(c) Except as provided in subsection (g), a taxpayer shall pay interest on the taxes the taxpayer is ultimately required to pay in excess of the amount that the taxpayer is required to pay under IC 6-1.1-15-10(a)(1) while a petition for review or a judicial proceeding has been pending at the overpayment rate established under Section 6621(c)(1) of the Internal Revenue Code in effect on the original due date or dates for those taxes from the original due date or dates for those taxes to:

- (1) the date of payment; or
- (2) the date on which penalties for the late payment of a tax installment may be charged under subsection (e) or (f);

whichever occurs first.

(d) With respect to an action or determination described in subsection (a), the taxpayer shall pay the taxes resulting from that action or determination and the interest prescribed under subsection (b) or (c) on or before:

- (1) the next May 10; or
- (2) the next November 10;

whichever occurs first.

(e) A taxpayer shall, to the extent that the penalty is not waived under section 10.1 or 10.7 of this chapter, begin paying the penalty prescribed in section 10 of this chapter on the day after the date for payment prescribed in subsection (d) if:

- (1) the taxpayer has not paid the amount of taxes resulting from the action or determination; and
- (2) the taxpayer either:
  - (A) received notice of the taxes the taxpayer is required to pay as a result of the action or determination at least thirty (30) days before the date for payment; or

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(B) voluntarily signed and filed an assessment return for the taxes.

(f) If subsection (e) does not apply, a taxpayer who has not paid the amount of taxes resulting from the action or determination shall, to the extent that the penalty is not waived under section 10.1 or 10.7 of this chapter, begin paying the penalty prescribed in section 10 of this chapter on:

- (1) the next May 10 which follows the date for payment prescribed in subsection (d); or
- (2) the next November 10 which follows the date for payment prescribed in subsection (d);

whichever occurs first.

(g) A taxpayer is not subject to the payment of interest on real property assessments under subsection (b) or (c) if:

- (1) an assessment is made or increased after the date or dates on which the taxes for the year for which the assessment is made were due;
- (2) the assessment or the assessment increase is made as the result of error or neglect by the assessor or by any other official involved with the assessment of property or the collection of property taxes; and
- (3) the assessment:
  - (A) would have been made on the normal assessment date if the error or neglect had not occurred; or
  - (B) increase would have been included in the assessment on the normal annual assessment date if the error or neglect had not occurred.

SECTION 22. IC 6-1.1-37-11, AS AMENDED BY SEA 85-2013, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. (a) If a taxpayer is entitled to a property tax refund or credit because an assessment is decreased, the taxpayer shall also be paid, or credited with, interest on the excess taxes that the taxpayer paid at the rate of ~~four percent (4%) per annum~~ **established for excess tax payments by the commissioner of the department of state revenue under IC 6-8.1-10-1 from the date on which the taxes were paid or payable, whichever is later, to the date of the refund or credit. The interest shall be calculated at the rate in effect for each year of the refund or credit.** However, in the case of an assessment that is decreased by the Indiana board or the Indiana tax court, the taxpayer is not entitled to the greater of five hundred dollars (\$500) or twenty percent (20%) of the interest to which the taxpayer would otherwise be entitled on the excess taxes unless the taxpayer

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affirms, under penalty of perjury, that substantive evidence supporting the taxpayer's position had been:

- (1) presented by the taxpayer to the assessor before; or
- (2) introduced by the taxpayer at;

the hearing held by the county property tax assessment board of appeals. An appraisal may not be required by the county property tax assessment board of appeals or the assessor in a proceeding before the county property tax assessment board of appeals or in a preliminary informal meeting under IC 6-1.1-15-1(h)(2).

(b) For purposes of this section and except as provided in subsection (c), the interest shall be computed from the date on which the taxes were paid or due, whichever is later, to the date of the refund or credit. If a taxpayer is sent a provisional tax statement and is later sent a final or reconciling tax statement, interest shall be computed after the date on which the taxes were paid or first due under the provisional tax statement, whichever is later, through the date of the refund or credit.

(c) This subsection applies if a taxpayer who is entitled to a refund or credit does not make a written request for the refund or credit to the county auditor within forty-five (45) days after the final determination of the county property tax assessment board of appeals, the state board of tax commissioners, the department of local government finance, the Indiana board, or the tax court that entitles the taxpayer to the refund or credit. In the case of a taxpayer described in this subsection, the interest shall be computed from the date on which the taxes were paid or due to the date that is forty-five (45) days after the final determination of the county property tax assessment board of appeals, the state board of tax commissioners, the department of local government finance, the Indiana board of tax review, or the Indiana tax court. In any event, a property tax refund or credit must be issued not later than ninety (90) days after the request is received."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1544 as reprinted February 26, 2013.)

HERSHMAN, Chairperson

Committee Vote: Yeas 8, Nays 4.

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## SENATE MOTION

Madam President: I move that Engrossed House Bill 1544 be amended to read as follows:

Page 26, line 5, delete "4.5(f)" and insert "**4.5(e)**".

Page 45, line 8, delete "P.L.125-2012," and insert "SEA 536-2013, SECTION 15,".

Page 45, line 9, delete "SECTION 411,".

Page 45, line 31, after "hashish," insert "or".

Page 45, line 31, delete ", or a".

Page 45, line 32, delete "synthetic cannabinoid".

Page 45, between lines 32 and 33, begin a new line triple block indented and insert:

"(xi) Dealing in a synthetic drug or synthetic drug lookalike substance (IC 35-48-4-10.5, or IC 35-48-4-10 before its amendment in 2013)."

Page 46, line 33, after "hashish," insert "or".

Page 46, line 33, delete ", or a".

Page 46, line 34, delete "synthetic cannabinoid".

Page 46, between lines 34 and 35, begin a new line double block indented and insert:

"(F) Dealing in a synthetic drug or synthetic drug lookalike substance (IC 35-48-4-10.5, or IC 35-48-4-10 before its amendment in 2013)."

Page 49, line 5, after "hashish," insert "or".

Page 49, line 5, after "salvia" delete ",".

Page 49, line 6, delete "or a synthetic cannabinoid".

Page 49, between lines 6 and 7, begin a new line block indented and insert:

"(9) IC 35-48-4-10.5 (dealing in a synthetic drug or synthetic drug lookalike substance) as a Class C felony or Class D felony (or as a Class C felony or Class D felony under IC 35-48-4-10 before its amendment in 2013)."

(Reference is to EHB 1544 as printed April 5, 2013.)

HERSHMAN

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## SENATE MOTION

Madam President: I move that Engrossed House Bill 1544 be amended to read as follows:

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

"SECTION 1. IC 6-1.1-12-37, AS AMENDED BY P.L.137-2012, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2013 (RETROACTIVE)]: Sec. 37. (a) The following definitions apply throughout this section:

- (1) "Dwelling" means any of the following:
  - (A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.
  - (B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.
  - (C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.
- (2) "Homestead" means an individual's principal place of residence:
  - (A) that is located in Indiana;
  - (B) that:
    - (i) the individual owns;
    - (ii) the individual is buying under a contract; recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence;
    - (iii) the individual is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); or
    - (iv) is a residence described in section 17.9 of this chapter that is owned by a trust if the individual is an individual described in section 17.9 of this chapter; and
  - (C) that consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Except as provided in subsection (k), the term does not include property owned by a corporation, partnership, limited liability company, or other entity not described in this subdivision.

(b) Each year a homestead is eligible for a standard deduction from the assessed value of the homestead for an assessment date. **Except as provided in subsection (p)**, the deduction provided by this section applies to property taxes first due and payable for an assessment date

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only if an individual has an interest in the homestead described in subsection (a)(2)(B) on:

- (1) the assessment date; or
- (2) any date in the same year after an assessment date that a statement is filed under subsection (e) or section 44 of this chapter, if the property consists of real property.

Subject to subsection (c), the auditor of the county shall record and make the deduction for the individual or entity qualifying for the deduction.

(c) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

- (1) sixty percent (60%) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or
- (2) forty-five thousand dollars (\$45,000).

(d) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(e) Except as provided in sections 17.8 and 44 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement must include:

- (1) the parcel number or key number of the property and the name of the city, town, or township in which the property is located;
- (2) the name of any other location in which the applicant or the applicant's spouse owns, is buying, or has a beneficial interest in residential real property;
- (3) the names of:
  - (A) the applicant and the applicant's spouse (if any):
    - (i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or
    - (ii) that they use as their legal names when they sign their names on legal documents;

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if the applicant is an individual; or

(B) each individual who qualifies property as a homestead under subsection (a)(2)(B) and the individual's spouse (if any):

(i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or

(ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is not an individual; and

(4) either:

(A) the last five (5) digits of the applicant's Social Security number and the last five (5) digits of the Social Security number of the applicant's spouse (if any); or

(B) if the applicant or the applicant's spouse (if any) do not have a Social Security number, any of the following for that individual:

(i) The last five (5) digits of the individual's driver's license number.

(ii) The last five (5) digits of the individual's state identification card number.

(iii) If the individual does not have a driver's license or a state identification card, the last five (5) digits of a control number that is on a document issued to the individual by the federal government and determined by the department of local government finance to be acceptable.

If a form or statement provided to the county auditor under this section, IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or part or all of the Social Security number of a party or other number described in subdivision (4)(B) of a party, the telephone number and the Social Security number or other number described in subdivision (4)(B) included are confidential. The statement may be filed in person or by mail. If the statement is mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the deduction is allowed. With respect to real property, the statement must be completed and dated in the calendar year for which the person desires to obtain the deduction and filed with the county auditor on or before January 5 of the immediately succeeding calendar year. With respect to a mobile home that is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of the year for which the person desires to obtain the deduction.

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(f) If an individual who is receiving the deduction provided by this section or who otherwise qualifies property for a deduction under this section:

(1) changes the use of the individual's property so that part or all of the property no longer qualifies for the deduction under this section; or

(2) is no longer eligible for a deduction under this section on another parcel of property because:

(A) the individual would otherwise receive the benefit of more than one (1) deduction under this chapter; or

(B) the individual maintains the individual's principal place of residence with another individual who receives a deduction under this section;

the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use, not more than sixty (60) days after the date of that change. An individual who fails to file the statement required by this subsection is liable for any additional taxes that would have been due on the property if the individual had filed the statement as required by this subsection plus a civil penalty equal to ten percent (10%) of the additional taxes due. The civil penalty imposed under this subsection is in addition to any interest and penalties for a delinquent payment that might otherwise be due. One percent (1%) of the total civil penalty collected under this subsection shall be transferred by the county to the department of local government finance for use by the department in establishing and maintaining the homestead property data base under subsection (i) and, to the extent there is money remaining, for any other purposes of the department. This amount becomes part of the property tax liability for purposes of this article.

(g) The department of local government finance shall adopt rules or guidelines concerning the application for a deduction under this section.

(h) This subsection does not apply to property in the first year for which a deduction is claimed under this section if the sole reason that a deduction is claimed on other property is that the individual or married couple maintained a principal residence at the other property on March 1 in the same year in which an application for a deduction is filed under this section or, if the application is for a homestead that is assessed as personal property, on March 1 in the immediately preceding year and the individual or married couple is moving the individual's or married couple's principal residence to the property that is the subject of the application. Except as provided in subsection (n),



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the county auditor may not grant an individual or a married couple a deduction under this section if:

- (1) the individual or married couple, for the same year, claims the deduction on two (2) or more different applications for the deduction; and
- (2) the applications claim the deduction for different property.

(i) The department of local government finance shall provide secure access to county auditors to a homestead property data base that includes access to the homestead owner's name and the numbers required from the homestead owner under subsection (e)(4) for the sole purpose of verifying whether an owner is wrongly claiming a deduction under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or IC 6-3.5.

(j) A county auditor may require an individual to provide evidence proving that the individual's residence is the individual's principal place of residence as claimed in the certified statement filed under subsection (e). The county auditor may limit the evidence that an individual is required to submit to a state income tax return, a valid driver's license, or a valid voter registration card showing that the residence for which the deduction is claimed is the individual's principal place of residence. The department of local government finance shall work with county auditors to develop procedures to determine whether a property owner that is claiming a standard deduction or homestead credit is not eligible for the standard deduction or homestead credit because the property owner's principal place of residence is outside Indiana.

(k) As used in this section, "homestead" includes property that satisfies each of the following requirements:

- (1) The property is located in Indiana and consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.
- (2) The property is the principal place of residence of an individual.
- (3) The property is owned by an entity that is not described in subsection (a)(2)(B).
- (4) The individual residing on the property is a shareholder, partner, or member of the entity that owns the property.
- (5) The property was eligible for the standard deduction under this section on March 1, 2009.

(l) If a county auditor terminates a deduction for property described in subsection (k) with respect to property taxes that are:

- (1) imposed for an assessment date in 2009; and
- (2) first due and payable in 2010;

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on the grounds that the property is not owned by an entity described in subsection (a)(2)(B), the county auditor shall reinstate the deduction if the taxpayer provides proof that the property is eligible for the deduction in accordance with subsection (k) and that the individual residing on the property is not claiming the deduction for any other property.

(m) For assessments dates after 2009, the term "homestead" includes:

- (1) a deck or patio;
- (2) a gazebo; or
- (3) another residential yard structure, as defined in rules adopted by the department of local government finance (other than a swimming pool);

that is assessed as real property and attached to the dwelling.

(n) A county auditor shall grant an individual a deduction under this section regardless of whether the individual and the individual's spouse claim a deduction on two (2) different applications and each application claims a deduction for different property if the property owned by the individual's spouse is located outside Indiana and the individual files an affidavit with the county auditor containing the following information:

- (1) The names of the county and state in which the individual's spouse claims a deduction substantially similar to the deduction allowed by this section.
- (2) A statement made under penalty of perjury that the following are true:
  - (A) That the individual and the individual's spouse maintain separate principal places of residence.
  - (B) That neither the individual nor the individual's spouse has an ownership interest in the other's principal place of residence.
  - (C) That neither the individual nor the individual's spouse has, for that same year, claimed a standard or substantially similar deduction for any property other than the property maintained as a principal place of residence by the respective individuals.

A county auditor may require an individual or an individual's spouse to provide evidence of the accuracy of the information contained in an affidavit submitted under this subsection. The evidence required of the individual or the individual's spouse may include state income tax returns, excise tax payment information, property tax payment information, driver license information, and voter registration information.



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(o) If:

(1) a property owner files a statement under subsection (e) to claim the deduction provided by this section for a particular property; and

(2) the county auditor receiving the filed statement determines that the property owner's property is not eligible for the deduction; the county auditor shall inform the property owner of the county auditor's determination in writing. If a property owner's property is not eligible for the deduction because the county auditor has determined that the property is not the property owner's principal place of residence, the property owner may appeal the county auditor's determination to the county property tax assessment board of appeals as provided in IC 6-1.1-15. The county auditor shall inform the property owner of the owner's right to appeal to the county property tax assessment board of appeals when the county auditor informs the property owner of the county auditor's determination under this subsection.

**(p) An individual is entitled to the deduction under this section for a homestead for a particular assessment date if:**

**(1) either:**

**(A) the individual's interest in the homestead as described in subsection (a)(2)(B) is conveyed to the individual after the assessment date, but within the calendar year in which the assessment date occurs; or**

**(B) the individual contracts to purchase the homestead after the assessment date, but within the calendar year in which the assessment date occurs;**

**(2) on the assessment date:**

**(A) the property on which the homestead is currently located was vacant land; or**

**(B) the construction of the dwelling that constitutes the homestead was not completed;**

**(3) either:**

**(A) the individual files the certified statement required by subsection (e) on or before December 31 of the calendar year in which the assessment date occurs to claim the deduction under this section; or**

**(B) a sales disclosure form that meets the requirements of section 44 of this chapter is submitted to the county assessor on or before December 31 of the calendar year for the individual's purchase of the homestead; and**

**(4) the individual files with the county auditor on or before**

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December 31 of the calendar year in which the assessment date occurs a statement that:

- (A) lists any other property for which the individual would otherwise receive a deduction under this section for the assessment date; and
- (B) cancels the deduction described in clause (A) for that property.

An individual who satisfies the requirements of subdivisions (1) through (4) is entitled to the deduction under this section for the homestead for the assessment date, even if on the assessment date the property on which the homestead is currently located was vacant land or the construction of the dwelling that constitutes the homestead was not completed. The county auditor shall apply the deduction for the assessment date and for the assessment date in any later year in which the homestead remains eligible for the deduction. A homestead that qualifies for the deduction under this section as provided in this subsection is considered a homestead for purposes of section 37.5 of this chapter and IC 6-1.1-20.6. The county auditor shall cancel the deduction under this section for any property that is located in the county and is listed on the statement filed by the individual under subdivision (4). If the property listed on the statement filed under subdivision (4) is located in another county, the county auditor who receives the statement shall forward the statement to the county auditor of that other county, and the county auditor of that other county shall cancel the deduction under this section for that property."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1544 as printed April 5, 2013.)

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#### SENATE MOTION

Madam President: I move that Engrossed House Bill 1544 be amended to read as follows:

Page 45, between lines 7 and 8, begin a new paragraph and insert:  
 "SECTION 23. IC 6-3.1-34 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)];

**Chapter 34. Indiana New Markets Job Act**

**Sec. 1. This chapter applies only to taxable years beginning after**

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December 31, 2012.

**Sec. 2. The following definitions apply throughout this chapter:**

- (1) "Applicable percentage" means:**
  - (A) zero percent (0%) for the first two (2) credit allowance dates;**
  - (B) seven percent (7%) for the third credit allowance date; and**
  - (C) eight percent (8%) for the next four (4) credit allowance dates.**
- (2) "Credit allowance date" means, with respect to any qualified equity investment:**
  - (A) the date on which the investment is initially made; and**
  - (B) each of the six (6) anniversary dates immediately following the date specified in clause (A).**
- (3) "IEDC" refers to the Indiana economic development corporation.**
- (4) "Long term debt security" means any debt instrument issued by a qualified community development entity, at par value or a premium, with an original maturity date at least seven (7) years after the date the debt instrument is issued, with no acceleration of repayment, amortization, or prepayment features before the original maturity date. The qualified community development entity that issues the debt instrument may not make cash interest payments on the debt instrument during the period beginning on the date of issuance and ending on the final credit allowance date in an amount that exceeds the cumulative operating income, as defined by regulations adopted under Section 45D of the Internal Revenue Code of the qualified community development entity for that period before giving effect to the expense of the cash interest payments. The foregoing does not limit the holder's ability to accelerate payments on the debt instrument if the issuer has defaulted on covenants designed to ensure compliance with this chapter or Section 45D of the Internal Revenue Code.**
- (5) "Low income community" has the meaning set forth in Section 45D of the Internal Revenue Code.**
- (6) "Paths to quality program" refers to the program established by IC 12-17.2-2-14.**
- (7) "Purchase price" means the amount paid to an issuer of a qualified equity investment for the qualified equity investment.**

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**(8) "Qualified active low income community business" has the meaning set forth in Section 45D of the Internal Revenue Code, and 26 CFR 1.45D-1. A business is considered a qualified active low income community business for the duration of the qualified community development entity's investment in, or loan to, the business if the qualified community development entity reasonably expects, at the time the qualified community development entity makes the investment or loan, that the business will continue to satisfy the requirements for being a qualified active low income community business throughout the entire period of the investment or loan. The term excludes the following:**

**(A) Any business that derives or projects to derive fifteen percent (15%) or more of the business's annual revenue from the rental or sale of real estate. This exclusion does not apply to a business that is controlled by, or under common control with, another business, if the second business does not derive, or project to derive, fifteen percent (15%) or more of its annual revenue from the rental or sale of real estate and is the primary tenant of the real estate leased from the first business.**

**(B) A business that is primarily engaged in providing home ownership services.**

**(C) A business that is primarily engaged in providing child care services, unless the business is:**

**(i) a child care center licensed under IC 12-17.2-4;**

**(ii) a child care home licensed under IC 12-17.2-5; or**

**(iii) a child care ministry licensed under IC 12-17.2-6;**

**that has, at the time the investment is made, the highest rating under the paths to quality program.**

**(9) "Qualified community development entity" has the meaning set forth in Section 45D of the Internal Revenue Code, for any period during which an allocation agreement is in effect between the entity and the Community Development Financial Institutions Fund of the U.S. Treasury Department with respect to credits authorized by Section 45D of the Internal Revenue Code that includes the state of Indiana within the service area described in the allocation agreement. The term includes a subsidiary community development entity of a qualified community development entity.**

**(10) "Qualified equity investment" means any equity investment in, or long term debt security issued by, a qualified**

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**community development entity:**

**(A)** that is made or acquired after December 31, 2012, and before January 1, 2016, at its original issuance solely in exchange for cash;

**(B)** of which at least eighty-five percent (85%) of the cash purchase price is used by the issuing qualified community development entity before the first anniversary of the initial credit allowance date to make qualified low income community investments in qualified active low income community businesses located in Indiana;

**(C)** that is designated by the issuing qualified community development entity as a qualified equity investment; and

**(D)** that is certified by the IEDC under section 7 of this chapter.

The term includes any qualified equity investment that does not meet the condition specified in clause (A) if the investment was a qualified equity investment in the hands of a previous holder.

**(11)** "Qualified low income community investment" means any capital or equity investment in, or loan to, any qualified active low income community business.

**(12)** "State tax liability" means a person's total tax liability that is incurred under:

**(A)** IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

**(B)** IC 6-5.5 (the financial institutions tax);

**(C)** IC 27-1-18-2 (the insurance premiums tax); and

**(D)** IC 27-1-20-12 (retaliatory tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

**(13)** "Taxpayer" means an individual, a corporation, a partnership, or another person or entity that has state tax liability.

**Sec. 3.** Any entity that makes a qualified equity investment earns a vested right to a credit against the entity's state tax liability that may be utilized as follows:

**(1)** For each taxable year that includes a credit allowance date of the qualified equity investment, the entity, or subsequent holder of the qualified equity investment, is entitled to claim part of the credit against the entity's or the subsequent holder's state tax liability for the taxable year.

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(2) Each taxable year, subject to subdivision (3), the credit amount equals:

- (A) the applicable percentage associated with the credit allowance date that occurs during the taxable year; multiplied by
- (B) the purchase price paid to the issuer of the qualified equity investment.

(3) The amount of the tax credit claimed may not exceed the amount of the taxpayer's state tax liability for the taxable year for which the tax credit is claimed.

Sec. 4. (a) If:

- (1) a pass through entity does not have state tax liability against which the tax credit provided by this chapter may be applied; and
- (2) the pass through entity would be eligible for the tax credit if the pass through entity were a taxpayer;

a shareholder, partner, or member of the pass through entity is entitled to a tax credit under this chapter.

(b) Tax credits earned by a pass through entity may be allocated to the partners, members, or shareholders of the pass through entity for their direct use in accordance with the provisions of any agreement among the partners, members, or shareholders.

Sec. 5. (a) If the amount of a tax credit for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to a subsequent taxable year. The amount of the tax credit carryover from a taxable year is reduced each taxable year thereafter to the extent that the carryover is used by the taxpayer to obtain a tax credit under this chapter for any subsequent taxable year.

(b) A taxpayer is not entitled to a carryback or refund of an unused tax credit.

Sec. 6. The tax credit provided by this chapter is not saleable on the open market.

Sec. 7. (a) After July 31, 2013, a qualified community development entity may apply to have an equity investment or a long term debt security designated as a qualified equity investment that meets the requirements for the tax credit provided by this chapter. An application submitted under this subsection must include the following:

- (1) Evidence of the applicant's certification as a qualified community development entity, including evidence that the applicant's service area includes the state of Indiana.

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(2) A copy of an allocation agreement executed by the applicant, or its controlling entity, and the Community Development Financial Institutions Fund.

(3) A certificate executed by an executive officer of the applicant attesting that the allocation agreement remains in effect and has not been revoked or canceled by the Community Development Financial Institutions Fund.

(4) A description of the proposed amount, structure, and purchaser of the qualified equity investment.

(5) Identifying information for any entity that will earn tax credits as a result of the issuance of the qualified equity investment, if known.

(6) Examples of the types of qualified active low income businesses in which the applicant, its controlling entity, or affiliates of its controlling entity have invested under the federal new markets tax credit program. An applicant is not required when submitting an application to identify a qualified active low income community business in which the applicant will invest.

(7) A nonrefundable application fee of five thousand dollars (\$5,000). This fee shall be paid to the IEDC and shall be required of each application submitted.

(8) The refundable performance fee of five hundred thousand dollars (\$500,000) required by section 11(a) of this chapter.

(b) Within thirty (30) days after receipt of an application submitted under subsection (a), including the payment of the application fee and the refundable performance fee, the IEDC shall grant or deny the application in full or in part. If the IEDC denies any part of the application, the IEDC shall inform the qualified community development entity of the grounds for the denial. A denial of an application by the IEDC does not create a private right of action for the applicant. If the qualified community development entity provides any additional information required by the IEDC or otherwise completes the application within fifteen (15) days of the notice of denial, the application is considered completed as of the original date of submission. If the qualified community development entity fails to provide the information or complete the application within the fifteen (15) day period, the application remains denied and must be resubmitted in full with a new submission date.

(c) Subject to subsection (d), if the application is complete, the IEDC shall certify the proposed equity investment or long term

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debt security as a qualified equity investment that is eligible for tax credits under this chapter. The IEDC shall provide written notice of the certification to the qualified community development entity and to the department. The notice must include the names of those entities who earned the credits and their respective credit amounts. If the names of the entities that are eligible to utilize the credits change due to a transfer of a qualified equity investment or a change in allocation of credits pursuant to section 4(b) of this chapter, the qualified community development entity shall notify the IEDC of the change. The IEDC shall then notify the department.

(d) The IEDC shall certify qualified equity investments in the order applications are received by the IEDC. Applications received on the same day are considered to have been received simultaneously. If the sum of the amounts of the proposed qualified equity investments submitted in applications received on the same day would cause the limitation specified in subsection (e) to be exceeded, the IEDC shall ask each applicant that submitted an application that day whether the applicant is willing to accept a partial certification of the applicant's proposed qualified equity investment or would instead prefer to withdraw its application. If the sum of the proposed qualified equity investments of the applicants that have not withdrawn their applications would not cause the limit specified in subsection (e) to be exceeded, the IEDC shall certify each proposed qualified equity investment of the applicants that have not withdrawn their applications in full. If the sum of the proposed qualified equity investments of the applicants that have not withdrawn their applications would cause the limit specified in subsection (e) to be exceeded, the IEDC shall certify a fractional amount of each proposed qualified equity investment described in applications that were received that day and not withdrawn equal to:

- (1) the remaining amount of the limitation specified in subsection (e) at the conclusion of the previous day; multiplied by
- (2) the ratio of the amount of the proposed qualified equity investment requested in an application to the total amount of proposed qualified equity investments requested in all applications received that day.

(e) The IEDC may not certify qualified equity investments that earn tax credits at the applicable percentage rate that would exceed more than ten million dollars (\$10,000,000) of tax credits

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under this chapter during any state fiscal year.

(f) An approved applicant may transfer all or a portion of its certified qualified equity investment authority to its controlling entity or any subsidiary qualified community development entity of the controlling entity, provided that the applicant provides the information required in the application with respect to the transferee and the applicant notifies the IEDC of the transfer within thirty (30) days of the transfer.

(g) Within thirty (30) days of the applicant receiving notice of certification, the qualified community development entity or any transferee under subsection (f) shall issue the qualified equity investment and receive cash in the amount of the certified amount. The qualified community development entity or transferee under subsection (f) must provide the IEDC with evidence of the receipt of the cash investment within ten (10) business days after receipt. If the qualified community development entity or any transferee under subsection (f) does not receive the cash investment and issue the qualified equity investment within thirty (30) days following receipt of the certification notice, the certification lapses and the entity may not issue the qualified equity investment without reapplying to the IEDC for certification. A lapsed certification reverts back to the IEDC and may be reissued, first, if applicable, to applicants that received a reduced certification of a qualified equity investment under subsection (d), and, thereafter, if any part of the lapsed certification remains, to applicants in accordance with subsection (c).

(h) The IEDC shall transfer the nonrefundable application fees collected by the IEDC under subsection (a)(7) to the treasurer of state. The treasurer of state shall deposit the nonrefundable application fees received from the IEDC under this section in the state general fund.

**Sec. 8.** The department shall recapture part of the credit provided by this chapter from an entity that claims the credit on a return, to the extent any of the following apply:

- (1) Any amount of a federal tax credit available with respect to a qualified equity investment that is eligible for a credit under this chapter is recaptured under Section 45D of the Internal Revenue Code. If this subdivision applies, the recapture amount is proportionate to the federal recapture amount with respect to the qualified equity investment.
- (2) The issuer redeems or makes principal repayment with respect to a qualified equity investment prior to the seventh

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anniversary on which the qualified equity investment is made. If this subdivision applies, the recapture amount is proportionate to the amount of the redemption or repayment with respect to the qualified equity investment.

(3) The issuer fails to invest an amount equal to eighty-five percent (85%) of the purchase price of the qualified equity investment in qualified low income community investments in Indiana within twelve (12) months of the issuance of the qualified equity investment and maintain at least eighty-five percent (85%) of the level of investment in qualified low income community investments in Indiana until the last credit allowance date for the qualified equity investment. For purposes of this subdivision, an investment is considered held by an issuer even if the investment has been sold or repaid if the issuer reinvests an amount equal to the capital returned to or recovered by the issuer from the original investment, exclusive of any profits realized, in another qualified low income community investment within twelve (12) months of the receipt of the capital. An issuer is not required to reinvest capital returned from qualified low income community investments after the sixth anniversary of the issuance of the qualified equity investment, the proceeds of which were used to make the qualified low income community investment, and the qualified low income community investment is considered held by the issuer through the seventh anniversary of the qualified equity investment's issuance.

(4) At any time before the final credit allowance date of a qualified equity investment, the issuer uses the cash proceeds of the qualified equity investment to make qualified low income community investments in any one (1) qualified active low income community business, including affiliated qualified active low income community businesses, in excess of ten million dollars (\$10,000,000) of cash proceeds of the qualified equity investment, exclusive of reinvestments of capital returned or repaid with respect to earlier investments in the qualified active low income community business and its affiliates.

Sec. 9. A recapture provision described in section 8 of this chapter is subject to a six (6) month cure period. The department may not take action to recapture part of the credit provided by this chapter in a circumstance described in section 8 of this chapter until the qualified community development entity is given notice of



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noncompliance and afforded six (6) months from the date of the notice to cure the noncompliance.

**Sec. 10. (a)** As used in this section, "fund" refers to the new markets performance guarantee fund established in subsection (b).

**(b)** The new markets performance guarantee fund is established within the state treasury.

**(c)** The fund consists of fees paid under this chapter by qualified community development entities to the state under section 11 of this chapter.

**(d)** The treasurer of state shall administer the fund.

**(e)** Money in the fund at the end of a state fiscal year does not revert to the state general fund.

**(f)** The treasurer of state shall hold a fee deposited in the fund until a determination is made whether a qualified community development entity that paid the fee has complied with the requirements of section 11(b) of this chapter. If the treasurer of state receives notice from the department under section 11(d) of this chapter that a qualified community development entity is no longer eligible for a refund of the fee, the treasurer of state shall transfer the qualified community development entity's fee from the fund to the state general fund.

**Sec. 11. (a)** A qualified community development entity seeking to have an equity investment or long term debt security designated as a qualified equity investment that is eligible for tax credits under this chapter must pay a fee in the amount of five hundred thousand dollars (\$500,000) to the IEDC. The IEDC shall transfer a fee payable under this subsection to the treasurer of state for deposit in the new markets performance guarantee fund.

**(b)** A qualified community development entity that has had an equity investment or long term debt security designated as a qualified equity investment eligible for tax credits under this chapter must meet the following requirements:

**(1)** The qualified community development entity and its subsidiary qualified community development entities must:

**(A)** issue the total amount of qualified equity investments certified by the IEDC under this chapter; and

**(B)** receive cash in the total amount certified under section 7(c) of this chapter.

**(2)** The qualified community development entity or any subsidiary qualified community development entity that issues a qualified equity investment certified under this chapter must meet the investment requirement under section 8(3) of

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this chapter before the second credit allowance date of the qualified equity investment.

(c) If the department determines that a qualified community development entity has met the conditions specified in subsection (b), the department shall notify the qualified community development entity and the auditor of state that the qualified community development entity is entitled to a refund of the fee paid under subsection (a). The auditor of state shall then issue a warrant to the qualified community development entity for the amount of the fee paid by the qualified community development entity under subsection (a).

(d) If the department determines that a qualified community development entity has failed to meet the condition specified in subsection (b)(2), the department shall notify the qualified community development entity. The qualified community development entity then has six (6) months from the date the notice is issued to cure the qualified community development entity's noncompliance with the condition specified in subsection (b)(2). If at the end of the six (6) month cure period, the department determines that the qualified community development entity has met the condition specified in subsection (b)(2), the department shall proceed as directed in subsection (c). If at the end of the six (6) month cure period, the department determines that the qualified community development entity has failed to meet the condition specified in subsection (b)(2), the department shall notify the qualified community development entity, the treasurer of state, and the auditor of state that the qualified community development entity is no longer eligible for a refund of the fee.

Sec. 12. (a) As used in this section, "letter ruling" means a written interpretation of law as applied to a specific set of facts submitted by an entity requesting the interpretation.

(b) The IEDC shall issue letter rulings regarding the credit provided by this chapter, subject to the terms and conditions set forth in this section.

(c) The IEDC shall respond to a request for a letter ruling within sixty (60) days after receiving the request. The applicant may provide a draft letter ruling for the IEDC's consideration. The applicant may withdraw the request for a letter ruling, in writing, prior to the issuance of the letter ruling. The IEDC may refuse to issue a letter ruling for good cause, but must state the specific reasons for refusing to issue the letter ruling. Good cause includes the following:



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(1) The applicant is requesting that the IEDC determine whether a statute is constitutional or a regulation is lawful.

(2) The request involves a hypothetical situation or alternative plans.

(3) The facts or issues presented in the request are unclear, overbroad, insufficient, or otherwise inappropriate as a basis upon which to issue a letter ruling.

(4) The issue is currently being considered in a rulemaking procedure, contested case, or other agency or judicial proceeding that may definitely resolve the issue.

(d) Letter rulings bind the IEDC, its agents and their successors, and the department until after the entity or its shareholders, members, or partners, as applicable, claim all of the credits on an Indiana tax return, subject to the terms and conditions set forth in properly published regulations. A letter ruling applies only to the applicant for the letter ruling.

(e) In rendering letter rulings and making other determinations under this chapter, to the extent applicable, the IEDC shall look for guidance to Section 45D of the Internal Revenue Code and the regulations issued under Section 45D of the Internal Revenue Code.

**Sec. 13.** An entity claiming a credit under this chapter is not required to pay any additional tax as a result of claiming the credit, including the tax levied under IC 27-1-20-12.

**Sec. 14.** In connection with a qualified low income community investment under this chapter, a qualified active low income community business, or any affiliate of such a business, may not be required to pay any fee to or reimburse any expense of a qualified community development entity before the later of:

(1) the seventh credit allowance date; or

(2) the date on which the qualified community development entity has made qualified low income community investments equal to one hundred percent (100%) of the amount of its qualified equity investment.

However, the qualified active low income community business or affiliate may be charged a closing fee, not to exceed two percent (2%) of the amount of the qualified low income community investment. This section does not preclude the payment of interest or dividends with respect to the qualified low income community investment as otherwise permitted by this chapter.

**Sec. 15.** The IEDC shall, not later than December 1 each year, submit to the budget committee a report on the granting of credits



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**under this chapter.**

SECTION 24. IC 12-17.2-2-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) As used in this section, "program" refers to the paths to quality program established by subsection (b).**

**(b) The paths to quality program is established. The program is a voluntary child care facility quality rating and improvement system implemented by the division in partnership with the following organizations:**

- (1) Indiana Association for the Education of Young Children.**
- (2) Indiana Association for Child Care Resource and Referral.**
- (3) Indiana Head Start Collaboration Office.**
- (4) Department of education established by IC 20-19-3-1.**
- (5) Early Childhood Alliance.**
- (6) 4C's of Southern Indiana.**

**(c) The program shall use four (4) levels at which a child care facility participating in the program may be rated, with level 4 indicating the highest level of quality child care.**

**(d) The division shall adopt rules under IC 4-22-2 to administer the paths to quality program rating system. The rules must include procedures that outline eligibility and application procedures for the program, the establishment of procedures relating to the rating process, and the establishment or alteration of standards used in the rating process.**

**(e) The division shall adopt rules under IC 4-22-2 to establish the steering council of the program to make recommendations to the division on program issues and resources. Rules adopted under this subsection must require that council members be appointed from partner organizations that assist in the implementation of the program and serve to coordinate the program plan."**

Renumber all SECTIONS consecutively.

(Reference is to EHB 1544 as printed April 5, 2013.)

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1544 be amended to read as follows:

Page 40, line 34, delete "MARCH 1, 2013 (RETROACTIVE)]:" and insert "JANUARY 1, 2014]:".

Page 40, line 34, after "1.2." insert "**(a) This section applies to credit determinations after 2013.**

**(b)**".

Page 41, line 7, delete "MARCH 1, 2013 (RETROACTIVE)]:" and insert "JANUARY 1, 2014]:".

Page 50, delete lines 27 through 30.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1544 as printed April 5, 2013.)

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