

**CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1545**

Citations Affected: IC 5-28; IC 6-1.1; IC 6-2.5; IC 6-3-2-1.5; IC 6-3.1; IC 6-6-13; IC 6-8.1; IC 8-22-3.5-14; IC 36-1-8-5.1.

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 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 when a taxpayer is entitled to interest, the interest shall be computed using the rate in effect for each particular year covered by a refund or credit. Specifies that when a taxpayer is required to pay interest, the interest shall be computed using the rate in effect for each particular year in which the interest accrued. Removes the requirements that aircraft be registered out of the United States and be of a certain size for the sales and use tax exemption regarding tangible personal property used for the repair, maintenance, refurbishment, remodeling, or remanufacturing of an aircraft or an avionics system of an aircraft. Provides a sales tax exemption for fuel used in powering an aircraft. Imposes an excise tax on the sale of aviation fuel. Expands the sales tax exemption for research and development equipment to include any tangible personal property used for research and development, regardless of whether the person acquiring the property is the ultimate manufacturer or seller of the product that is the subject of the research and development. Adds logistics investments as a specific type of qualified investment under the Hoosier business investment tax credit. Specifies expenditures that qualify as a logistics investment. Requires the Indiana economic development corporation to find that an applicant's logistics investment project will enhance the logistics industry by creating new jobs, preserving existing jobs that otherwise would be lost, increasing wages in Indiana, or improving the overall Indiana economy in order to approve the applicant's project for a tax credit. Makes conforming changes to the credit application and agreement provisions. Provides that the percentage credit maximum is 25% (instead of 10%) if a qualified investment is a logistics investment. Provides that for logistics

investments, the qualified investments used to determine the credit are based on growth in qualified investments by the taxpayer using 105% of the investments made by the taxpayer during the immediately preceding two years. Adds a \$50,000,000 state fiscal year ceiling for tax credits that are not based on logistics investments. Provides a \$10,000,000 state fiscal year ceiling for tax credits that are based on logistics investments. Requires the department of state revenue to annually report to the budget committee on the use of the tax credit for logistics investments. Makes numerous changes to the administration of the headquarters relocation tax credit, and the venture capital investment tax credit. Repeals the military base recovery tax credit, the military base investment cost credit, the capital investment tax credit, and the coal combustion product tax credit. Repeals the following tax incentives concerning airport development zones: (1) Qualified employee deductions. (2) Credits for qualified increased employment expenditures. (3) Loan interest credits. (4) Neighborhood assistance credits. (5) Investment cost credits. Removes two unused definitions. Adds, after December 31, 2014, the funding of public education for kindergarten through grade 12 as a charitable purpose to which an individual may choose to give all or part of the individual's income tax refund. Specifies that the authority of political subdivisions to transfer any unobligated cash balances to the rainy day fund does not authorize transfers from a debt service fund. Forgives property taxes, penalties, or interest for various properties owned by nonprofit organizations. **(This conference committee report includes all of the Senate-passed version of EHB 1545 (reprinted April 10, 2013), except for removal of the provisions that impose a Class C felony penalty for sale, purchase, installation, transfer, or possession of an automated sales suppression device ("zapper") or phantom-ware, and adds: (1) changes to the law of economic revitalization areas concerning abatement schedules (from EHB 1544); (2) changes regarding "common areas" for purposes of the circuit breaker law (from EHB 1544); (3) changes that remove the requirements that aircraft be registered out of the United States and be of a certain size for the sales and use tax exemption regarding tangible personal property used for the repair, maintenance, refurbishment, remodeling, or remanufacturing of an aircraft or an avionics system of an aircraft (from ESB 494); (4) an excise tax on the sale of aviation fuel; (5) changes concerning the sales tax exemption for research and development property (from ESB 494); (6) changes to the standard deduction provisions in the property tax code that allow a person to claim the standard deduction in certain cases before a house in construction is completed (from EHB 1544); (7) a change specifying that the authority of political subdivisions to transfer any unobligated cash balances to the rainy day fund does not authorize transfers from a debt service fund; (8) provisions to forgive property taxes, penalties, or interest for various properties owned by nonprofit organizations (from ESB 494); and (9) a provision to allow, after December 31, 2014, an individual to direct all or part of an individual's income tax refund to the funding of public education for kindergarten through grade 12 (from ESB 494).)**

Effective: Upon passage; January 1, 2007 (retroactive); January 1, 2011 (retroactive); March 1, 2013 (retroactive); July 1, 2013; January 1, 2014; January 1, 2015.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1545 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 5-28-15-5, AS AMENDED BY P.L.146-2008,
- 3 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JANUARY 1, 2014]: Sec. 5. (a) The board has the following powers,
- 5 in addition to other powers that are contained in this chapter:
- 6 (1) To review and approve or reject all applicants for enterprise
- 7 zone designation, according to the criteria for designation that this
- 8 chapter provides.
- 9 (2) To waive or modify rules as provided in this chapter.
- 10 (3) To provide a procedure by which enterprise zones may be
- 11 monitored and evaluated on an annual basis.
- 12 (4) To adopt rules for the disqualification of a zone business from
- 13 eligibility for any or all incentives available to zone businesses,
- 14 if that zone business does not do one (1) of the following:
- 15 (A) If all its incentives, as contained in the summary required
- 16 under section 7 of this chapter, exceed one thousand dollars
- 17 (\$1,000) in any year, pay a registration fee to the board in an
- 18 amount equal to one percent (1%) of all its incentives.
- 19 (B) Use all its incentives, except for the amount of the
- 20 registration fee, for its property or employees in the zone.
- 21 (C) Remain open and operating as a zone business for twelve
- 22 (12) months of the assessment year for which the incentive is

- 1 claimed.
- 2 (5) To disqualify a zone business from eligibility for any or all
- 3 incentives available to zone businesses in accordance with the
- 4 procedures set forth in the board's rules.
- 5 (6) After a recommendation from a U.E.A., to modify an
- 6 enterprise zone boundary if the board determines that the
- 7 modification:
- 8 (A) is in the best interests of the zone; and
- 9 (B) meets the threshold criteria and factors set forth in section
- 10 9 of this chapter.
- 11 (7) To employ staff and contract for services.
- 12 (8) To receive funds from any source and expend the funds for the
- 13 administration and promotion of the enterprise zone program.
- 14 (9) To make determinations under IC 6-3.1-11 concerning the
- 15 designation of locations as industrial recovery sites.
- 16 (10) To make determinations under IC 6-3.1-11 concerning the
- 17 disqualification of persons from claiming credits provided by that
- 18 chapter in appropriate cases.
- 19 ~~(11) To make determinations under IC 6-3.1-11.5 concerning the~~
- 20 ~~designation of locations as military base recovery sites and the~~
- 21 ~~availability of the credit provided by IC 6-3.1-11.5 to persons~~
- 22 ~~making qualified investments in military base recovery sites.~~
- 23 ~~(12) To make determinations under IC 6-3.1-11.5 concerning the~~
- 24 ~~disqualification of persons from claiming the credit provided by~~
- 25 ~~IC 6-3.1-11.5 in appropriate cases.~~
- 26 (b) In addition to a registration fee paid under subsection (a)(4)(A),
- 27 each zone business that receives an incentive described in section 3 of
- 28 this chapter shall assist the zone U.E.A. in an amount determined by
- 29 the legislative body of the municipality in which the zone is located. If
- 30 a zone business does not assist a U.E.A., the legislative body of the
- 31 municipality in which the zone is located may pass an ordinance
- 32 disqualifying a zone business from eligibility for all credits or
- 33 incentives available to zone businesses. If a legislative body
- 34 disqualifies a zone business under this subsection, the legislative body
- 35 shall notify the board, the department of local government finance, and
- 36 the department of state revenue in writing not more than thirty (30)
- 37 days after the passage of the ordinance disqualifying the zone business.
- 38 Disqualification of a zone business under this section is effective
- 39 beginning with the taxable year in which the ordinance disqualifying
- 40 the zone business is adopted.
- 41 SECTION 2. IC 5-28-28-4, AS AMENDED BY SEA 162-2013,
- 42 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 43 JANUARY 1, 2014]: Sec. 4. As used in this chapter, "tax credit" means
- 44 a state tax liability credit under any of the following:
- 45 (1) IC 6-3.1-7.
- 46 (2) IC 6-3.1-13.
- 47 ~~(3) IC 6-3.1-13.5 (until January 1, 2020).~~
- 48 ~~(4) (3) IC 6-3.1-26.~~
- 49 ~~(5) (4) IC 6-3.1-27.~~
- 50 ~~(6) (5) IC 6-3.1-28.~~

- 1 ~~(7)~~ (6) IC 6-3.1-30.
- 2 ~~(8)~~ (7) IC 6-3.1-31.9.
- 3 ~~(9)~~ (8) IC 6-3.1-33.

4 SECTION 3. IC 6-1.1-12-37, AS AMENDED BY P.L.137-2012,
 5 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 MARCH 1, 2013 (RETROACTIVE)]: Sec. 37. (a) The following
 7 definitions apply throughout this section:

- 8 (1) "Dwelling" means any of the following:
 - 9 (A) Residential real property improvements that an individual
 - 10 uses as the individual's residence, including a house or garage.
 - 11 (B) A mobile home that is not assessed as real property that an
 - 12 individual uses as the individual's residence.
 - 13 (C) A manufactured home that is not assessed as real property
 - 14 that an individual uses as the individual's residence.
- 15 (2) "Homestead" means an individual's principal place of
 16 residence:
 - 17 (A) that is located in Indiana;
 - 18 (B) that:
 - 19 (i) the individual owns;
 - 20 (ii) the individual is buying under a contract; recorded in the
 - 21 county recorder's office, that provides that the individual is
 - 22 to pay the property taxes on the residence;
 - 23 (iii) the individual is entitled to occupy as a
 - 24 tenant-stockholder (as defined in 26 U.S.C. 216) of a
 - 25 cooperative housing corporation (as defined in 26 U.S.C.
 - 26 216); or
 - 27 (iv) is a residence described in section 17.9 of this chapter
 - 28 that is owned by a trust if the individual is an individual
 - 29 described in section 17.9 of this chapter; and
 - 30 (C) that consists of a dwelling and the real estate, not
 - 31 exceeding one (1) acre, that immediately surrounds that
 - 32 dwelling.

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

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

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

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

49 (c) Except as provided in section 40.5 of this chapter, the total
 50 amount of the deduction that a person may receive under this section

1 for a particular year is the lesser of:

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

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

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

- 19 (1) the parcel number or key number of the property and the name
 20 of the city, town, or township in which the property is located;
 21 (2) the name of any other location in which the applicant or the
 22 applicant's spouse owns, is buying, or has a beneficial interest in
 23 residential real property;

24 (3) the names of:

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

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

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

32 if the applicant is an individual; or

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

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

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

41 if the applicant is not an individual; and

42 (4) either:

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

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

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

- 1 (ii) The last five (5) digits of the individual's state
 2 identification card number.
- 3 (iii) If the individual does not have a driver's license or a
 4 state identification card, the last five (5) digits of a control
 5 number that is on a document issued to the individual by the
 6 federal government and determined by the department of
 7 local government finance to be acceptable.
- 8 If a form or statement provided to the county auditor under this section,
 9 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
 10 part or all of the Social Security number of a party or other number
 11 described in subdivision (4)(B) of a party, the telephone number and
 12 the Social Security number or other number described in subdivision
 13 (4)(B) included are confidential. The statement may be filed in person
 14 or by mail. If the statement is mailed, the mailing must be postmarked
 15 on or before the last day for filing. The statement applies for that first
 16 year and any succeeding year for which the deduction is allowed. With
 17 respect to real property, the statement must be completed and dated in
 18 the calendar year for which the person desires to obtain the deduction
 19 and filed with the county auditor on or before January 5 of the
 20 immediately succeeding calendar year. With respect to a mobile home
 21 that is not assessed as real property, the person must file the statement
 22 during the twelve (12) months before March 31 of the year for which
 23 the person desires to obtain the deduction.
- 24 (f) If an individual who is receiving the deduction provided by this
 25 section or who otherwise qualifies property for a deduction under this
 26 section:
- 27 (1) changes the use of the individual's property so that part or all
 28 of the property no longer qualifies for the deduction under this
 29 section; or
- 30 (2) is no longer eligible for a deduction under this section on
 31 another parcel of property because:
- 32 (A) the individual would otherwise receive the benefit of more
 33 than one (1) deduction under this chapter; or
- 34 (B) the individual maintains the individual's principal place of
 35 residence with another individual who receives a deduction
 36 under this section;
- 37 the individual must file a certified statement with the auditor of the
 38 county, notifying the auditor of the change of use, not more than sixty
 39 (60) days after the date of that change. An individual who fails to file
 40 the statement required by this subsection is liable for any additional
 41 taxes that would have been due on the property if the individual had
 42 filed the statement as required by this subsection plus a civil penalty
 43 equal to ten percent (10%) of the additional taxes due. The civil penalty
 44 imposed under this subsection is in addition to any interest and
 45 penalties for a delinquent payment that might otherwise be due. One
 46 percent (1%) of the total civil penalty collected under this subsection
 47 shall be transferred by the county to the department of local
 48 government finance for use by the department in establishing and
 49 maintaining the homestead property data base under subsection (i) and,
 50 to the extent there is money remaining, for any other purposes of the

1 department. This amount becomes part of the property tax liability for
2 purposes of this article.

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

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

18 (1) the individual or married couple, for the same year, claims the
19 deduction on two (2) or more different applications for the
20 deduction; and

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

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

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

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

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

46 (2) The property is the principal place of residence of an
47 individual.

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

50 (4) The individual residing on the property is a shareholder,

- 1 partner, or member of the entity that owns the property.
- 2 (5) The property was eligible for the standard deduction under
3 this section on March 1, 2009.
- 4 (l) If a county auditor terminates a deduction for property described
5 in subsection (k) with respect to property taxes that are:
6 (1) imposed for an assessment date in 2009; and
7 (2) first due and payable in 2010;
8 on the grounds that the property is not owned by an entity described in
9 subsection (a)(2)(B), the county auditor shall reinstate the deduction if
10 the taxpayer provides proof that the property is eligible for the
11 deduction in accordance with subsection (k) and that the individual
12 residing on the property is not claiming the deduction for any other
13 property.
- 14 (m) For assessments dates after 2009, the term "homestead"
15 includes:
16 (1) a deck or patio;
17 (2) a gazebo; or
18 (3) another residential yard structure, as defined in rules adopted
19 by the department of local government finance (other than a
20 swimming pool);
21 that is assessed as real property and attached to the dwelling.
- 22 (n) A county auditor shall grant an individual a deduction under this
23 section regardless of whether the individual and the individual's spouse
24 claim a deduction on two (2) different applications and each
25 application claims a deduction for different property if the property
26 owned by the individual's spouse is located outside Indiana and the
27 individual files an affidavit with the county auditor containing the
28 following information:
29 (1) The names of the county and state in which the individual's
30 spouse claims a deduction substantially similar to the deduction
31 allowed by this section.
32 (2) A statement made under penalty of perjury that the following
33 are true:
34 (A) That the individual and the individual's spouse maintain
35 separate principal places of residence.
36 (B) That neither the individual nor the individual's spouse has
37 an ownership interest in the other's principal place of
38 residence.
39 (C) That neither the individual nor the individual's spouse has,
40 for that same year, claimed a standard or substantially similar
41 deduction for any property other than the property maintained
42 as a principal place of residence by the respective individuals.
- 43 A county auditor may require an individual or an individual's spouse to
44 provide evidence of the accuracy of the information contained in an
45 affidavit submitted under this subsection. The evidence required of the
46 individual or the individual's spouse may include state income tax
47 returns, excise tax payment information, property tax payment
48 information, driver license information, and voter registration
49 information.
- 50 (o) If:

- 1 (1) a property owner files a statement under subsection (e) to
 2 claim the deduction provided by this section for a particular
 3 property; and
 4 (2) the county auditor receiving the filed statement determines
 5 that the property owner's property is not eligible for the deduction;
 6 the county auditor shall inform the property owner of the county
 7 auditor's determination in writing. If a property owner's property is not
 8 eligible for the deduction because the county auditor has determined
 9 that the property is not the property owner's principal place of
 10 residence, the property owner may appeal the county auditor's
 11 determination to the county property tax assessment board of appeals
 12 as provided in IC 6-1.1-15. The county auditor shall inform the
 13 property owner of the owner's right to appeal to the county property tax
 14 assessment board of appeals when the county auditor informs the
 15 property owner of the county auditor's determination under this
 16 subsection.
- 17 **(p) An individual is entitled to the deduction under this section**
 18 **for a homestead for a particular assessment date if:**
- 19 **(1) either:**
- 20 **(A) the individual's interest in the homestead as described**
 21 **in subsection (a)(2)(B) is conveyed to the individual after**
 22 **the assessment date, but within the calendar year in which**
 23 **the assessment date occurs; or**
- 24 **(B) the individual contracts to purchase the homestead**
 25 **after the assessment date, but within the calendar year in**
 26 **which the assessment date occurs;**
- 27 **(2) on the assessment date:**
- 28 **(A) the property on which the homestead is currently**
 29 **located was vacant land; or**
- 30 **(B) the construction of the dwelling that constitutes the**
 31 **homestead was not completed;**
- 32 **(3) either:**
- 33 **(A) the individual files the certified statement required by**
 34 **subsection (e) on or before December 31 of the calendar**
 35 **year in which the assessment date occurs to claim the**
 36 **deduction under this section; or**
- 37 **(B) a sales disclosure form that meets the requirements of**
 38 **section 44 of this chapter is submitted to the county**
 39 **assessor on or before December 31 of the calendar year for**
 40 **the individual's purchase of the homestead; and**
- 41 **(4) the individual files with the county auditor on or before**
 42 **December 31 of the calendar year in which the assessment**
 43 **date occurs a statement that:**
- 44 **(A) lists any other property for which the individual would**
 45 **otherwise receive a deduction under this section for the**
 46 **assessment date; and**
- 47 **(B) cancels the deduction described in clause (A) for that**
 48 **property.**
- 49 **An individual who satisfies the requirements of subdivisions (1)**
 50 **through (4) is entitled to the deduction under this section for the**
 51 **homestead for the assessment date, even if on the assessment date**

1 the property on which the homestead is currently located was
 2 vacant land or the construction of the dwelling that constitutes the
 3 homestead was not completed. The county auditor shall apply the
 4 deduction for the assessment date and for the assessment date in
 5 any later year in which the homestead remains eligible for the
 6 deduction. A homestead that qualifies for the deduction under this
 7 section as provided in this subsection is considered a homestead for
 8 purposes of section 37.5 of this chapter and IC 6-1.1-20.6. The
 9 county auditor shall cancel the deduction under this section for any
 10 property that is located in the county and is listed on the statement
 11 filed by the individual under subdivision (4). If the property listed
 12 on the statement filed under subdivision (4) is located in another
 13 county, the county auditor who receives the statement shall
 14 forward the statement to the county auditor of that other county,
 15 and the county auditor of that other county shall cancel the
 16 deduction under this section for that property.

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

20 (1) "Economic revitalization area" means an area which is within
 21 the corporate limits of a city, town, or county which has become
 22 undesirable for, or impossible of, normal development and
 23 occupancy because of a lack of development, cessation of growth,
 24 deterioration of improvements or character of occupancy, age,
 25 obsolescence, substandard buildings, or other factors which have
 26 impaired values or prevent a normal development of property or
 27 use of property. The term "economic revitalization area" also
 28 includes:

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

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

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

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

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

44 (B) uses in the direct production, manufacture, fabrication,
 45 assembly, extraction, mining, processing, refining, or finishing
 46 of other tangible personal property, including but not limited
 47 to use to dispose of solid waste or hazardous waste by
 48 converting the solid waste or hazardous waste into energy or
 49 other useful products;

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

51 (i) in an arms length transaction from an entity that is not an

- 1 affiliate of the deduction applicant, if the tangible personal
 2 property has been previously used in Indiana before the
 3 installation described in clause (A); or
 4 (ii) in any manner, if the tangible personal property has
 5 never been previously used in Indiana before the installation
 6 described in clause (A); and
 7 (D) has never used for any purpose in Indiana before the
 8 installation described in clause (A).
- 9 However, notwithstanding any other law, the term includes
 10 tangible personal property that is used to dispose of solid waste or
 11 hazardous waste by converting the solid waste or hazardous waste
 12 into energy or other useful products and was installed after March
 13 1, 1993, and before March 2, 1996, even if the property was
 14 installed before the area where the property is located was
 15 designated as an economic revitalization area or the statement of
 16 benefits for the property was approved by the designating body.
- 17 (4) "Property" means a building or structure, but does not include
 18 land.
- 19 (5) "Redevelopment" means the construction of new structures,
 20 in economic revitalization areas, either:
- 21 (A) on unimproved real estate; or
 22 (B) on real estate upon which a prior existing structure is
 23 demolished to allow for a new construction.
- 24 (6) "Rehabilitation" means the remodeling, repair, or betterment
 25 of property in any manner or any enlargement or extension of
 26 property.
- 27 (7) "Designating body" means the following:
- 28 (A) For a county that does not contain a consolidated city, the
 29 fiscal body of the county, city, or town.
 30 (B) For a county containing a consolidated city, the
 31 metropolitan development commission.
- 32 (8) "Deduction application" means:
- 33 (A) the application filed in accordance with section 5 of this
 34 chapter by a property owner who desires to obtain the
 35 deduction provided by section 3 of this chapter;
 36 (B) the application filed in accordance with section 5.4 of this
 37 chapter by a person who desires to obtain the deduction
 38 provided by section 4.5 of this chapter; or
 39 (C) the application filed in accordance with section 5.3 of this
 40 chapter by a property owner that desires to obtain the
 41 deduction provided by section 4.8 of this chapter.
- 42 (9) "Designation application" means an application that is filed
 43 with a designating body to assist that body in making a
 44 determination about whether a particular area should be
 45 designated as an economic revitalization area.
- 46 (10) "Hazardous waste" has the meaning set forth in
 47 IC 13-11-2-99(a). The term includes waste determined to be a
 48 hazardous waste under IC 13-22-2-3(b).
- 49 (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a).
 50 However, the term does not include dead animals or any animal

- 1 solid or semisolid wastes.
- 2 (12) "New research and development equipment" means tangible
3 personal property that:
- 4 (A) a deduction applicant installs ~~after June 30, 2000, and~~ on
5 or before the approval deadline determined under section 9 of
6 this chapter, in an economic revitalization area in which a
7 deduction for tangible personal property is allowed;
- 8 (B) consists of:
- 9 (i) laboratory equipment;
- 10 (ii) research and development equipment;
- 11 (iii) computers and computer software;
- 12 (iv) telecommunications equipment; or
- 13 (v) testing equipment;
- 14 (C) the deduction applicant uses in research and development
15 activities devoted directly and exclusively to experimental or
16 laboratory research and development for new products, new
17 uses of existing products, or improving or testing existing
18 products;
- 19 (D) the deduction applicant acquires for purposes described in
20 this subdivision:
- 21 (i) in an arms length transaction from an entity that is not an
22 affiliate of the deduction applicant, if the tangible personal
23 property has been previously used in Indiana before the
24 installation described in clause (A); or
- 25 (ii) in any manner, if the tangible personal property has
26 never been previously used in Indiana before the installation
27 described in clause (A); and
- 28 (E) the deduction applicant has never used for any purpose in
29 Indiana before the installation described in clause (A).
- 30 The term does not include equipment installed in facilities used
31 for or in connection with efficiency surveys, management studies,
32 consumer surveys, economic surveys, advertising or promotion,
33 or research in connection with literacy, history, or similar
34 projects.
- 35 (13) "New logistical distribution equipment" means tangible
36 personal property that:
- 37 (A) a deduction applicant installs ~~after June 30, 2004, and~~ on
38 or before the approval deadline determined under section 9 of
39 this chapter, in an economic revitalization area in which a
40 deduction for tangible personal property is allowed;
- 41 (B) consists of:
- 42 (i) racking equipment;
- 43 (ii) scanning or coding equipment;
- 44 (iii) separators;
- 45 (iv) conveyors;
- 46 (v) fork lifts or lifting equipment (including "walk
47 behinds");
- 48 (vi) transitional moving equipment;
- 49 (vii) packaging equipment;
- 50 (viii) sorting and picking equipment; or

- 1 (ix) software for technology used in logistical distribution;
 2 (C) the deduction applicant acquires for the storage or
 3 distribution of goods, services, or information:
 4 (i) in an arms length transaction from an entity that is not an
 5 affiliate of the deduction applicant, if the tangible personal
 6 property has been previously used in Indiana before the
 7 installation described in clause (A); and
 8 (ii) in any manner, if the tangible personal property has
 9 never been previously used in Indiana before the installation
 10 described in clause (A); and
 11 (D) the deduction applicant has never used for any purpose in
 12 Indiana before the installation described in clause (A).
- 13 (14) "New information technology equipment" means tangible
 14 personal property that:
 15 (A) a deduction applicant installs ~~after June 30, 2004, and~~ on
 16 or before the approval deadline determined under section 9 of
 17 this chapter, in an economic revitalization area in which a
 18 deduction for tangible personal property is allowed;
 19 (B) consists of equipment, including software, used in the
 20 fields of:
 21 (i) information processing;
 22 (ii) office automation;
 23 (iii) telecommunication facilities and networks;
 24 (iv) informatics;
 25 (v) network administration;
 26 (vi) software development; and
 27 (vii) fiber optics;
 28 (C) the deduction applicant acquires in an arms length
 29 transaction from an entity that is not an affiliate of the
 30 deduction applicant; and
 31 (D) the deduction applicant never used for any purpose in
 32 Indiana before the installation described in clause (A).
- 33 (15) "Deduction applicant" means an owner of tangible personal
 34 property who makes a deduction application.
- 35 (16) "Affiliate" means an entity that effectively controls or is
 36 controlled by a deduction applicant or is associated with a
 37 deduction applicant under common ownership or control, whether
 38 by shareholdings or other means.
- 39 (17) "Eligible vacant building" means a building that:
 40 (A) is zoned for commercial or industrial purposes; and
 41 (B) is unoccupied for at least one (1) year before the owner of
 42 the building or a tenant of the owner occupies the building, as
 43 evidenced by a valid certificate of occupancy, paid utility
 44 receipts, executed lease agreements, or any other evidence of
 45 occupation that the department of local government finance
 46 requires.
- 47 SECTION 5. IC 6-1.1-12.1-2, AS AMENDED BY P.L.119-2012,
 48 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 49 JULY 1, 2013]: Sec. 2. (a) A designating body may find that a
 50 particular area within its jurisdiction is an economic revitalization area.

1 However, the deduction provided by this chapter for economic
 2 revitalization areas not within a city or town shall not be available to
 3 retail businesses.

4 (b) In a county containing a consolidated city or within a city or
 5 town, a designating body may find that a particular area within its
 6 jurisdiction is a residentially distressed area. Designation of an area as
 7 a residentially distressed area has the same effect as designating an
 8 area as an economic revitalization area, except that the amount of the
 9 deduction shall be calculated as specified in section 4.1 of this chapter
 10 and the deduction is allowed for not more than ~~five (5) years~~; **the**
 11 **number of years specified by the designating body under section 17**
 12 **of this chapter**. In order to declare a particular area a residentially
 13 distressed area, the designating body must follow the same procedure
 14 that is required to designate an area as an economic revitalization area
 15 and must make all the following additional findings or all the additional
 16 findings described in subsection (c):

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

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

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

24 (B) evidencing significant building deficiencies.

25 (3) Parcels of property in the area:

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

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

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

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

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

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

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

44 (B) evidencing significant building deficiencies.

45 (3) The area has experienced a net loss in the number of dwelling
 46 units, as documented by census information, local building and
 47 demolition permits, or certificates of occupancy, or the area is
 48 owned by Indiana or the United States.

49 (4) The area (plus any areas previously designated under this
 50 subsection) will not exceed ten percent (10%) of the total area

- 1 within the designating body's jurisdiction.
- 2 However, in a city in a county having a population of more than two
3 hundred fifty thousand (250,000) but less than two hundred seventy
4 thousand (270,000), the designating body is only required to make one
5 (1) of the additional findings described in this subsection as an
6 alternative to one (1) of the additional findings described in subsection
7 (b).
- 8 (d) A designating body is required to attach the following conditions
9 to the grant of a residentially distressed area designation:
- 10 (1) The deduction will not be allowed unless the dwelling is
11 rehabilitated to meet local code standards for habitability.
- 12 (2) If a designation application is filed, the designating body may
13 require that the redevelopment or rehabilitation be completed
14 within a reasonable period of time.
- 15 (e) To make a designation described in subsection (a) or (b), the
16 designating body shall use procedures prescribed in section 2.5 of this
17 chapter.
- 18 (f) The property tax deductions provided by section 3, 4.5, or 4.8 of
19 this chapter are only available within an area which the designating
20 body finds to be an economic revitalization area.
- 21 (g) The designating body may adopt a resolution establishing
22 general standards to be used, along with the requirements set forth in
23 the definition of economic revitalization area, by the designating body
24 in finding an area to be an economic revitalization area. The standards
25 must have a reasonable relationship to the development objectives of
26 the area in which the designating body has jurisdiction. The following
27 four (4) sets of standards may be established:
- 28 (1) One (1) relative to the deduction under section 3 of this
29 chapter for economic revitalization areas that are not residentially
30 distressed areas.
- 31 (2) One (1) relative to the deduction under section 3 of this
32 chapter for residentially distressed areas.
- 33 (3) One (1) relative to the deduction allowed under section 4.5 of
34 this chapter.
- 35 (4) One (1) relative to the deduction allowed under section 4.8 of
36 this chapter.
- 37 (h) A designating body may impose a fee for filing a designation
38 application for a person requesting the designation of a particular area
39 as an economic revitalization area. The fee may be sufficient to defray
40 actual processing and administrative costs. However, the fee charged
41 for filing a designation application for a parcel that contains one (1) or
42 more owner-occupied, single-family dwellings may not exceed the cost
43 of publishing the required notice.
- 44 (i) In declaring an area an economic revitalization area, the
45 designating body may:
- 46 (1) limit the time period to a certain number of calendar years
47 during which the economic revitalization area shall be so
48 designated;
- 49 (2) limit the type of deductions that will be allowed within the
50 economic revitalization area to the deduction allowed under

- 1 section 3 of this chapter, the deduction allowed under section 4.5
 2 of this chapter, the deduction allowed under section 4.8 of this
 3 chapter, or any combination of these deductions;
 4 (3) limit the dollar amount of the deduction that will be allowed
 5 with respect to new manufacturing equipment, new research and
 6 development equipment, new logistical distribution equipment,
 7 and new information technology equipment; ~~if a deduction under~~
 8 ~~this chapter had not been filed before July 1, 1987, for that~~
 9 ~~equipment;~~
 10 (4) limit the dollar amount of the deduction that will be allowed
 11 with respect to redevelopment and rehabilitation occurring in
 12 areas that are designated as economic revitalization areas; ~~on or~~
 13 ~~after September 1, 1988;~~
 14 (5) limit the dollar amount of the deduction that will be allowed
 15 under section 4.8 of this chapter with respect to the occupation of
 16 an eligible vacant building; or
 17 (6) impose reasonable conditions related to the purpose of this
 18 chapter or to the general standards adopted under subsection (g)
 19 for allowing the deduction for the redevelopment or rehabilitation
 20 of the property or the installation of the new manufacturing
 21 equipment, new research and development equipment, new
 22 logistical distribution equipment, or new information technology
 23 equipment.
- 24 To exercise one (1) or more of these powers, a designating body must
 25 include this fact in the resolution passed under section 2.5 of this
 26 chapter.
- 27 (j) Notwithstanding any other provision of this chapter, if a
 28 designating body limits the time period during which an area is an
 29 economic revitalization area, that limitation does not:
- 30 (1) prevent a taxpayer from obtaining a deduction for new
 31 manufacturing equipment, new research and development
 32 equipment, new logistical distribution equipment, or new
 33 information technology equipment installed on or before the
 34 approval deadline determined under section 9 of this chapter, but
 35 after the expiration of the economic revitalization area if
- 36 (A) ~~the economic revitalization area designation expires after~~
 37 ~~December 30, 1995; and~~
- 38 (B) the new manufacturing equipment, new research and
 39 development equipment, new logistical distribution
 40 equipment, or new information technology equipment was
 41 described in a statement of benefits submitted to and approved
 42 by the designating body in accordance with section 4.5 of this
 43 chapter before the expiration of the economic revitalization
 44 area designation; or
- 45 (2) limit the length of time a taxpayer is entitled to receive a
 46 deduction to a number of years that is less than the number of
 47 years designated under section ~~4, 4.5, or 4.8~~ 17 of this chapter.
- 48 ~~(k) Notwithstanding any other provision of this chapter, deductions:~~
 49 ~~(1) that are authorized under section 3 of this chapter for property~~
 50 ~~in an area designated as an urban development area before March~~

1 1, 1983, and that are based on an increase in assessed valuation
2 resulting from redevelopment or rehabilitation that occurs before
3 March 1, 1983; or

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

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

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

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

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

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

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

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

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

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

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

45 (B) A statement containing substantially the same information
46 as a statement of benefits filed with the designating body
47 before the hearing required by this section under section 3, 4.5,
48 or 4.8 of this chapter.

49 The notice must state that a description of the affected area is available
50 and can be inspected in the county assessor's office. The notice must

1 also name a date when the designating body will receive and hear all
 2 remonstrances and objections from interested persons. The designating
 3 body shall file the information required by subdivision (2) with the
 4 officers of the taxing unit who are authorized to fix budgets, tax rates,
 5 and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date
 6 of the public hearing. After considering the evidence, the designating
 7 body shall take final action determining whether the qualifications for
 8 an economic revitalization area have been met and confirming,
 9 modifying and confirming, or rescinding the resolution. This
 10 determination is final except that an appeal may be taken and heard as
 11 provided under subsections (d) and (e).

12 (d) A person who filed a written remonstrance with the designating
 13 body under this section and who is aggrieved by the final action taken
 14 may, within ten (10) days after that final action, initiate an appeal of
 15 that action by filing in the office of the clerk of the circuit or superior
 16 court a copy of the order of the designating body and the person's
 17 remonstrance against that order, together with the person's bond
 18 conditioned to pay the costs of the person's appeal if the appeal is
 19 determined against the person. The only ground of appeal that the court
 20 may hear is whether the proposed project will meet the qualifications
 21 of the economic revitalization area law. The burden of proof is on the
 22 appellant.

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

30 SECTION 7. IC 6-1.1-12.1-3, AS AMENDED BY P.L.119-2012,
 31 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2013]: Sec. 3. (a) An applicant must provide a statement of
 33 benefits to the designating body. If the designating body requires
 34 information from the applicant for economic revitalization area status
 35 for use in making its decision about whether to designate an economic
 36 revitalization area, the applicant shall provide the completed statement
 37 of benefits form to the designating body before the hearing required by
 38 section 2.5(c) of this chapter. Otherwise, the statement of benefits form
 39 must be submitted to the designating body before the initiation of the
 40 redevelopment or rehabilitation for which the person desires to claim
 41 a deduction under this chapter. The department of local government
 42 finance shall prescribe a form for the statement of benefits. The
 43 statement of benefits must include the following information:

- 44 (1) A description of the proposed redevelopment or rehabilitation.
- 45 (2) An estimate of the number of individuals who will be
 46 employed or whose employment will be retained by the person as
 47 a result of the redevelopment or rehabilitation and an estimate of
 48 the annual salaries of these individuals.
- 49 (3) An estimate of the value of the redevelopment or
 50 rehabilitation.

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

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

10 (1) Whether the estimate of the value of the redevelopment or
 11 rehabilitation is reasonable for projects of that nature.

12 (2) Whether the estimate of the number of individuals who will be
 13 employed or whose employment will be retained can be
 14 reasonably expected to result from the proposed described
 15 redevelopment or rehabilitation.

16 (3) Whether the estimate of the annual salaries of those
 17 individuals who will be employed or whose employment will be
 18 retained can be reasonably expected to result from the proposed
 19 described redevelopment or rehabilitation.

20 (4) Whether any other benefits about which information was
 21 requested are benefits that can be reasonably expected to result
 22 from the proposed described redevelopment or rehabilitation.

23 (5) Whether the totality of benefits is sufficient to justify the
 24 deduction.

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

28 (c) Except as provided in subsections (a) through (b), the owner of
 29 property which is located in an economic revitalization area is entitled
 30 to a deduction from the assessed value of the property. ~~If the area is a~~
 31 ~~residentially distressed area, the period is not more than five (5) years.~~
 32 ~~For all other economic revitalization areas designated before July 1,~~
 33 ~~2000, the period is three (3), six (6), or ten (10) years. For all economic~~
 34 ~~revitalization areas, designated after June 30, 2000, the period is the~~
 35 ~~number of years determined under subsection (d).~~ **section 17 of this**
 36 **chapter.** The owner is entitled to a deduction if:

37 (1) the property has been rehabilitated; or

38 (2) the property is located on real estate which has been
 39 redeveloped.

40 The owner is entitled to the deduction for the first year, and any
 41 successive year or years, in which an increase in assessed value
 42 resulting from the rehabilitation or redevelopment occurs and for the
 43 following years determined under ~~subsection (d).~~ ~~However, property~~
 44 ~~owners who had an area designated an urban development area~~
 45 ~~pursuant to an application filed prior to January 1, 1979, are only~~
 46 ~~entitled to a deduction for a five (5) year period. In addition, property~~
 47 ~~owners who are entitled to a deduction under this chapter pursuant to~~
 48 ~~an application filed after December 31, 1978, and before January 1,~~
 49 ~~1986, are entitled to a deduction for a ten (10) year period.~~ **section 17**
 50 **of this chapter.**

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

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

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

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

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

24 (1) Private or commercial golf course.

25 (2) Country club.

26 (3) Massage parlor.

27 (4) Tennis club.

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

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

32 (7) Hot tub facility.

33 (8) Suntan facility.

34 (9) Racetrack.

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

36 (A) retail food and beverage service;

37 (B) automobile sales or service; or

38 (C) other retail;

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

41 (11) Residential, unless:

42 (A) the facility is a multifamily facility that contains at least
 43 twenty percent (20%) of the units available for use by low and
 44 moderate income individuals;

45 (B) the facility is located in an economic development target
 46 area established under section 7 of this chapter; or

47 (C) the area is designated as a residentially distressed area.

48 (12) A package liquor store that holds a liquor dealer's permit
 49 under IC 7.1-3-10 or any other entity that is required to operate
 50 under a license issued under IC 7.1. ~~This subdivision does not~~

1 apply to an applicant that:

2 (A) was eligible for tax abatement under this chapter before
3 July 1, 1995;

4 (B) is described in IC 7.1-5-7-11; or

5 (C) operates a facility under:

6 (i) a beer wholesaler's permit under IC 7.1-3-3;

7 (ii) a liquor wholesaler's permit under IC 7.1-3-8; or

8 (iii) a wine wholesaler's permit under IC 7.1-3-13;

9 for which the applicant claims a deduction under this chapter.

10 SECTION 8. IC 6-1.1-12.1-4, AS AMENDED BY P.L.112-2012,
11 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2013]: Sec. 4. (a) Except as provided in section 2(i)(4) of this
13 chapter, and subject to section 15 of this chapter, the amount of the
14 deduction which the property owner is entitled to receive under section
15 3 of this chapter for a particular year equals the product of:

16 (1) the increase in the assessed value resulting from the
17 rehabilitation or redevelopment; multiplied by

18 (2) either of the following:

19 (A) The percentage prescribed in the table set forth in
20 subsection (d):

21 (B) a the percentage determined under section 17 of this
22 chapter. if the designating body elects to use an alternative
23 abatement schedule provided under section 17 of this chapter.

24 (b) The amount of the deduction determined under subsection (a)
25 shall be adjusted in accordance with this subsection in the following
26 circumstances:

27 (1) If:

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

30 (B) a reassessment under a county's reassessment plan
31 prepared under IC 6-1.1-4-4.2;

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

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

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

42 (c) Property owners who had an area designated an urban
43 development area pursuant to an application filed prior to January 1,
44 1979; are only entitled to the deduction for the first through the fifth
45 years as provided in subsection (d)(10). In addition, property owners
46 who are entitled to a deduction under this chapter pursuant to an
47 application filed after December 31, 1978; and before January 1, 1986;
48 are entitled to a deduction for the first through the tenth years; as
49 provided in subsection (d)(10):

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

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%
43	7th	14%
44	(8) For deductions allowed over an eight (8) year period:	
45	YEAR OF DEDUCTION	PERCENTAGE
46	1st	100%
47	2nd	88%
48	3rd	75%
49	4th	63%
50	5th	50%

1	6th	38%
2	7th	25%
3	8th	13%
4	(9) For deductions allowed over a nine (9) year period:	
5	YEAR OF DEDUCTION	PERCENTAGE
6	1st	100%
7	2nd	88%
8	3rd	77%
9	4th	66%
10	5th	55%
11	6th	44%
12	7th	33%
13	8th	22%
14	9th	11%

15	(10) For deductions allowed over a ten (10) year period:	
16	YEAR OF DEDUCTION	PERCENTAGE
17	1st	100%
18	2nd	95%
19	3rd	80%
20	4th	65%
21	5th	50%
22	6th	40%
23	7th	30%
24	8th	20%
25	9th	10%
26	10th	5%

27 SECTION 9. IC 6-1.1-12.1-4.1, AS AMENDED BY P.L.219-2007,
 28 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2013]: Sec. 4.1. (a) Section 4 of this chapter applies to
 30 economic revitalization areas that are not residentially distressed areas.

31 (b) This subsection applies to **deductions approved before July 1,**
 32 **2013, for the redevelopment or rehabilitation of property located**
 33 **in** economic revitalization areas that are residentially distressed areas.
 34 Subject to section 15 of this chapter, the amount of the deduction that
 35 a property owner is entitled to receive under section 3 of this chapter
 36 for a particular year equals the lesser of:

- 37 (1) the assessed value of the improvement to the property after the
- 38 rehabilitation or redevelopment has occurred; or
- 39 (2) the following amount:

40	TYPE OF DWELLING	AMOUNT
41	One (1) family dwelling	\$74,880
42	Two (2) family dwelling	\$106,080
43	Three (3) unit multifamily dwelling	\$156,000
44	Four (4) unit multifamily dwelling	\$199,680

45 (c) **This subsection applies to deductions approved after June**
 46 **30, 2013, for the redevelopment or rehabilitation of property**
 47 **located in economic revitalization areas that are residentially**
 48 **distressed areas. Subject to section 15 of this chapter, the amount**
 49 **of the deduction the property owner is entitled to receive under**
 50 **section 3 of this chapter in a residentially distressed area for a**
 51 **particular year equals the product of:**

- 1 **(1) the increase in the assessed value resulting from the**
 2 **rehabilitation or redevelopment; multiplied by**
 3 **(2) the percentage determined under section 17 of this**
 4 **chapter.**

5 SECTION 10. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.6-2012,
 6 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2013]: Sec. 4.5. (a) An applicant must provide a statement of
 8 benefits to the designating body. The applicant must provide the
 9 completed statement of benefits form to the designating body before
 10 the hearing specified in section 2.5(c) of this chapter or before the
 11 installation of the new manufacturing equipment, new research and
 12 development equipment, new logistical distribution equipment, or new
 13 information technology equipment for which the person desires to
 14 claim a deduction under this chapter. The department of local
 15 government finance shall prescribe a form for the statement of benefits.
 16 The statement of benefits must include the following information:

17 (1) A description of the new manufacturing equipment, new
 18 research and development equipment, new logistical distribution
 19 equipment, or new information technology equipment that the
 20 person proposes to acquire.

21 (2) With respect to:

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

25 (B) new research and development equipment, new logistical
 26 distribution equipment, or new information technology
 27 equipment;

28 an estimate of the number of individuals who will be employed or
 29 whose employment will be retained by the person as a result of
 30 the installation of the new manufacturing equipment, new
 31 research and development equipment, new logistical distribution
 32 equipment, or new information technology equipment and an
 33 estimate of the annual salaries of these individuals.

34 (3) An estimate of the cost of the new manufacturing equipment,
 35 new research and development equipment, new logistical
 36 distribution equipment, or new information technology
 37 equipment.

38 (4) With respect to new manufacturing equipment used to dispose
 39 of solid waste or hazardous waste by converting the solid waste
 40 or hazardous waste into energy or other useful products, an
 41 estimate of the amount of solid waste or hazardous waste that will
 42 be converted into energy or other useful products by the new
 43 manufacturing equipment.

44 The statement of benefits may be incorporated in a designation
 45 application. Notwithstanding any other law, a statement of benefits is
 46 a public record that may be inspected and copied under IC 5-14-3-3.

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

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

1 subsection ~~(h)~~ (g) and section 15 of this chapter, the amount of the
 2 deduction that an owner is entitled to for a particular year equals the
 3 product of:

4 (1) the assessed value of the new manufacturing equipment, new
 5 research and development equipment, new logistical distribution
 6 equipment, or new information technology equipment in the year
 7 of deduction under the appropriate table set forth in subsection
 8 ~~(d)~~; **abatement schedule established under section 17 of this**
 9 **chapter**; multiplied by

10 (2) the percentage prescribed in the appropriate table set forth in
 11 subsection ~~(d)~~: **by the designating body under section 17 of this**
 12 **chapter**.

13 ~~(d)~~ Unless the designating body elects to use an alternative
 14 abatement schedule provided under section 17 of this chapter to
 15 calculate a deduction; the percentage to be used in calculating the
 16 deduction under subsection (c) is as follows:

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

18 YEAR OF DEDUCTION	PERCENTAGE
19 1st	100%
20 2nd and thereafter	0%

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

22 YEAR OF DEDUCTION	PERCENTAGE
23 1st	100%
24 2nd	50%
25 3rd and thereafter	0%

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

27 YEAR OF DEDUCTION	PERCENTAGE
28 1st	100%
29 2nd	66%
30 3rd	33%
31 4th and thereafter	0%

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

33 YEAR OF DEDUCTION	PERCENTAGE
34 1st	100%
35 2nd	75%
36 3rd	50%
37 4th	25%
38 5th and thereafter	0%

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

40 YEAR OF DEDUCTION	PERCENTAGE
41 1st	100%
42 2nd	80%
43 3rd	60%
44 4th	40%
45 5th	20%
46 6th and thereafter	0%

47 (6) For deductions allowed over a six (6) year period:

48 YEAR OF DEDUCTION	PERCENTAGE
49 1st	100%
50 2nd	85%

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%
43	3rd	80%
44	4th	70%
45	5th	60%
46	6th	50%
47	7th	40%
48	8th	30%
49	9th	20%
50	10th	10%

- 1 ~~11th and thereafter~~ 0%
- 2 ~~(e)~~ (d) With respect to new manufacturing equipment and new
3 research and development equipment installed before March 2, 2001,
4 the deduction under this section is the amount that causes the net
5 assessed value of the property after the application of the deduction
6 under this section to equal the net assessed value after the application
7 of the deduction under this section that results from computing:
- 8 (1) the deduction under this section as in effect on March 1, 2001;
9 and
- 10 (2) the assessed value of the property under 50 IAC 4.2, as in
11 effect on March 1, 2001, or, in the case of property subject to
12 IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.
- 13 ~~(f)~~ (e) For an economic revitalization area designated before July 1,
14 2000, the designating body shall determine whether a property owner
15 whose statement of benefits is approved after April 30, 1991, is entitled
16 to a deduction for five (5) or ten (10) years. For an economic
17 revitalization area designated after June 30, 2000, The designating
18 body shall determine the number of years the deduction is allowed
19 **under section 17 of this chapter.** However, the deduction may not be
20 allowed for more than ten (10) years. This determination shall be made:
- 21 (1) as part of the resolution adopted under section 2.5 of this
22 chapter; or
- 23 (2) by resolution adopted within sixty (60) days after receiving a
24 copy of a property owner's certified deduction application from
25 the county auditor. A certified copy of the resolution shall be sent
26 to the county auditor.
- 27 A determination about the number of years the deduction is allowed
28 that is made under subdivision (1) is final and may not be changed by
29 following the procedure under subdivision (2).
- 30 ~~(g)~~ (f) The owner of new manufacturing equipment that is directly
31 used to dispose of hazardous waste is not entitled to the deduction
32 provided by this section for a particular assessment year if during that
33 assessment year the owner:
- 34 (1) is convicted of a criminal violation under IC 13, including
35 IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or
- 36 (2) is subject to an order or a consent decree with respect to
37 property located in Indiana based on a violation of a federal or
38 state rule, regulation, or statute governing the treatment, storage,
39 or disposal of hazardous wastes that had a major or moderate
40 potential for harm.
- 41 ~~(h)~~ (g) For purposes of subsection (c), the assessed value of new
42 manufacturing equipment, new research and development equipment,
43 new logistical distribution equipment, or new information technology
44 equipment that is part of an owner's assessable depreciable personal
45 property in a single taxing district subject to the valuation limitation in
46 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:
- 47 (1) the assessed value of the equipment determined without
48 regard to the valuation limitation in 50 IAC 4.2-4-9 or 50
49 IAC 5.1-6-9; multiplied by
- 50 (2) the quotient of:

1 (A) the amount of the valuation limitation determined under
 2 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's
 3 depreciable personal property in the taxing district; divided by
 4 (B) the total true tax value of all of the owner's depreciable
 5 personal property in the taxing district that is subject to the
 6 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9
 7 determined:

8 (i) under the depreciation schedules in the rules of the
 9 department of local government finance before any
 10 adjustment for abnormal obsolescence; and

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

13 SECTION 11. IC 6-1.1-12.1-4.7, AS AMENDED BY P.L.119-2012,
 14 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2013]: Sec. 4.7. (a) Section ~~4.5(e)~~ **4.5(d)** of this chapter does
 16 not apply to new manufacturing equipment located in a township
 17 having a population of more than four thousand (4,000) but less than
 18 seven thousand (7,000) located in a county having a population of more
 19 than forty-two thousand (42,000) but less than forty-two thousand three
 20 hundred (42,300) if the total original cost of all new manufacturing
 21 equipment placed into service by the owner during the preceding sixty
 22 (60) months exceeds fifty million dollars (\$50,000,000), and if the
 23 economic revitalization area in which the new manufacturing
 24 equipment was installed was approved by the designating body before
 25 September 1, 1994.

26 (b) Section ~~4.5(e)~~ **4.5(d)** of this chapter does not apply to new
 27 manufacturing equipment located in a county having a population of
 28 more than thirty-three thousand five hundred (33,500) but less than
 29 thirty-four thousand (34,000) if:

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

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

36 (c) A deduction under section 4.5(c) of this chapter is not allowed
 37 with respect to new manufacturing equipment described in subsection
 38 (b) in the first year the deduction is claimed or in subsequent years as
 39 permitted by section 4.5(c) of this chapter to the extent the deduction
 40 would cause the assessed value of all real property and personal
 41 property of the owner in the taxing district to be less than the
 42 incremental net assessed value for that year.

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

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

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

48 (A) the net assessed value of real property and depreciable
 49 personal property from which property tax revenues are
 50 required to be held in trust and pledged for the benefit of the

- 1 owners of bonds issued by the redevelopment commission of
 2 a county described in subsection (b) under resolutions adopted
 3 November 16, 1998, and July 13, 2000 (as amended
 4 November 27, 2000); plus
 5 (B) fifty-four million four hundred eighty-one thousand seven
 6 hundred seventy dollars (\$54,481,770).
- 7 (3) The assessed value of real property and personal property of
 8 the owner shall be determined after the deductions provided by
 9 sections 3 and 4.5 of this chapter.
- 10 (4) The personal property of the owner shall include inventory.
- 11 (5) The amount of deductions provided by section 4.5 of this
 12 chapter with respect to new manufacturing equipment that was
 13 installed on or before March 1, 2000, shall be increased from
 14 thirty-three and one-third percent (33 1/3%) of true tax value to
 15 one hundred percent (100%) of true tax value for assessment
 16 dates after February 28, 2001.
- 17 (e) A deduction not fully allowed under subsection (c) in the first
 18 year the deduction is claimed or in a subsequent year permitted by
 19 section 4.5 of this chapter shall be carried over and allowed as a
 20 deduction in succeeding years. A deduction that is carried over to a
 21 year but is not allowed in that year under this subsection shall be
 22 carried over and allowed as a deduction in succeeding years. The
 23 following apply for purposes of this subsection:
- 24 (1) A deduction that is carried over to a succeeding year is not
 25 allowed in that year to the extent that the deduction, together
 26 with:
- 27 (A) deductions otherwise allowed under section 3 of this
 28 chapter;
 29 (B) deductions otherwise allowed under section 4.5 of this
 30 chapter; and
 31 (C) other deductions carried over to the year under this
 32 subsection;
- 33 would cause the assessed value of all real property and personal
 34 property of the owner in the taxing district to be less than the
 35 incremental net assessed value for that year.
- 36 (2) Each time a deduction is carried over to a succeeding year, the
 37 deduction shall be reduced by the amount of the deduction that
 38 was allowed in the immediately preceding year.
- 39 (3) A deduction may not be carried over to a succeeding year
 40 under this subsection if such year is after the period specified in
 41 section 4.5(c) of this chapter or the period specified in a
 42 resolution adopted by the designating body under section ~~4.5(g)~~
 43 **4.5(e)** of this chapter.
- 44 SECTION 12. IC 6-1.1-12.1-4.8, AS AMENDED BY P.L.112-2012,
 45 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 46 JULY 1, 2013]: Sec. 4.8. (a) A property owner that is an applicant for
 47 a deduction under this section must provide a statement of benefits to
 48 the designating body.
- 49 (b) If the designating body requires information from the property
 50 owner for the designating body's use in deciding whether to designate

1 an economic revitalization area, the property owner must provide the
2 completed statement of benefits form to the designating body before
3 the hearing required by section 2.5(c) of this chapter. Otherwise, the
4 property owner must submit the completed statement of benefits form
5 to the designating body before the occupation of the eligible vacant
6 building for which the property owner desires to claim a deduction.

7 (c) The department of local government finance shall prescribe a
8 form for the statement of benefits. The statement of benefits must
9 include the following information:

10 (1) A description of the eligible vacant building that the property
11 owner or a tenant of the property owner will occupy.

12 (2) An estimate of the number of individuals who will be
13 employed or whose employment will be retained by the property
14 owner or the tenant as a result of the occupation of the eligible
15 vacant building, and an estimate of the annual salaries of those
16 individuals.

17 (3) Information regarding efforts by the owner or a previous
18 owner to sell, lease, or rent the eligible vacant building during the
19 period the eligible vacant building was unoccupied.

20 (4) Information regarding the amount for which the eligible
21 vacant building was offered for sale, lease, or rent by the owner
22 or a previous owner during the period the eligible vacant building
23 was unoccupied.

24 (d) With the approval of the designating body, the statement of
25 benefits may be incorporated in a designation application. A statement
26 of benefits is a public record that may be inspected and copied under
27 IC 5-14-3.

28 (e) The designating body must review the statement of benefits
29 required by subsection (a). The designating body shall determine
30 whether an area should be designated an economic revitalization area
31 or whether a deduction should be allowed, after the designating body
32 has made the following findings:

33 (1) Whether the estimate of the number of individuals who will be
34 employed or whose employment will be retained can be
35 reasonably expected to result from the proposed occupation of the
36 eligible vacant building.

37 (2) Whether the estimate of the annual salaries of those
38 individuals who will be employed or whose employment will be
39 retained can be reasonably expected to result from the proposed
40 occupation of the eligible vacant building.

41 (3) Whether any other benefits about which information was
42 requested are benefits that can be reasonably expected to result
43 from the proposed occupation of the eligible vacant building.

44 (4) Whether the occupation of the eligible vacant building will
45 increase the tax base and assist in the rehabilitation of the
46 economic revitalization area.

47 (5) Whether the totality of benefits is sufficient to justify the
48 deduction.

49 A designating body may not designate an area an economic
50 revitalization area or approve a deduction under this section unless the

1 findings required by this subsection are made in the affirmative.

2 (f) Except as otherwise provided in this section, the owner of an
3 eligible vacant building located in an economic revitalization area is
4 entitled to a deduction from the assessed value of the building if the
5 property owner or a tenant of the property owner occupies the eligible
6 vacant building and uses it for commercial or industrial purposes. The
7 property owner is entitled to the deduction:

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

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

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

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

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

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

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

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

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

37 (i) ~~The percentage to be used in calculating the deduction under~~
38 ~~subsection (h) is as follows:~~

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

46 (j) (i) The amount of the deduction determined under subsection (h)
47 shall be adjusted in accordance with this subsection in the following
48 circumstances:

49 (1) If:

50 (A) a general reassessment of real property under IC 6-1.1-4-4;

- 1 or
 2 (B) a reassessment under a county's reassessment plan
 3 prepared under IC 6-1.1-4-4.2;
 4 occurs within the period of the deduction, the amount of the
 5 assessed value determined under subsection (h)(1) shall be
 6 adjusted to reflect the percentage increase or decrease in assessed
 7 valuation that resulted from the reassessment.
 8 (2) If an appeal of an assessment is approved and results in a
 9 reduction of the assessed value of the property, the amount of a
 10 deduction under this section shall be adjusted to reflect the
 11 percentage decrease that resulted from the appeal.
 12 ~~(k) The maximum amount of a deduction under this section may not~~
 13 ~~exceed the lesser of:~~
 14 ~~(1) the annual amount for which the eligible vacant building was~~
 15 ~~offered for lease or rent by the owner or a previous owner during~~
 16 ~~the period the eligible vacant building was unoccupied; or~~
 17 ~~(2) an amount, as determined by the designating body in its~~
 18 ~~discretion, that is equal to the annual amount for which similar~~
 19 ~~buildings in the county or contiguous counties were leased or~~
 20 ~~rented or offered for lease or rent during the period the eligible~~
 21 ~~vacant building was unoccupied.~~
 22 ~~(j) The department of local government finance may adopt rules~~
 23 ~~under IC 4-22-2 to implement this section.~~
 24 SECTION 13. IC 6-1.1-12.1-5, AS AMENDED BY P.L.146-2008,
 25 SECTION 124, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) A property owner who desires
 27 to obtain the deduction provided by section 3 of this chapter must file
 28 a certified deduction application, on forms prescribed by the
 29 department of local government finance, with the auditor of the county
 30 in which the property is located. Except as otherwise provided in
 31 subsection (b) or (e), the deduction application must be filed before
 32 May 10 of the year in which the addition to assessed valuation is made.
 33 (b) If notice of the addition to assessed valuation or new assessment
 34 for any year is not given to the property owner before April 10 of that
 35 year, the deduction application required by this section may be filed not
 36 later than thirty (30) days after the date such a notice is mailed to the
 37 property owner at the address shown on the records of the township or
 38 county assessor.
 39 (c) The deduction application required by this section must contain
 40 the following information:
 41 (1) The name of the property owner.
 42 (2) A description of the property for which a deduction is claimed
 43 in sufficient detail to afford identification.
 44 (3) The assessed value of the improvements before rehabilitation.
 45 (4) The increase in the assessed value of improvements resulting
 46 from the rehabilitation.
 47 (5) The assessed value of the new structure in the case of
 48 redevelopment.
 49 (6) The amount of the deduction claimed for the first year of the
 50 deduction.

- 1 (7) If the deduction application is for a deduction in a
2 residentially distressed area, the assessed value of the
3 improvement or new structure for which the deduction is claimed.
- 4 (d) A deduction application filed under subsection (a) or (b) is
5 applicable for the year in which the addition to assessed value or
6 assessment of a new structure is made and in the following years the
7 deduction is allowed without any additional deduction application
8 being filed. ~~However, property owners who had an area designated an~~
9 ~~urban development area pursuant to a deduction application filed prior~~
10 ~~to January 1, 1979, are only entitled to a deduction for a five (5) year~~
11 ~~period. In addition, property owners who are entitled to a deduction~~
12 ~~under this chapter pursuant to a deduction application filed after~~
13 ~~December 31, 1978, and before January 1, 1986, are entitled to a~~
14 ~~deduction for a ten (10) year period.~~
- 15 (e) A property owner who desires to obtain the deduction provided
16 by section 3 of this chapter but who has failed to file a deduction
17 application within the dates prescribed in subsection (a) or (b) may file
18 a deduction application between March 1 and May 10 of a subsequent
19 year which shall be applicable for the year filed and the subsequent
20 years without any additional deduction application being filed for the
21 amounts of the deduction which would be applicable to such years
22 pursuant to section 4 of this chapter if such a deduction application had
23 been filed in accordance with subsection (a) or (b).
- 24 (f) Subject to subsection (i), the county auditor shall act as follows:
25 (1) If a determination about the number of years the deduction is
26 allowed has been made in the resolution adopted under section
27 2.5 of this chapter, the county auditor shall make the appropriate
28 deduction.
29 (2) If a determination about the number of years the deduction is
30 allowed has not been made in the resolution adopted under
31 section 2.5 of this chapter, the county auditor shall send a copy of
32 the deduction application to the designating body. Upon receipt
33 of the resolution stating the number of years the deduction will be
34 allowed, the county auditor shall make the appropriate deduction.
- 35 (3) If the deduction application is for rehabilitation or
36 redevelopment in a residentially distressed area, the county
37 auditor shall make the appropriate deduction.
- 38 (g) The amount and period of the deduction provided for property
39 by section 3 of this chapter are not affected by a change in the
40 ownership of the property if the new owner of the property:
41 (1) continues to use the property in compliance with any
42 standards established under section 2(g) of this chapter; and
43 (2) files an application in the manner provided by subsection (e).
- 44 (h) The township or county assessor shall include a notice of the
45 deadlines for filing a deduction application under subsections (a) and
46 (b) with each notice to a property owner of an addition to assessed
47 value or of a new assessment.
- 48 (i) Before the county auditor acts under subsection (f), the county
49 auditor may request that the township assessor of the township in
50 which the property is located, or the county assessor if there is no

1 township assessor for the township, review the deduction application.

2 (j) A property owner may appeal a determination of the county
3 auditor under subsection (f) to deny or alter the amount of the
4 deduction by requesting in writing a preliminary conference with the
5 county auditor not more than forty-five (45) days after the county
6 auditor gives the person notice of the determination. An appeal
7 initiated under this subsection is processed and determined in the same
8 manner that an appeal is processed and determined under IC 6-1.1-15.

9 SECTION 14. IC 6-1.1-12.1-5.1, AS AMENDED BY P.L.193-2005,
10 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2013]: Sec. 5.1. (a) This subsection applies to

12 ~~(1)~~ all deductions under section 3 of this chapter for property
13 located in a residentially distressed area. ~~and~~

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

16 In addition to the requirements of section 5(c) of this chapter, a
17 deduction application filed under section 5 of this chapter must contain
18 information showing the extent to which there has been compliance
19 with the statement of benefits approved under section 3 of this chapter.
20 ~~Failure to comply with a statement of benefits approved before July 1,~~
21 ~~1991, may not be a basis for rejecting a deduction application.~~

22 (b) This subsection applies to each deduction (other than a
23 deduction for property located in a residentially distressed area) for
24 which a statement of benefits was approved under section 3 of this
25 chapter. ~~after June 30, 1991.~~ In addition to the requirements of section
26 5(c) of this chapter, a property owner who files a deduction application
27 under section 5 of this chapter must provide the county auditor and the
28 designating body with information showing the extent to which there
29 has been compliance with the statement of benefits approved under
30 section 3 of this chapter. This information must be included in the
31 deduction application and must also be updated each year in which the
32 deduction is applicable at the same time that the property owner is
33 required to file a personal property tax return in the taxing district in
34 which the property for which the deduction was granted is located. If
35 the taxpayer does not file a personal property tax return in the taxing
36 district in which the property is located, the information must be
37 provided before May 15.

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

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

41 (2) The location and description of the property for which the
42 deduction was granted.

43 (3) Any information concerning the number of employees at the
44 property for which the deduction was granted, including estimated
45 totals that were provided as part of the statement of benefits.

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

49 (5) Any information concerning the assessed value of the
50 property, including estimates that were provided as part of the

- 1 statement of benefits.
- 2 (d) The following information is confidential if filed under this
3 section:
- 4 (1) Any information concerning the specific salaries paid to
5 individual employees by the property owner.
- 6 (2) Any information concerning the cost of the property.
- 7 SECTION 15. IC 6-1.1-12.1-5.4, AS AMENDED BY P.L.146-2008,
8 SECTION 126, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE JULY 1, 2013]: Sec. 5.4. (a) A person that desires to
10 obtain the deduction provided by section 4.5 of this chapter must file
11 a certified deduction schedule with the person's personal property
12 return on a form prescribed by the department of local government
13 finance with the township assessor of the township in which the new
14 manufacturing equipment, new research and development equipment,
15 new logistical distribution equipment, or new information technology
16 equipment is located, or with the county assessor if there is no
17 township assessor for the township. Except as provided in subsection
18 (e), the deduction is applied in the amount claimed in a certified
19 schedule that a person files with:
- 20 (1) a timely personal property return under IC 6-1.1-3-7(a) or
21 IC 6-1.1-3-7(b); or
22 (2) a timely amended personal property return under
23 IC 6-1.1-3-7.5.
- 24 The township or county assessor shall forward to the county auditor a
25 copy of each certified deduction schedule filed under this subsection.
26 The township assessor shall forward to the county assessor a copy of
27 each certified deduction schedule filed with the township assessor
28 under this subsection.
- 29 (b) The deduction schedule required by this section must contain the
30 following information:
- 31 (1) The name of the owner of the new manufacturing equipment,
32 new research and development equipment, new logistical
33 distribution equipment, or new information technology
34 equipment.
- 35 (2) A description of the new manufacturing equipment, new
36 research and development equipment, new logistical distribution
37 equipment, or new information technology equipment.
- 38 (3) The amount of the deduction claimed for the first year of the
39 deduction.
- 40 (c) ~~This subsection applies to a deduction schedule with respect to~~
41 ~~new manufacturing equipment, new research and development~~
42 ~~equipment, new logistical distribution equipment, or new information~~
43 ~~technology equipment for which a statement of benefits was initially~~
44 ~~approved after April 30, 1991.~~ If a determination about the number of
45 years the deduction is allowed has not been made in the resolution
46 adopted under section 2.5 of this chapter, the county auditor shall ~~send~~
47 ~~a copy of the deduction schedule to~~ **notify** the designating body, and
48 the designating body shall adopt a resolution under section ~~4.5(f)(2)~~
49 **4.5(e)(2)** of this chapter.
- 50 (d) A deduction schedule must be filed under this section in the year

1 in which the new manufacturing equipment, new research and
 2 development equipment, new logistical distribution equipment, or new
 3 information technology equipment is installed and in each of the
 4 immediately succeeding years the deduction is allowed.

5 (e) The township assessor, or the county assessor if there is no
 6 township assessor for the township, may:

7 (1) review the deduction schedule; and

8 (2) before the March 1 that next succeeds the assessment date for
 9 which the deduction is claimed, deny or alter the amount of the
 10 deduction.

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

20 (f) If the ownership of new manufacturing equipment, new research
 21 and development equipment, new logistical distribution equipment, or
 22 new information technology equipment changes, the deduction
 23 provided under section 4.5 of this chapter continues to apply to that
 24 equipment if the new owner:

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

27 (2) files the deduction schedules required by this section.

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

32 (h) A person may appeal a determination of the township or county
 33 assessor under subsection (e) to deny or alter the amount of the
 34 deduction by requesting in writing a preliminary conference with the
 35 township or county assessor not more than forty-five (45) days after the
 36 township or county assessor gives the person notice of the
 37 determination. Except as provided in subsection (i), an appeal initiated
 38 under this subsection is processed and determined in the same manner
 39 that an appeal is processed and determined under IC 6-1.1-15.

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

43 SECTION 16. IC 6-1.1-12.1-5.6, AS AMENDED BY P.L.1-2006,
 44 SECTION 134, IS AMENDED TO READ AS FOLLOWS
 45 [EFFECTIVE JULY 1, 2013]: Sec. 5.6. (a) ~~This subsection applies to~~
 46 ~~a property owner whose statement of benefits was approved under~~
 47 ~~section 4.5 of this chapter before July 1, 1991. In addition to the~~
 48 ~~requirements of section 5.4(b) of this chapter, a deduction schedule~~
 49 ~~filed under section 5.4 of this chapter must contain information~~
 50 ~~showing the extent to which there has been compliance with the~~

1 statement of benefits approved under section 4.5 of this chapter.
 2 Failure to comply with a statement of benefits approved before July 1,
 3 1991, may not be a basis for rejecting a deduction schedule.

4 (b) This subsection applies to a property owner whose statement of
 5 benefits was approved under section 4.5 of this chapter after June 30,
 6 1991. (a) In addition to the requirements of section 5.4(b) of this
 7 chapter, a property owner who files a deduction schedule under section
 8 5.4 of this chapter must provide the county auditor and the designating
 9 body with information showing the extent to which there has been
 10 compliance with the statement of benefits approved under section 4.5
 11 of this chapter.

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

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

15 (2) The location and description of the new manufacturing
 16 equipment, new research and development equipment, new
 17 logistical distribution equipment, or new information technology
 18 equipment for which the deduction was granted.

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

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

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

31 (6) Any information concerning the assessed value of the new
 32 manufacturing equipment, new research and development
 33 equipment, new logistical distribution equipment, or new
 34 information technology equipment including estimates that were
 35 provided as part of the statement of benefits.

36 (d) (c) The following information is confidential if filed under this
 37 section:

38 (1) Any information concerning the specific salaries paid to
 39 individual employees by the owner of the new manufacturing
 40 equipment, new research and development equipment, new
 41 logistical distribution equipment, or new information technology
 42 equipment.

43 (2) Any information concerning the cost of the new
 44 manufacturing equipment, new research and development
 45 equipment, new logistical distribution equipment, or new
 46 information technology equipment.

47 SECTION 17. IC 6-1.1-12.1-5.9, AS AMENDED BY P.L.146-2008,
 48 SECTION 128, IS AMENDED TO READ AS FOLLOWS
 49 [EFFECTIVE JULY 1, 2013]: Sec. 5.9. (a) This section does not apply
 50 to

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

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

5 (b) Not later than forty-five (45) days after receipt of the information
6 described in section 5.1, 5.3(j), or 5.6 of this chapter, the designating
7 body may determine whether the property owner has substantially
8 complied with the statement of benefits approved under section 3, 4.5,
9 or 4.8 of this chapter. If the designating body determines that the
10 property owner has not substantially complied with the statement of
11 benefits and that the failure to substantially comply was not caused by
12 factors beyond the control of the property owner (such as declines in
13 demand for the property owner's products or services), the designating
14 body shall mail a written notice to the property owner. The written
15 notice must include the following provisions:

16 (1) An explanation of the reasons for the designating body's
17 determination.

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

23 (c) On the date specified in the notice described in subsection
24 (b)(2), the designating body shall conduct a hearing for the purpose of
25 further considering the property owner's compliance with the statement
26 of benefits. Based on the information presented at the hearing by the
27 property owner and other interested parties, the designating body shall
28 again determine whether the property owner has made reasonable
29 efforts to substantially comply with the statement of benefits and
30 whether any failure to substantially comply was caused by factors
31 beyond the control of the property owner. If the designating body
32 determines that the property owner has not made reasonable efforts to
33 comply with the statement of benefits, the designating body shall adopt
34 a resolution terminating the property owner's deduction under section
35 3, 4.5, or 4.8 of this chapter. If the designating body adopts such a
36 resolution, the deduction does not apply to the next installment of
37 property taxes owed by the property owner or to any subsequent
38 installment of property taxes.

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

42 (1) the property owner;

43 (2) the county auditor; and

44 (3) the county assessor.

45 The county auditor shall remove the deduction from the tax duplicate
46 and shall notify the county treasurer of the termination of the
47 deduction. If the designating body's resolution is adopted after the
48 county treasurer has mailed the statement required by IC 6-1.1-22-8.1,
49 the county treasurer shall immediately mail the property owner a
50 revised statement that reflects the termination of the deduction.

1 (e) A property owner whose deduction is terminated by the
 2 designating body under this section may appeal the designating body's
 3 decision by filing a complaint in the office of the clerk of the circuit or
 4 superior court together with a bond conditioned to pay the costs of the
 5 appeal if the appeal is determined against the property owner. An
 6 appeal under this subsection shall be promptly heard by the court
 7 without a jury and determined within thirty (30) days after the time of
 8 the filing of the appeal. The court shall hear evidence on the appeal and
 9 may confirm the action of the designating body or sustain the appeal.
 10 The judgment of the court is final and conclusive unless an appeal is
 11 taken as in other civil actions.

12 (f) If an appeal under subsection (e) is pending, the taxes resulting
 13 from the termination of the deduction are not due until after the appeal
 14 is finally adjudicated and the termination of the deduction is finally
 15 determined.

16 SECTION 18. IC 6-1.1-12.1-11.3, AS AMENDED BY
 17 P.L.173-2011, SECTION 7, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2013]: Sec. 11.3. (a) This section applies only
 19 to the following requirements:

20 (1) Failure to provide the completed statement of benefits form to
 21 the designating body before the hearing required by section 2.5(c)
 22 of this chapter.

23 (2) Failure to submit the completed statement of benefits form to
 24 the designating body before the:

25 (A) initiation of the redevelopment or rehabilitation;

26 (B) installation of new manufacturing equipment, new
 27 research and development equipment, new logistical
 28 distribution equipment, or new information technology
 29 equipment; or

30 (C) occupation of an eligible vacant building;

31 for which the person desires to claim a deduction under this
 32 chapter.

33 (3) Failure to designate an area as an economic revitalization area
 34 before the initiation of the:

35 (A) redevelopment;

36 (B) installation of new manufacturing equipment, new
 37 research and development equipment, new logistical
 38 distribution equipment, or new information technology
 39 equipment;

40 (C) rehabilitation; or

41 (D) occupation of an eligible vacant building;

42 for which the person desires to claim a deduction under this
 43 chapter.

44 (4) Failure to make the required findings of fact before
 45 designating an area as an economic revitalization area or
 46 authorizing a deduction for new manufacturing equipment, new
 47 research and development equipment, new logistical distribution
 48 equipment, or new information technology equipment under
 49 section 2, 3, 4.5, or 4.8 of this chapter.

50 (5) Failure to file a:

- 1 (A) timely; or
 2 (B) complete;
 3 deduction application under section 5, 5.3, or 5.4 of this chapter.
 4 ~~(6) Failure to designate an area as a designated downtown area~~
 5 ~~under section 16 of this chapter before enhancing a deduction~~
 6 ~~under section 16 of this chapter.~~

7 (b) This section does not grant a designating body the authority to
 8 exempt a person from filing a statement of benefits or exempt a
 9 designating body from making findings of fact.

10 (c) A designating body may by resolution waive noncompliance
 11 described under subsection (a) under the terms and conditions specified
 12 in the resolution. Before adopting a waiver under this subsection, the
 13 designating body shall conduct a public hearing on the waiver.

14 SECTION 19. IC 6-1.1-12.1-16 IS REPEALED [EFFECTIVE JULY
 15 1, 2013]. Sec. 16: (a) This section applies to property that is the subject
 16 of a deduction application filed after June 30, 2011, if:

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

22 (2) as a condition of obtaining a deduction under this chapter, the
 23 deduction applicant agrees to invest at least ten million dollars
 24 (\$10,000,000) in property that is eligible for a deduction under
 25 this chapter;

26 (3) property that is the subject of a deduction application consists
 27 of a proposed rehabilitation of property in a designated downtown
 28 area; or

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

31 (A) the average annualized unemployment rate in each of the
 32 two (2) calendar years immediately preceding the current
 33 calendar year exceeded the statewide average annualized
 34 unemployment rate for each of the same calendar years by at
 35 least two percent (2%); or

36 (B) the average annualized unemployment rate in the
 37 immediately preceding calendar year was at least double the
 38 statewide average annualized unemployment rate for the same
 39 period;

40 as determined by the department of workforce development.

41 (b) A designating body may enhance under this section the
 42 deduction schedule that would otherwise apply to tangible property
 43 described in subsection (a) to provide a deduction equal to one hundred
 44 percent (100%) of the gross assessed value of property for up to three
 45 (3) consecutive years, beginning with the first year that the property is
 46 eligible for a deduction under this chapter. If the deduction application
 47 is for a deduction under section 4.8 of this chapter, the designating
 48 body may extend under this section the maximum term of the
 49 deduction from two (2) to three (3) years.

50 (c) A designating body may enhance the deduction as provided in

1 subsection (b) in the resolution designating the number of years to
 2 which a deduction allowed under section 3, 4.5, or 4.8 of this chapter
 3 applies. The designating body may grant an enhancement under the
 4 terms and conditions specified in the resolution. Before adopting a
 5 resolution under this subsection, the designating body shall conduct a
 6 public hearing on the resolution. Notice of the public hearing shall be
 7 published in accordance with IC 5-3-1. In addition, the designating
 8 body shall notify each taxing unit within the taxing district where the
 9 property is or will be located of the proposed resolution, including the
 10 date and time of the public hearing. If a resolution is adopted under this
 11 section, the designating body shall deliver a copy of the adopted
 12 resolution to the:

13 (1) county auditor; and

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

17 (d) A public hearing or resolution under this section may be
 18 combined with any other public hearing or resolution required under
 19 this chapter.

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

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

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

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

36 SECTION 20. IC 6-1.1-12.1-17, AS ADDED BY P.L.173-2011,
 37 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2013]: Sec. 17. (a) A designating body may provide to a
 39 business that is established in or relocated to a revitalization area and
 40 that receives a deduction under section 4 or 4.5 of this chapter an
 41 ~~alternative~~ abatement schedule based on the following factors:

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

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

45 (3) The average wage of the new employees compared to the state
 46 minimum wage.

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

48 (b) **This subsection applies to a statement of benefits approved**
 49 **after June 30, 2013. A designating body shall establish an**
 50 **abatement schedule for each deduction allowed under this chapter.**

1 An alternative abatement schedule must specify the percentage amount
 2 of the deduction for each year of the deduction. An alternative
 3 abatement schedule may not exceed ten (10) years.

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

8 SECTION 21. IC 6-1.1-20.6-1.2 IS ADDED TO THE INDIANA
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS
 10 [EFFECTIVE JANUARY 1, 2014]: **Sec. 1.2. (a) This section applies**
 11 **to credit determinations after 2013.**

12 **(b) As used in this chapter, "common areas" means any of the**
 13 **following:**

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

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

25 SECTION 22. IC 6-1.1-20.6-4, AS AMENDED BY P.L.131-2008,
 26 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2014]: Sec. 4. As used in this chapter, "residential
 28 property" refers to real property that consists of any of the following:

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

32 (2) Real property that consists of:

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

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

37 (C) the land ~~not exceeding the area of the building footprint,~~
 38 on which the building is located.

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

42 SECTION 23. IC 6-1.1-26-5, AS AMENDED BY P.L.120-2012,
 43 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 44 JULY 1, 2013]: Sec. 5. (a) When a claim for refund filed under section
 45 1 of this chapter is allowed either by the county board of
 46 commissioners, the department of local government finance, the
 47 Indiana board, or the Indiana tax court on appeal, the claimant is
 48 entitled to a refund. The amount of the refund shall equal the amount
 49 of the claim so allowed plus, with respect to claims for refund filed
 50 after December 31, 2001, interest at the rate established for excess tax
 51 payments by the commissioner of the department of state revenue

1 under IC 6-8.1-10-1 from the date on which the taxes were paid or
 2 payable, whichever is later, to the date of the refund. **The interest shall**
 3 **be computed using the rate in effect for each particular year**
 4 **covered by the refund.** The county auditor shall, without an
 5 appropriation being required, issue a warrant to the claimant payable
 6 from the county general fund for the amount due the claimant under
 7 this section.

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

17 SECTION 24. IC 6-1.1-37-9, AS AMENDED BY P.L.120-2012,
 18 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2013]: Sec. 9. (a) This section applies when:

20 (1) an assessment is made or increased after the date or dates on
 21 which the taxes for the year for which the assessment is made
 22 were originally due;

23 (2) the assessment upon which a taxpayer has been paying taxes
 24 under IC 6-1.1-15-10(a)(1) or IC 6-1.1-15-10(a)(2) while a
 25 petition for review or a judicial proceeding has been pending is
 26 less than the assessment that results from the final determination
 27 of the petition for review or judicial proceeding; or

28 (3) the collection of certain ad valorem property taxes has been
 29 enjoined under IC 33-26-6-2, and under the final determination of
 30 the petition for judicial review the taxpayer is liable for at least
 31 part of those taxes.

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

38 (1) the date of payment; or

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

41 whichever occurs first. **The interest shall be computed using the rate**
 42 **in effect for each particular year in which the interest accrued.**

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

- 1 (1) the date of payment; or
 2 (2) the date on which penalties for the late payment of a tax
 3 installment may be charged under subsection (e) or (f);
 4 whichever occurs first.
- 5 (d) With respect to an action or determination described in
 6 subsection (a), the taxpayer shall pay the taxes resulting from that
 7 action or determination and the interest prescribed under subsection (b)
 8 or (c) on or before:
 9 (1) the next May 10; or
 10 (2) the next November 10;
 11 whichever occurs first.
- 12 (e) A taxpayer shall, to the extent that the penalty is not waived
 13 under section 10.1 or 10.7 of this chapter, begin paying the penalty
 14 prescribed in section 10 of this chapter on the day after the date for
 15 payment prescribed in subsection (d) if:
 16 (1) the taxpayer has not paid the amount of taxes resulting from
 17 the action or determination; and
 18 (2) the taxpayer either:
 19 (A) received notice of the taxes the taxpayer is required to pay
 20 as a result of the action or determination at least thirty (30)
 21 days before the date for payment; or
 22 (B) voluntarily signed and filed an assessment return for the
 23 taxes.
- 24 (f) If subsection (e) does not apply, a taxpayer who has not paid the
 25 amount of taxes resulting from the action or determination shall, to the
 26 extent that the penalty is not waived under section 10.1 or 10.7 of this
 27 chapter, begin paying the penalty prescribed in section 10 of this
 28 chapter on:
 29 (1) the next May 10 which follows the date for payment
 30 prescribed in subsection (d); or
 31 (2) the next November 10 which follows the date for payment
 32 prescribed in subsection (d);
 33 whichever occurs first.
- 34 (g) A taxpayer is not subject to the payment of interest on real
 35 property assessments under subsection (b) or (c) if:
 36 (1) an assessment is made or increased after the date or dates on
 37 which the taxes for the year for which the assessment is made
 38 were due;
 39 (2) the assessment or the assessment increase is made as the result
 40 of error or neglect by the assessor or by any other official
 41 involved with the assessment of property or the collection of
 42 property taxes; and
 43 (3) the assessment:
 44 (A) would have been made on the normal assessment date if
 45 the error or neglect had not occurred; or
 46 (B) increase would have been included in the assessment on
 47 the normal annual assessment date if the error or neglect had
 48 not occurred.
- 49 SECTION 25. IC 6-1.1-37-11, AS AMENDED BY SEA 85-2013,
 50 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JULY 1, 2013]: Sec. 11. (a) If a taxpayer is entitled to a property tax
 2 refund or credit because an assessment is decreased, the taxpayer shall
 3 also be paid, or credited with, interest on the excess taxes that the
 4 taxpayer paid at the rate of ~~four percent (4%) per annum~~; **established**
 5 **for excess tax payments by the commissioner of the department of**
 6 **state revenue under IC 6-8.1-10-1.** However, in the case of an
 7 assessment that is decreased by the Indiana board or the Indiana tax
 8 court, the taxpayer is not entitled to the greater of five hundred dollars
 9 (\$500) or twenty percent (20%) of the interest to which the taxpayer
 10 would otherwise be entitled on the excess taxes unless the taxpayer
 11 affirms, under penalty of perjury, that substantive evidence supporting
 12 the taxpayer's position had been:

13 (1) presented by the taxpayer to the assessor before; or

14 (2) introduced by the taxpayer at;

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

20 (b) For purposes of this section and except as provided in subsection
 21 (c), the interest shall be computed:

22 (1) from the date on which the taxes were paid or due, whichever
 23 is later, to the date of the refund or credit; **and**

24 (2) **using the rate in effect under IC 6-8.1-10-1 for each**
 25 **particular year covered by the refund or credit.**

26 If a taxpayer is sent a provisional tax statement and is later sent a final
 27 or reconciling tax statement, interest shall be computed after the date
 28 on which the taxes were paid or first due under the provisional tax
 29 statement, whichever is later, through the date of the refund or credit.

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

44 SECTION 26. IC 6-1.1-43-1, AS AMENDED BY P.L.229-2005,
 45 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 46 JANUARY 1, 2014]: Sec. 1. This chapter applies to the following
 47 economic development incentive programs:

48 (1) Grants and loans provided by the Indiana economic
 49 development corporation under IC 5-28 or the office of tourism
 50 development under IC 5-29.

1 (2) Incentives provided in an economic revitalization area under
2 IC 6-1.1-12.1.

3 (3) Incentives provided under IC 6-3.1-13.

4 ~~(4) Incentives provided in an airport development zone under~~
5 ~~IC 8-22-3.5-14.~~

6 SECTION 27. IC 6-1.1-44-7 IS REPEALED [EFFECTIVE
7 JANUARY 1, 2014]. ~~Sec. 7. A taxpayer that obtains a credit under~~
8 ~~IC 6-3.1-25.2 may not obtain a deduction under this chapter in a~~
9 ~~taxable year.~~

10 SECTION 28. IC 6-2.5-4-5, AS AMENDED BY P.L.137-2012,
11 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JANUARY 1, 2014]: Sec. 5. (a) As used in this section, a "power
13 subsidiary" means a corporation which is owned or controlled by one
14 (1) or more public utilities that furnish or sell electrical energy, natural
15 or artificial gas, water, steam, or steam heat and which produces power
16 exclusively for the use of those public utilities.

17 (b) A power subsidiary or a person engaged as a public utility is a
18 retail merchant making a retail transaction when the subsidiary or
19 person furnishes or sells electrical energy, natural or artificial gas,
20 water, steam, or steam heating service to a person for commercial or
21 domestic consumption.

22 (c) Notwithstanding subsection (b), a power subsidiary or a person
23 engaged as a public utility is not a retail merchant making a retail
24 transaction in any of the following transactions:

25 (1) The power subsidiary or person provides, installs, constructs,
26 services, or removes tangible personal property which is used in
27 connection with the furnishing of the services or commodities
28 listed in subsection (b).

29 (2) The power subsidiary or person sells the services or
30 commodities listed in subsection (b) to another public utility or
31 power subsidiary described in this section or a person described
32 in section 6 of this chapter.

33 (3) The power subsidiary or person sells the services or
34 commodities listed in subsection (b) to a person for use in
35 manufacturing, mining, production, processing (after December
36 31, 2012), repairing (after December 31, 2012), refining,
37 recycling (as defined in IC 6-2.5-5-45.8), oil extraction, mineral
38 extraction, irrigation, agriculture, floriculture (after December 31,
39 2012), arboriculture (after December 31, 2012), or horticulture.
40 However, this exclusion for sales of the services and commodities
41 only applies if the services are consumed as an essential and
42 integral part of an integrated process that produces tangible
43 personal property and those sales are separately metered for the
44 excepted uses listed in this subdivision, or if those sales are not
45 separately metered but are predominately used by the purchaser
46 for the excepted uses listed in this subdivision.

47 (4) The power subsidiary or person sells the services or
48 commodities listed in subsection (b) and all the following
49 conditions are satisfied:

50 (A) The services or commodities are sold to a business that:

- 1 ~~after June 30, 2004:~~
- 2 (i) relocates all or part of its operations to a facility; or
- 3 (ii) expands all or part of its operations in a facility;
- 4 located in a military base (as defined in IC 36-7-30-1(c)), a
- 5 military base reuse area established under IC 36-7-30, the part
- 6 of an economic development area established under
- 7 IC 36-7-14.5-12.5 that is or formerly was a military base (as
- 8 defined in IC 36-7-30-1(c)), ~~a military base recovery site~~
- 9 ~~designated under IC 6-3-1-11.5~~, or a qualified military base
- 10 enhancement area established under IC 36-7-34.
- 11 (B) The business uses the services or commodities in the
- 12 facility described in clause (A) not later than five (5) years
- 13 after the operations that are relocated to the facility or
- 14 expanded in the facility commence.
- 15 (C) The sales of the services or commodities are separately
- 16 metered for use by the relocated or expanded operations.
- 17 (D) In the case of a business that uses the services or
- 18 commodities in a qualified military base enhancement area
- 19 established under IC 36-7-34-4(1), the business must satisfy at
- 20 least one (1) of the following criteria:
- 21 (i) The business is a participant in the technology transfer
- 22 program conducted by the qualified military base (as defined
- 23 in IC 36-7-34-3).
- 24 (ii) The business is a United States Department of Defense
- 25 contractor.
- 26 (iii) The business and the qualified military base have a
- 27 mutually beneficial relationship evidenced by a
- 28 memorandum of understanding between the business and
- 29 the United States Department of Defense.
- 30 (E) In the case of a business that uses the services or
- 31 commodities in a qualified military base enhancement area
- 32 established under IC 36-7-34-4(2), the business must satisfy at
- 33 least one (1) of the following criteria:
- 34 (i) The business is a participant in the technology transfer
- 35 program conducted by the qualified military base (as defined
- 36 in IC 36-7-34-3).
- 37 (ii) The business and the qualified military base have a
- 38 mutually beneficial relationship evidenced by a
- 39 memorandum of understanding between the business and
- 40 the qualified military base (as defined in IC 36-7-34-3).
- 41 However, this subdivision does not apply to a business that
- 42 substantially reduces or ceases its operations at another location
- 43 in Indiana in order to relocate its operations in an area described
- 44 in this subdivision, unless the department determines that the
- 45 business had existing operations in the area described in this
- 46 subdivision and that the operations relocated to the area are an
- 47 expansion of the business's operations in the area.
- 48 SECTION 29. IC 6-2.5-5-40, AS ADDED BY P.L.193-2005,
- 49 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 50 JULY 1, 2013]: Sec. 40. (a) As used in this ~~chapter~~, **section**, "research

- 1 and development activities" does not include any of the following:
- 2 (1) Efficiency surveys.
- 3 (2) Management studies.
- 4 (3) Consumer surveys.
- 5 (4) Economic surveys.
- 6 (5) Advertising or promotions.
- 7 (6) Research in connection with literary, historical, or similar
- 8 projects.
- 9 (7) Testing for purposes of quality control.
- 10 (b) As used in this section, "research and development equipment"
- 11 means tangible personal property that:
- 12 (1) consists of or is a combination of:
- 13 (A) laboratory equipment;
- 14 (B) computers;
- 15 (C) computer software;
- 16 (D) telecommunications equipment; or
- 17 (E) testing equipment;
- 18 (2) has not previously been used in Indiana for any purpose; and
- 19 (3) is acquired by the purchaser for the purpose of research and
- 20 development activities devoted directly to experimental or
- 21 laboratory research and development for:
- 22 (A) new products;
- 23 (B) new uses of existing products; or
- 24 (C) improving or testing existing products.
- 25 **(c) As used in this section, "research and development**
- 26 **property" means tangible personal property that:**
- 27 **(1) has not previously been used in Indiana for any purpose;**
- 28 **and**
- 29 **(2) is acquired by the purchaser for the purpose of research**
- 30 **and development activities devoted to experimental or**
- 31 **laboratory research and development for:**
- 32 **(A) new products;**
- 33 **(B) new uses of existing products; or**
- 34 **(C) improving or testing existing products.**
- 35 **(d) A retail transaction:**
- 36 (1) involving research and development equipment; and
- 37 (2) occurring after June 30, 2007, **and before July 1, 2013;**
- 38 is exempt from the state gross retail tax.
- 39 **(e) A retail transaction:**
- 40 **(1) involving research and development property; and**
- 41 **(2) occurring after June 30, 2013;**
- 42 **is exempt from the state gross retail tax.**
- 43 **(f) The exemption provided by subsection (e) applies regardless**
- 44 **of whether the person that acquires the research and development**
- 45 **property is a manufacturer or seller of the new or existing**
- 46 **products specified in subsection (c)(2).**
- 47 **(g) For purposes of this section, a retail transaction shall be**
- 48 **considered as having occurred after June 30, 2013, to the extent**
- 49 **that delivery of the property constituting selling at retail is made**
- 50 **after that date to the purchaser or to the place of delivery**
- 51 **designated by the purchaser. However, a transaction shall be**

1 **considered as having occurred before July 1, 2013, to the extent**
 2 **that the agreement of the parties to the transaction is entered into**
 3 **before July 1, 2013, and payment for the property furnished in the**
 4 **transaction is made before July 1, 2013, notwithstanding the**
 5 **delivery of the property after June 30, 2013. This subsection**
 6 **expires January 1, 2017.**

7 SECTION 30. IC 6-2.5-5-46, AS ADDED BY P.L.153-2012,
 8 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2013]: Sec. 46. (a) For purposes of this section, "aircraft"
 10 refers to an aircraft with a country of registration that is outside the
 11 United States and is:

12 (1) certified by the Federal Aviation Administration as having a
 13 minimum landing weight of at least five thousand (5,000) pounds;

14 or

15 (2) equipped with a turboprop or turbojet power plant.

16 ~~(b)~~ (a) Transactions involving tangible personal property (including
 17 materials, parts, equipment, and engines) are exempt from the state
 18 gross retail tax, if the property is:

19 (1) used;

20 (2) consumed; or

21 (3) installed;

22 in furtherance of, or in, the repair, maintenance, refurbishment,
 23 remodeling, or remanufacturing of an aircraft or an avionics ~~systems~~
 24 **system** of an aircraft.

25 ~~(c)~~ (b) The exemption provided by this section applies to a
 26 transaction only if the retail merchant, at the time of the transaction,
 27 possesses a valid repair station certificate issued by the Federal
 28 Aviation Administration under 14 CFR 145 et seq. or other applicable
 29 law or regulation.

30 SECTION 31. IC 6-2.5-5-49 IS ADDED TO THE INDIANA CODE
 31 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 32 1, 2013]: **Sec. 49. (a) As used in this section, "aviation fuel" refers**
 33 **to:**

34 (1) **gasoline used to power an aircraft;**

35 (2) **jet fuel; or**

36 (3) **a synthetic fuel or fuel derived from any organic matter**
 37 **used as a substitute for a fuel described in subdivision (1) or**

38 (2).

39 (b) **A transaction involving aviation fuel is exempt from the state**
 40 **gross retail tax.**

41 SECTION 32. IC 6-3-2-1.5, AS AMENDED BY P.L.180-2006,
 42 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 43 JANUARY 1, 2014]: Sec. 1.5. (a) As used in this section, "qualified
 44 area" means:

45 (1) a military base (as defined in IC 36-7-30-1(c));

46 (2) a military base reuse area established under IC 36-7-30;

47 (3) the part of an economic development area established under
 48 IC 36-7-14.5-12.5 that is or formerly was a military base (as
 49 defined in IC 36-7-30-1(c)); or

50 ~~(4)~~ a military base recovery site designated under IC 6-3-1-11.5;

51 or

- 1 ~~(5)~~ (4) a qualified military base enhancement area established
2 under IC 36-7-34.
- 3 (b) Except as provided in subsection (e), a tax at the rate of five
4 percent (5%) of adjusted gross income is imposed on that part of the
5 adjusted gross income of a corporation that is derived from sources
6 within a qualified area if the corporation locates all or part of its
7 operations in a qualified area during the taxable year, as determined
8 under subsection (g). The tax rate under this section applies to the
9 taxable year in which the corporation locates its operations in the
10 qualified area and to the next succeeding four (4) taxable years.
- 11 (c) In the case of a corporation that locates all or part of its
12 operations in a qualified military base enhancement area established
13 under IC 36-7-34-4(1), the tax rate imposed under this section applies
14 to the corporation only if the corporation meets at least one (1) of the
15 following criteria:
- 16 (1) The corporation is a participant in the technology transfer
17 program conducted by the qualified military base (as defined in
18 IC 36-7-34-3).
- 19 (2) The corporation is a United States Department of Defense
20 contractor.
- 21 (3) The corporation and the qualified military base have a
22 mutually beneficial relationship evidenced by a memorandum of
23 understanding between the corporation and the United States
24 Department of Defense.
- 25 (d) In the case of a business that uses the services or commodities
26 in a qualified military base enhancement area established under
27 IC 36-7-34-4(2), the business must satisfy at least one (1) of the
28 following criteria:
- 29 (1) The business is a participant in the technology transfer
30 program conducted by the qualified military base (as defined in
31 IC 36-7-34-3).
- 32 (2) The business and the qualified military base have a mutually
33 beneficial relationship evidenced by a memorandum of
34 understanding between the business and the qualified military
35 base (as defined in IC 36-7-34-3).
- 36 (e) A taxpayer is not entitled to the tax rate described in subsection
37 (b) to the extent that the taxpayer substantially reduces or ceases its
38 operations at another location in Indiana in order to relocate its
39 operations within the qualified area, unless:
- 40 (1) the taxpayer had existing operations in the qualified area; and
41 (2) the operations relocated to the qualified area are an expansion
42 of the taxpayer's operations in the qualified area.
- 43 (f) A determination under subsection (e) that a taxpayer is not
44 entitled to the tax rate provided by this section as a result of a
45 substantial reduction or cessation of operations applies to the taxable
46 year in which the substantial reduction or cessation occurs and in all
47 subsequent years. Determinations under this section shall be made by
48 the department of state revenue.
- 49 (g) The department of state revenue:
- 50 (1) shall adopt rules under IC 4-22-2 to establish a procedure for

1 determining the part of a corporation's adjusted gross income that
 2 was derived from sources within a qualified area; and
 3 (2) may adopt other rules that the department considers necessary
 4 for the implementation of this chapter.

5 SECTION 33. IC 6-3.1-1-3, AS AMENDED BY P.L.133-2012,
 6 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 2014]: Sec. 3. A taxpayer (as defined in the following
 8 laws), pass through entity (as defined in the following laws), or
 9 shareholder, partner, or member of a pass through entity may not be
 10 granted more than one (1) tax credit under the following laws for the
 11 same project:

- 12 (1) IC 6-3.1-10 (enterprise zone investment cost credit).
- 13 (2) IC 6-3.1-11 (industrial recovery tax credit).
- 14 ~~(3) IC 6-3.1-11.5 (military base recovery tax credit).~~
- 15 ~~(4) IC 6-3.1-11.6 (military base investment cost credit).~~
- 16 ~~(5) IC 6-3.1-13.5 (capital investment tax credit) (before its~~
 17 ~~expiration on January 1, 2020).~~
- 18 ~~(6) (3) IC 6-3.1-19 (community revitalization enhancement~~
 19 ~~district tax credit).~~
- 20 ~~(7) (4) IC 6-3.1-24 (venture capital investment tax credit).~~
- 21 ~~(8) (5) IC 6-3.1-26 (Hoosier business investment tax credit).~~
- 22 ~~(9) (6) IC 6-3.1-31.9 (Hoosier alternative fuel vehicle~~
 23 ~~manufacturer tax credit).~~

24 If a taxpayer, pass through entity, or shareholder, partner, or member
 25 of a pass through entity has been granted more than one (1) tax credit
 26 for the same project, the taxpayer, pass through entity, or shareholder,
 27 partner, or member of a pass through entity must elect to apply only
 28 one (1) of the tax credits in the manner and form prescribed by the
 29 department.

30 SECTION 34. IC 6-3.1-11-1, AS AMENDED BY P.L.113-2011,
 31 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2013]: Sec. 1. As used in this chapter, "applicable percentage"
 33 means the percentage determined as follows:

- 34 (1) If a plant that is located on an industrial recovery site was
 35 placed in service at least fifteen (15) years ago but less than thirty
 36 (30) years ago, the applicable percentage is fifteen percent (15%).
- 37 (2) If a plant that is located on an industrial recovery site was
 38 placed in service at least thirty (30) years ago but less than forty
 39 (40) years ago, the applicable percentage is twenty percent (20%).
- 40 (3) If a plant that is located on an industrial recovery site was
 41 placed in service at least forty (40) years ago, the applicable
 42 percentage is twenty-five percent (25%).

43 The time that has expired since a plant was placed in service shall be
 44 determined as of the date that an application is filed with the ~~board~~
 45 **corporation** for designation of the location as an industrial recovery
 46 site under this chapter.

47 SECTION 35. IC 6-3.1-11-2 IS REPEALED [EFFECTIVE JULY
 48 1, 2013]. Sec. 2: As used in this chapter, "board" means the board of
 49 the Indiana economic development corporation created under
 50 ~~IC 5-28-4.~~

1 SECTION 36. IC 6-3.1-11-2.5 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2013]: **Sec. 2.5. As used in this chapter,**
 4 **"corporation" refers to the Indiana economic development**
 5 **corporation created under IC 5-28-3 unless the context clearly**
 6 **denotes otherwise.**

7 SECTION 37. IC 6-3.1-11-10 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. As used in this
 9 chapter, "qualified investment" means the amount of the taxpayer's
 10 expenditures for rehabilitation of property located within an industrial
 11 recovery site. ~~under a plan contained in an application approved by the~~
 12 ~~board under section 18 of this chapter. An expenditure for purposes or~~
 13 ~~by persons not covered by such a plan may not be a qualified~~
 14 ~~investment.~~

15 SECTION 38. IC 6-3.1-11-15, AS AMENDED BY P.L.113-2011,
 16 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2013]: Sec. 15. As used in this chapter, "vacant industrial
 18 facility" means a tract of land on which there is located a plant that:

19 (1) has:

20 (A) for taxable years beginning after December 31, 2010, and
 21 beginning before January 1, 2015, at least fifty thousand
 22 (50,000) square feet of floor space; or

23 (B) for taxable years beginning after December 31, 2014, at
 24 least one hundred thousand (100,000) square feet of floor
 25 space; **and**

26 (2) was placed in service at least fifteen (15) years ago. ~~and~~

27 (3) ~~has been vacant for at least one (1) year; unless the tract and~~
 28 ~~the plant are owned by a municipality or a county; in which case~~
 29 ~~the one (1) year requirement does not apply.~~

30 SECTION 39. IC 6-3.1-11-18 IS REPEALED [EFFECTIVE JULY
 31 1, 2013]. ~~Sec. 18: (a) After approval by ordinance or resolution of the~~
 32 ~~legislative body, the executive of any municipality may submit an~~
 33 ~~application to the board requesting that a vacant industrial facility~~
 34 ~~within the municipality be designated as an industrial recovery site.~~
 35 ~~After approval by resolution of the legislative body, the executive of~~
 36 ~~any county may submit an application to the board requesting that a~~
 37 ~~vacant industrial facility within the county, but not within any~~
 38 ~~municipality, be designated as an industrial recovery site. In addition~~
 39 ~~to any other information required by the board, the application shall~~
 40 ~~include a description of the plan proposed by the municipality or~~
 41 ~~county for development and use of the vacant industrial facility.~~

42 (b) ~~If the property described in the application submitted to the~~
 43 ~~board meets the definition of a vacant industrial facility as of the date~~
 44 ~~of filing of the application, the board shall:~~

45 (1) ~~evaluate the application;~~

46 (2) ~~arrive at a decision based on the factors set forth in section 19~~
 47 ~~of this chapter; and~~

48 (3) ~~either designate the property as an industrial recovery site or~~
 49 ~~reject the application.~~

50 (c) ~~If the board determines that:~~

1 (1) a substantial reduction or cessation of operations at a facility
2 in Indiana after January 1, 1987; has created a vacant industrial
3 facility; and

4 (2) the operations formerly located at that facility have been
5 relocated to a specific site or sites outside the United States;

6 the facility may be designated as an industrial recovery site only if it
7 has been donated or sold to the municipality. Such a facility may be
8 designated as an industrial recovery site whether it is owned by the
9 municipality or by a taxpayer who acquired it from the municipality
10 after the donation or sale.

11 SECTION 40. IC 6-3.1-11-19, AS AMENDED BY P.L.146-2008,
12 SECTION 324, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2013]: Sec. 19. The **board corporation** shall
14 consider the following factors in evaluating applications filed under
15 this chapter:

16 (1) The level of distress in the surrounding community caused by
17 the loss of jobs at the vacant industrial facility.

18 (2) The desirability of the intended use of the vacant industrial
19 facility under the plan proposed by the municipality or county and
20 the likelihood that the implementation of the plan will improve
21 the economic and employment conditions in the surrounding
22 community.

23 (3) Evidence of support for the designation by residents,
24 businesses, and private organizations in the surrounding
25 community.

26 (4) Evidence of a commitment by private or governmental
27 entities to provide financial assistance in implementing the plan
28 proposed by the municipality or county, including the application
29 of IC 36-7-12, IC 36-7-13, IC 36-7-14, or IC 36-7-15.1 to assist
30 in the financing of improvements or redevelopment activities
31 benefiting the vacant industrial facility.

32 (5) Evidence of efforts by the municipality or county to
33 implement the proposed plan without additional financial
34 assistance from the state.

35 (6) Whether the industrial recovery site is within an economic
36 revitalization area designated under IC 6-1.1-12.1.

37 SECTION 41. IC 6-3.1-11-20 IS REPEALED [EFFECTIVE JULY
38 1, 2013]. Sec. 20: The board may provide that the industrial recovery
39 site designation is contingent on the development and use of the vacant
40 industrial facility in substantial compliance with the plan described in
41 the application submitted under section 18 of this chapter. The board
42 may revoke its approval of an industrial recovery site designation for
43 failure to comply with these conditions:

44 SECTION 42. IC 6-3.1-11-21 IS AMENDED TO READ AS
45 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 21. A taxpayer is not
46 entitled to claim the credit provided by this chapter to the extent that it
47 if the corporation determines that the taxpayer has substantially
48 reduces reduced or ceases ceased its operations in Indiana in order to
49 relocate them within the industrial recovery site. A determination that
50 a taxpayer is not entitled to the credit provided by this chapter as a

1 result of a substantial reduction or cessation of operations ~~shall apply~~
 2 **applies** to credits that would otherwise arise in the taxable year in
 3 which the substantial reduction or cessation occurs and in all
 4 subsequent years. ~~Determinations under this section shall be made by~~
 5 ~~the board.~~

6 SECTION 43. IC 6-3.1-11-23 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 23. To receive the
 8 credit provided by this chapter, a taxpayer must claim the credit on the
 9 taxpayer's annual state tax return or returns in the manner prescribed
 10 by the department of state revenue. The taxpayer shall submit to the
 11 department of state revenue the certification of the **board corporation**
 12 stating the percentage of credit allowable under this chapter and all
 13 other information that the department determines is necessary for the
 14 calculation of the credit provided by this chapter and for the
 15 determination of whether an expenditure was for a qualified
 16 investment.

17 SECTION 44. IC 6-3.1-11.5 IS REPEALED [EFFECTIVE
 18 JANUARY 1, 2014]. (Military Base Recovery Tax Credit).

19 SECTION 45. IC 6-3.1-11.6 IS REPEALED [EFFECTIVE
 20 JANUARY 1, 2014]. (Military Base Investment Cost Credit).

21 SECTION 46. IC 6-3.1-13.5 IS REPEALED [EFFECTIVE
 22 JANUARY 1, 2014]. (Capital Investment Tax Credit).

23 SECTION 47. IC 6-3.1-24-9, AS AMENDED BY P.L.137-2012,
 24 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2013]: Sec. 9. (a) The total amount of tax credits that may be
 26 ~~allowed~~ **approved by the corporation** under this chapter in a
 27 particular calendar year for qualified investment capital provided
 28 during that calendar year may not exceed twelve million five hundred
 29 thousand dollars (\$12,500,000). ~~The Indiana economic development~~
 30 ~~corporation may not certify a proposed investment plan under section~~
 31 ~~12.5 of this chapter if the proposed investment would result in the total~~
 32 ~~amount of the tax credits certified for the calendar year exceeding~~
 33 ~~twelve million five hundred thousand dollars (\$12,500,000). An~~
 34 amount of an unused credit carried over by a taxpayer from a previous
 35 calendar year may not be considered in determining the amount of
 36 proposed investments that the Indiana economic development
 37 corporation may certify under this chapter.

38 (b) Notwithstanding the other provisions of this chapter, a taxpayer
 39 is not entitled to a credit for providing qualified investment capital to
 40 a qualified Indiana business after December 31, 2016. However, this
 41 subsection may not be construed to prevent a taxpayer from carrying
 42 over to a taxable year beginning after December 31, 2016, an unused
 43 tax credit attributable to an investment occurring before January 1,
 44 2017.

45 SECTION 48. IC 6-3.1-25.2 IS REPEALED [EFFECTIVE
 46 JANUARY 1, 2014]. (Coal Combustion Product Tax Credit).

47 SECTION 49. IC 6-3.1-26-1 IS REPEALED [EFFECTIVE JULY
 48 1, 2013]. Sec. 1. As used in this chapter, "base state tax liability" means
 49 a taxpayer's state tax liability in the taxable year immediately preceding
 50 the taxable year in which a taxpayer makes a qualified investment.

1 SECTION 50. IC 6-3.1-26-4 IS REPEALED [EFFECTIVE JULY
2 1, 2013]. ~~Sec. 4. As used in this chapter, "full-time employee" has the~~
3 ~~meaning set forth in IC 6-3.1-13-4.~~

4 SECTION 51. IC 6-3.1-26-8, AS AMENDED BY P.L.137-2006,
5 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2013]: Sec. 8. (a) As used in this chapter, "qualified
7 investment" means the amount of the taxpayer's expenditures in Indiana
8 for:

9 (1) the purchase of new telecommunications, production,
10 manufacturing, fabrication, assembly, extraction, mining,
11 processing, refining, finishing, distribution, transportation, or
12 logistical distribution equipment;

13 (2) the purchase of new computers and related equipment;

14 (3) costs associated with the modernization of existing
15 telecommunications, production, manufacturing, fabrication,
16 assembly, extraction, mining, processing, refining, finishing,
17 distribution, transportation, or logistical distribution facilities;

18 (4) onsite infrastructure improvements;

19 (5) the construction of new telecommunications, production,
20 manufacturing, fabrication, assembly, extraction, mining,
21 processing, refining, finishing, distribution, transportation, or
22 logistical distribution facilities;

23 (6) costs associated with retooling existing machinery and
24 equipment;

25 (7) costs associated with the construction of special purpose
26 buildings and foundations for use in the computer, software,
27 biological sciences, or telecommunications industry; ~~and~~

28 (8) costs associated with the purchase of machinery, equipment,
29 or special purpose buildings used to make motion pictures or
30 audio productions; ~~and~~

31 **(9) a logistics investment, as described in section 8.5 of this**
32 **chapter;**

33 that are certified by the corporation under this chapter as being eligible
34 for the credit under this chapter.

35 (b) The term does not include property that can be readily moved
36 outside Indiana.

37 SECTION 52. IC 6-3.1-26-8.5 IS ADDED TO THE INDIANA
38 CODE AS A NEW SECTION TO READ AS FOLLOWS
39 [EFFECTIVE JANUARY 1, 2014]: **Sec. 8.5. For purposes of this**
40 **chapter, a "logistics investment" means an expenditure for one (1)**
41 **or more of the following purposes:**

42 **(1) Making an improvement to real property located in**
43 **Indiana that is related to constructing a new, or modernizing**
44 **an existing, transportation or logistical distribution facility.**

45 **(2) Improving the transportation of goods on Indiana**
46 **highways, limited to the following:**

47 **(A) Upgrading terminal facilities that serve tractors (as**
48 **defined in IC 9-13-2-180) and semitrailers (as defined in**
49 **IC 9-13-2-164).**

50 **(B) Improving paved access to terminal facilities.**

51 **(C) Adding new maintenance areas.**

- 1 **(D) Purchasing new shop equipment having a useful life of**
 2 **at least five (5) years, such as diagnostic equipment, oil**
 3 **delivery systems, air compressors, and truck lifts.**
 4 **(3) Improving the transportation of goods by rail, limited to**
 5 **the following:**
 6 **(A) Upgrading or building mainline, secondary, yard, and**
 7 **spur trackage.**
 8 **(B) Upgrading or replacing bridges to obtain higher load**
 9 **bearing capability.**
 10 **(C) Upgrading or replacing grade crossings to increase**
 11 **visibility for motorists, including improvements to**
 12 **roadway surfaces, signage and traffic signals, and signal**
 13 **system upgrades and replacements to meet Federal**
 14 **Railroad Administration Positive Train Control**
 15 **regulations.**
 16 **(D) Upgrading fueling facilities, including upgrading**
 17 **fueling and sanding locomotives or tanks, pumps, piping,**
 18 **containment areas, track pans, lighting, and security.**
 19 **(E) Upgrading team track facilities, including railroad**
 20 **owned warehouses, loading docks, and transfer stations for**
 21 **loading and unloading freight.**
 22 **(F) Upgrading shop facilities, including upgrading**
 23 **structures, inspection pits, drop pits, cranes, employee fall**
 24 **protection, lighting, climate control, and break rooms.**
 25 **(4) Improving the transportation of goods by water, limited to**
 26 **the following:**
 27 **(A) Upgrading or replacing a permanent waterside dock.**
 28 **(B) Upgrading or building a new terminal facility that**
 29 **serves waterborne transportation.**
 30 **(C) Improving paved access to a waterborne terminal**
 31 **facility.**
 32 **(D) Purchasing new equipment having a useful life of at**
 33 **least five (5) years, including diagnostic equipment, an oil**
 34 **delivery system, an air compressor, or a barge lift.**
 35 **(5) Improving the transportation of goods by air, limited to**
 36 **the following:**
 37 **(A) Upgrading or building a new cargo building, apron,**
 38 **hangar, warehouse facility, freight forwarding facility,**
 39 **cross-dock distribution facility, or aircraft maintenance**
 40 **facility.**
 41 **(B) Improving paved access to a terminal or cargo facility.**
 42 **(C) Upgrading a fueling facility.**
 43 **(6) Improving warehousing and logistical capabilities, limited**
 44 **to the following:**
 45 **(A) Upgrading warehousing facilities, including upgrading**
 46 **loading dock doors and loading dock plates, fueling**
 47 **equipment, fueling installations, or dolly drop pads for**
 48 **trailers.**
 49 **(B) Improving logistical distribution by purchasing new**
 50 **equipment, limited to the following:**
 51 **(i) Picking modules (systems of racks, conveyors, and**

- 1 **controllers).**
 2 **(ii) Racking equipment.**
 3 **(iii) Warehouse management systems, including scanning**
 4 **or coding equipment.**
 5 **(iv) Security equipment.**
 6 **(v) Temperature control and monitoring equipment.**
 7 **(vi) Dock levelers and pallet levelers and inverters.**
 8 **(vii) Conveyors and related controllers, scales, and like**
 9 **equipment.**
 10 **(viii) Packaging equipment.**
 11 **(ix) Moving, separating, sorting, and picking equipment.**

12 **A logistics investment does not include an expenditure for**
 13 **maintenance expenses.**

14 SECTION 53. IC 6-3.1-26-14, AS AMENDED BY P.L.199-2005,
 15 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2014]: Sec. 14. The total amount of a tax credit claimed
 17 for a taxable year under this chapter is a percentage determined by the
 18 corporation, not to exceed:

- 19 **(1) ten percent (10%), of the amount of a qualified investment**
 20 **made by the taxpayer in Indiana during that taxable year, if the**
 21 **qualified investment is not a logistics investment; and**
 22 **(2) twenty-five percent (25%) of the amount of a qualified**
 23 **investment made by the taxpayer in Indiana during that**
 24 **taxable year, if the qualified investment is a logistics**
 25 **investment. For purposes of this subdivision, the amount of a**
 26 **qualified investment that is used to determine the credit is**
 27 **limited to the difference of:**

- 28 **(A) the qualified investments made by the taxpayer during**
 29 **the taxable year; minus**
 30 **(B) one hundred five percent (105%) of the average annual**
 31 **qualified investments made by the taxpayer during the two**
 32 **(2) taxable years immediately preceding the taxable year**
 33 **for which the credit is being claimed. However, if the total**
 34 **of the qualified investments for the earlier year of the two**
 35 **(2) year average is zero (0) and the taxpayer has not**
 36 **claimed the credit for a year that precedes that year, the**
 37 **taxpayer shall subtract only one hundred five percent**
 38 **(105%) of the amount of the qualified investments made**
 39 **during the taxable year immediately preceding the taxable**
 40 **year for which the credit is being claimed.**

41 The taxpayer may carry forward any unused credit **as provided in**
 42 **section 15 of this chapter.**

43 SECTION 54. IC 6-3.1-26-15, AS AMENDED BY P.L.199-2005,
 44 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 45 JANUARY 1, 2014]: Sec. 15. (a) A taxpayer may carry forward an
 46 unused credit for the number of years determined by the corporation,
 47 not to exceed nine (9) consecutive taxable years, beginning with the
 48 taxable year after the taxable year in which the taxpayer makes the
 49 qualified investment.

50 (b) The amount that a taxpayer may carry forward to a particular
 51 taxable year under this section equals the unused part of a credit

1 allowed under this chapter.

2 (c) A taxpayer may:

3 (1) claim a tax credit under this chapter for a qualified
4 investment; and

5 (2) carry forward a remainder for one (1) or more different
6 qualified investments;

7 in the same taxable year.

8 (d) ~~The total amount of each tax credit claimed under this chapter
9 may not exceed ten percent (10%) of the qualified investment for
10 which the tax credit is claimed.~~

11 SECTION 55. IC 6-3.1-26-17, AS AMENDED BY P.L.4-2005,
12 SECTION 106, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JANUARY 1, 2014]: Sec. 17. A person that proposes a
14 project to:

15 (1) create new jobs or increase wage levels in Indiana; or

16 (2) **substantially enhance the logistics industry by creating
17 new jobs, preserving existing jobs that otherwise would be
18 lost, increasing wages in Indiana, or improving the overall
19 Indiana economy, in the case of a logistics investment being
20 claimed by the applicant;**

21 may apply to the corporation before the taxpayer makes the qualified
22 investment to enter into an agreement for a tax credit under this
23 chapter. The director shall prescribe the form of the application.

24 SECTION 56. IC 6-3.1-26-18, AS AMENDED BY P.L.1-2006,
25 SECTION 143, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JANUARY 1, 2014]: Sec. 18. After receipt of an
27 application, the corporation may enter into an agreement with the
28 applicant for a credit under this chapter if the corporation determines
29 that all the following conditions exist:

30 (1) The applicant's project will:

31 (A) raise the total earnings of employees of the applicant in
32 Indiana; or

33 (B) **substantially enhance the logistics industry by creating
34 new jobs, preserving existing jobs that otherwise would be
35 lost, increasing wages in Indiana, or improving the overall
36 Indiana economy, in the case of a logistics investment being
37 claimed by the applicant.**

38 (2) The applicant's project is economically sound and will benefit
39 the people of Indiana by increasing opportunities for employment
40 and strengthening the economy of Indiana.

41 (3) Receiving the tax credit is a major factor in the applicant's
42 decision to go forward with the project and not receiving the tax
43 credit will result in the applicant not raising the total earnings of
44 **the applicant's** employees in Indiana, **or other employees in
45 Indiana in the case of a logistics investment being claimed by
46 the applicant.**

47 (4) Awarding the tax credit will result in an overall positive fiscal
48 impact to the state, as certified by the budget agency using the
49 best available data.

50 (5) The credit is not prohibited by section 19 of this chapter.

51 (6) **In the case of a qualified investment that is not being**

1 **claimed as a logistics investment by the applicant**, the average
 2 wage that will be paid by the taxpayer to its employees (excluding
 3 highly compensated employees) at the location after the credit is
 4 given will be at least equal to one hundred fifty percent (150%)
 5 of the hourly minimum wage under IC 22-2-2-4 or its equivalent.

6 SECTION 57. IC 6-3.1-26-20, AS AMENDED BY P.L.4-2005,
 7 SECTION 109, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JANUARY 1, 2014]: Sec. 20. **(a)** The corporation shall
 9 certify the amount of the qualified investment that is eligible for a
 10 credit under this chapter. In determining the credit amount that should
 11 be awarded, the corporation shall grant a credit only for the amount of
 12 the qualified investment that is directly related to:

- 13 **(1) expanding the workforce in Indiana; or**
 14 **(2) substantially enhancing the logistics industry and**
 15 **improving the overall Indiana economy.**

16 **(b) The total amount of credits that the corporation may**
 17 **approve under this chapter for a state fiscal year for all taxpayers**
 18 **for all qualified investments is:**

- 19 **(1) fifty million dollars (\$50,000,000) for credits based on a**
 20 **qualified investment that is not being claimed as a logistics**
 21 **investment; and**
 22 **(2) ten million dollars (\$10,000,000) for credits based on a**
 23 **qualified investment that is being claimed as a logistics**
 24 **investment.**

25 **(c) A person that desires to claim a tax credit for a qualified**
 26 **investment shall file with the department, in the form that the**
 27 **department may prescribe, an application:**

- 28 **(1) stating separately the amount of the credit awards for**
 29 **qualified investments that have been granted to the taxpayer**
 30 **by the corporation that will be claimed as a credit that is**
 31 **covered by:**
 32 **(A) subsection (b)(1); and**
 33 **(B) subsection (b)(2);**
 34 **(2) stating separately the amount sought to be claimed as a**
 35 **credit that is covered by:**
 36 **(A) subsection (b)(1); and**
 37 **(B) subsection (b)(2); and**
 38 **(3) identifying whether the credit will be claimed during the**
 39 **state fiscal year in which the application is filed or the**
 40 **immediately succeeding state fiscal year.**

41 **(d) The department shall separately record the time of filing of**
 42 **each application for a credit award for a qualified investment**
 43 **covered by subsection (b)(1) and for a qualified investment covered**
 44 **by subsection (b)(2) and shall, except as provided in subsection (e),**
 45 **approve the credit to the taxpayer in the chronological order in**
 46 **which the application is filed in the state fiscal year. The**
 47 **department shall promptly notify an applicant whether, or the**
 48 **extent to which, the tax credit is allowable in the state fiscal year**
 49 **proposed by the taxpayer.**

50 **(e) If the total credit awards for qualified investments that are**
 51 **covered by:**

1 **(1) subsection (b)(1); and**
 2 **(2) subsection (b)(2);**
 3 **including carryover credit awards covered by each subsection for**
 4 **a previous state fiscal year, equal the maximum amount allowable**
 5 **in the state fiscal year, an application for such a credit award that**
 6 **is filed later for that same state fiscal year may not be granted by**
 7 **the department. However, if an applicant for which a credit has**
 8 **been awarded and applied for with the department fails to claim**
 9 **the credit, an amount equal to the credit previously applied for but**
 10 **not claimed may be allowed to the next eligible applicant or**
 11 **applicants until the total amount has been allowed.**

12 SECTION 58. IC 6-3.1-26-21, AS AMENDED BY P.L.4-2005,
 13 SECTION 110, IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JANUARY 1, 2014]: Sec. 21. The corporation shall
 15 enter into an agreement with an applicant that is awarded a credit under
 16 this chapter. The agreement must include all the following:

17 (1) A detailed description of the project that is the subject of the
 18 agreement.

19 (2) The first taxable year for which the credit may be claimed.

20 (3) The amount of the taxpayer's state tax liability for each tax in
 21 the taxable year of the taxpayer that immediately preceded the
 22 first taxable year in which the credit may be claimed.

23 (4) The maximum tax credit amount that will be allowed for each
 24 taxable year.

25 (5) A requirement that the taxpayer shall maintain operations at
 26 the project location for at least ten (10) years during the term that
 27 the tax credit is available.

28 (6) A specific method for determining the number of new
 29 employees employed during a taxable year who are performing
 30 jobs not previously performed by an employee.

31 (7) A requirement that the taxpayer shall annually report to the
 32 corporation the number of new employees who are performing
 33 jobs not previously performed by an employee, the average wage
 34 of the new employees, the average wage of all employees at the
 35 location where the qualified investment is made, **if the qualified**
 36 **investment is not being claimed as a logistics investment by**
 37 **the applicant**, and any other information the director needs to
 38 perform the director's duties under this chapter.

39 (8) A requirement that the director is authorized to verify with the
 40 appropriate state agencies the amounts reported under subdivision
 41 (7), and that after doing so shall issue a certificate to the taxpayer
 42 stating that the amounts have been verified.

43 (9) **This subdivision applies only to a qualified investment that**
 44 **is not being claimed as a logistics investment by the applicant.**

45 A requirement that the taxpayer shall pay an average wage to all
 46 its employees other than highly compensated employees in each
 47 taxable year that a tax credit is available that equals at least one
 48 hundred fifty percent (150%) of the hourly minimum wage under
 49 IC 22-2-2-4 or its equivalent.

50 (10) A requirement that the taxpayer will keep the qualified
 51 investment property that is the basis for the tax credit in Indiana

1 for at least the lesser of its useful life for federal income tax
2 purposes or ten (10) years.

3 **(11) This subdivision applies only to a qualified investment**
4 **that is not being claimed as a logistics investment by the**
5 **applicant.** A requirement that the taxpayer will maintain at the
6 location where the qualified investment is made during the term
7 of the tax credit a total payroll that is at least equal to the payroll
8 level that existed before the qualified investment was made.

9 (12) A requirement that the taxpayer shall provide written
10 notification to the director and the corporation not more than
11 thirty (30) days after the taxpayer makes or receives a proposal
12 that would transfer the taxpayer's state tax liability obligations to
13 a successor taxpayer.

14 (13) Any other performance conditions that the corporation
15 determines are appropriate.

16 SECTION 59. IC 6-3.1-26-25, AS AMENDED BY P.L.4-2005,
17 SECTION 113, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JANUARY 1, 2014]: Sec. 25. **(a)** On a biennial basis,
19 the corporation shall provide for an evaluation of the tax credit
20 program. The evaluation must include an assessment of the
21 effectiveness of the program in creating new jobs and increasing wages
22 in Indiana and of the revenue impact of the program and may include
23 a review of the practices and experiences of other states with similar
24 programs. The director shall submit a report on the evaluation to the
25 governor, the president pro tempore of the senate, and the speaker of
26 the house of representatives after June 30 and before November 1 in
27 each odd-numbered year. The report provided to the president pro
28 tempore of the senate and the speaker of the house of representatives
29 must be in an electronic format under IC 5-14-6.

30 **(b) The department shall report, not later than December 15**
31 **each year, to the budget committee concerning the use of the credit**
32 **for logistics investments under this chapter. The report must**
33 **include the following with regard to the previous state fiscal year**
34 **for logistics investments:**

35 **(1) Summary information regarding the taxpayers and the use**
36 **of the credit, including the amount of credits approved, the**
37 **number of taxpayers applying for the credit and claiming the**
38 **credit, the number of employees who are employed in Indiana**
39 **by the taxpayers claiming the credit, the amount and type of**
40 **new qualified expenditures for which the credit was granted,**
41 **the total dollar amount of new credits claimed and the**
42 **average amount of the credit claimed per taxpayer, the**
43 **amount of credits to be carried forward to a subsequent**
44 **taxable year, and the percentage of the total credits claimed**
45 **as compared to the total adjusted gross income of all the**
46 **taxpayers claiming the credit.**

47 **(2) The name and address of each taxpayer claiming the credit**
48 **and the amount of the credit applied for by and granted to**
49 **each taxpayer.**

50 SECTION 60. IC 6-3.1-30-1, AS ADDED BY P.L.193-2005,
51 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JULY 1, 2013]: Sec. 1. As used in this chapter, "corporate
2 headquarters" means the building or buildings where **one (1) or more**
3 **of the following are located:**

4 (1) The principal offices of the principal executive officers of an
5 eligible business. ~~are located.~~

6 (2) **The principal offices of a division or similar subdivision of**
7 **an eligible business.**

8 (3) **A research and development center of an eligible business.**

9 SECTION 61. IC 6-3.1-30-1.5 IS ADDED TO THE INDIANA
10 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2013]: **Sec. 1.5. As used in this chapter,**
12 **"corporation" refers to the Indiana economic development**
13 **corporation created under IC 5-28-3 unless the context clearly**
14 **denotes otherwise.**

15 SECTION 62. IC 6-3.1-30-2, AS AMENDED BY P.L.137-2006,
16 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2013]: Sec. 2. As used in this chapter, "eligible business"
18 means a business that:

19 (1) is engaged in either interstate or intrastate commerce;

20 (2) maintains a corporate headquarters at a location outside
21 Indiana;

22 (3) has not previously maintained a corporate headquarters at a
23 location in Indiana;

24 (4) had annual worldwide revenues of at least ~~one hundred fifty~~
25 million dollars (~~\$100,000,000~~) (**\$50,000,000**) for the taxable year
26 immediately preceding the business's application for a tax credit
27 under section 12 of this chapter; and

28 (5) commits contractually to relocating its corporate headquarters
29 to Indiana.

30 SECTION 63. IC 6-3.1-30-7.5 IS ADDED TO THE INDIANA
31 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
32 [EFFECTIVE JULY 1, 2013]: **Sec. 7.5. The corporation shall do the**
33 **following:**

34 (1) **Evaluate a taxpayer's relocation project for the taxpayer's**
35 **eligibility for a tax credit under this chapter.**

36 (2) **Certify the eligibility of taxpayers that meet the**
37 **requirements for a tax credit under this chapter.**

38 (3) **Determine the percentage used to calculate the amount of**
39 **a tax credit under section 9 of this chapter.**

40 (4) **Certify the information required under section 12 of this**
41 **chapter.**

42 SECTION 64. IC 6-3.1-30-8, AS AMENDED BY P.L.1-2007,
43 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
44 JULY 1, 2013]: Sec. 8. (a) **If the corporation certifies that** a taxpayer:
45 ~~that:~~

46 (1) is an eligible business;

47 (2) completes a qualifying project;

48 (3) incurs relocation costs; and

49 (4) employs at least seventy-five (75) employees in Indiana;

50 **the taxpayer** is entitled to a credit against the taxpayer's state tax
51 liability for the taxable year in which the relocation costs are incurred.

1 The credit allowed under this section is equal to the amount determined
2 under section 9 of this chapter.

3 (b) For purposes of establishing the employment level required by
4 subsection (a)(4), a taxpayer may include:

5 (1) individuals who:

6 (A) were employed in Indiana by the taxpayer before the
7 taxpayer commenced a qualifying project; and

8 (B) remain employed in Indiana after the completion of the
9 taxpayer's qualifying project; and

10 (2) individuals who:

11 (A) were not employed in Indiana by the taxpayer before the
12 taxpayer commenced a qualifying project; and

13 (B) are employed in Indiana by the taxpayer as a result of the
14 completion of the taxpayer's qualifying project.

15 SECTION 65. IC 6-3.1-30-9, AS ADDED BY P.L.193-2005,
16 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2013]: Sec. 9. (a) Subject to subsection (b), the amount of the
18 credit to which a taxpayer is entitled under section 8 of this chapter
19 equals the product of:

20 (1) **a percentage determined by the corporation that may not**
21 **exceed** fifty percent (50%); multiplied by

22 (2) the amount of the taxpayer's relocation costs in the taxable
23 year.

24 (b) The credit to which a taxpayer is entitled under section 8 of this
25 chapter may not reduce the taxpayer's state tax liability below the
26 amount of the taxpayer's state tax liability in the taxable year
27 immediately preceding the taxable year in which the taxpayer first
28 incurred relocation costs.

29 SECTION 66. IC 6-3.1-30-12, AS AMENDED BY P.L.137-2006,
30 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2013]: Sec. 12. To receive the credit provided by this chapter,
32 a taxpayer must claim the credit on the taxpayer's state tax return or
33 returns in the manner prescribed by the department. The taxpayer shall
34 submit to the department **the corporation's certification of the**
35 **following information:**

36 (1) Proof of the taxpayer's relocation costs.

37 (2) Proof that the taxpayer is employing in Indiana the number of
38 employees required by section 8 of this chapter. ~~and~~

39 (3) All other information that the department determines is
40 necessary for the calculation of the credit provided by this
41 chapter.

42 SECTION 67. IC 6-6-13 IS ADDED TO THE INDIANA CODE AS
43 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
44 1, 2013]:

45 **Chapter 13. Aviation Fuel Excise Tax**

46 **Sec. 1. This chapter applies to aviation fuel purchased after**
47 **June 30, 2013.**

48 **Sec. 2. As used in this chapter, "aviation fuel" has the meaning**
49 **set forth in IC 6-2.5-5-49.**

50 **Sec. 3. As used in this chapter, "department" refers to the**
51 **department of state revenue.**

1 **Sec. 4.** As used in this chapter, "person" means a natural
2 person, a partnership, a firm, an association, a corporation, a
3 representative appointed by a court, the state, a political
4 subdivision (as defined in IC 36-1-2-13), or any other entity, group,
5 or syndicate.

6 **Sec. 5.** As used in this chapter, "retailer" means a person that
7 engages in the business of selling or distributing aviation fuel to the
8 end user within Indiana.

9 **Sec. 6. (a)** Except as provided in section 7 of this chapter, an
10 excise tax of ten cents (\$0.10) per gallon is imposed on the gross
11 retail income received by a retailer on each gallon of aviation fuel
12 purchased in Indiana. A retailer shall add the per gallon amount
13 of tax to the selling price of each gallon of aviation fuel sold by the
14 retailer so that the ultimate consumer bears the burden of the tax.

15 **(b)** For purposes of this chapter, the gross retail income received
16 by the retailer from the sale of aviation fuel does not include the
17 amount of any excise tax imposed upon the sale under federal law.

18 **Sec. 7.** The sale of aviation fuel is exempt from the aviation fuel
19 excise tax if the aviation fuel is placed into the fuel supply tank of
20 an aircraft owned by:

- 21 (1) the United States or an agency or instrumentality of the
22 United States;
- 23 (2) the state of Indiana;
- 24 (3) the Indiana Air National Guard; or
- 25 (4) a common carrier of passengers or freight.

26 **Sec. 8.** A person who makes a purchase in a transaction that is
27 exempt from the aviation fuel excise tax under section 7 of this
28 chapter may issue an exemption certificate to the retailer instead
29 of paying the tax. The person shall issue the certificate on forms
30 and in the manner prescribed by the department. A retailer
31 accepting a proper exemption certificate under this section has no
32 duty to collect or remit the aviation fuel excise tax on that
33 purchase.

34 **Sec. 9.** Except as provided in section 11 of this chapter, a retailer
35 shall remit the aviation fuel excise taxes imposed on transactions
36 that occurred during a particular calendar month to the
37 department before the sixteenth day of the following calendar
38 month.

39 **Sec. 10.** A retailer required to remit aviation fuel excise taxes
40 shall remit the taxes due by electronic funds transfer (as defined in
41 IC 4-8.1-2-7) before the date the tax is due under section 9 of this
42 chapter.

43 **Sec. 11.** A retailer who properly remits aviation fuel excise taxes
44 shall be allowed to retain one and six-tenths percent (1.6%) of the
45 taxes to cover the costs of collecting, reporting, and timely
46 remitting aviation fuel excise taxes.

47 **Sec. 12.** The aviation fuel excise taxes a retailer collects on the
48 sale of aviation fuel belong to the state. Except as provided in
49 section 11 of this chapter, a retailer shall hold the money in trust
50 for the state and for payment to the department. A retailer shall
51 report and remit state gross retail and use taxes through the

1 department's online tax filing program. In the case of a
 2 corporation or partnership, each officer, employee, or member of
 3 the employer who is in that capacity is under a duty to collect the
 4 tax, and is personally liable for the tax, penalty, and interest.

5 **Sec. 13. (a) A person who knowingly fails to collect or timely**
 6 **remit tax otherwise required to be paid to the department under**
 7 **section 9 of this chapter is liable for the uncollected tax plus a**
 8 **penalty equal to one hundred percent (100%) of the uncollected**
 9 **tax.**

10 **(b) A person who recklessly, knowingly, or intentionally fails or**
 11 **refuses to pay over to the state the aviation fuel excise tax at the**
 12 **time required in this chapter or who fraudulently withholds or**
 13 **appropriates or otherwise uses the money or any part thereof**
 14 **belonging to the state commits a Class D felony.**

15 **(c) A person who negligently disregards any provision of this**
 16 **chapter is subject to a civil penalty of five hundred dollars (\$500)**
 17 **for each separate occurrence of negligent disregard as determined**
 18 **by the department.**

19 **Sec. 14. The aviation fuel excise tax is a listed tax for purposes**
 20 **of IC 6-8.1.**

21 **Sec. 15. The department shall transfer aviation fuel excise taxes**
 22 **collected under this chapter to the treasurer of state for deposit in**
 23 **the state general fund.**

24 SECTION 68. IC 6-8.1-1-1, AS AMENDED BY P.L.182-2009(ss),
 25 SECTION 247, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2013]: Sec. 1. "Listed taxes" or "taxes" includes
 27 only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the
 28 riverboat admissions tax (IC 4-33-12); the riverboat wagering tax
 29 (IC 4-33-13); the slot machine wagering tax (IC 4-35-8); the type II
 30 gambling game excise tax (IC 4-36-9); the gross income tax (IC 6-2.1)
 31 (repealed); the utility receipts and utility services use taxes (IC 6-2.3);
 32 the state gross retail and use taxes (IC 6-2.5); the adjusted gross income
 33 tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the
 34 county adjusted gross income tax (IC 6-3.5-1.1); the county option
 35 income tax (IC 6-3.5-6); the county economic development income tax
 36 (IC 6-3.5-7); the auto rental excise tax (IC 6-6-9); the financial
 37 institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative
 38 fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor
 39 carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a
 40 reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax
 41 (IC 6-6-5); **the aviation fuel excise tax (IC 6-6-13)**; the commercial
 42 vehicle excise tax (IC 6-6-5.5); the excise tax imposed on recreational
 43 vehicles and truck campers (IC 6-6-5.1); the hazardous waste disposal
 44 tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax
 45 (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax
 46 (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise
 47 tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various
 48 innkeeper's taxes (IC 6-9); the various food and beverage taxes
 49 (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the
 50 regional transportation improvement income tax (IC 8-24-17); the oil
 51 inspection fee (IC 16-44-2); the emergency and hazardous chemical

1 inventory form fee (IC 6-6-10); the penalties assessed for oversized
 2 vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for
 3 overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage
 4 tank fee (IC 13-23); the solid waste management fee (IC 13-20-22);
 5 and any other tax or fee that the department is required to collect or
 6 administer.

7 SECTION 69. IC 6-8.1-9-4 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 4. (a) Every
 9 individual (other than a nonresident) who files an individual income
 10 tax return and who is entitled to a refund from the ~~Indiana~~ department
 11 of **state** revenue because of the overpayment of income tax for a
 12 taxable year may designate on ~~his~~ **the individual's** annual state income
 13 tax return that either a specific amount or all of the refund to which ~~he~~
 14 **the individual** is entitled shall be paid over to **one (1) or more of the**
 15 ~~nongame fund. In the event that the individual designates that a certain~~
 16 ~~amount shall be paid over to the nongame fund and funds described~~
 17 **in subsection (c). If the refund to which he the individual** is entitled
 18 is less than the **total** amount designated ~~such designation shall mean~~
 19 ~~that to be paid over to one (1) or more of the funds described in~~
 20 **subsection (c), all of the refund to which he the individual** is entitled
 21 shall be paid over to the ~~nongame fund:~~ **designated funds, but in an**
 22 **amount or amounts reduced proportionately for each designated**
 23 **fund. If an individual designates all of the refund to which the**
 24 **individual is entitled to be paid over to one (1) or more of the funds**
 25 **described in subsection (c) without designating specific amounts,**
 26 **the refund to which the individual is entitled shall be paid over to**
 27 **each fund described in subsection (c) in an amount equal to the**
 28 **refund divided by the number of funds described in subsection (c),**
 29 **rounded to the lowest cent, with any part of the refund remaining**
 30 **due to the effects of rounding to be deposited in the nongame fund.**

31 (b) Every husband and wife (other than nonresidents) who file a
 32 joint income tax return and who are entitled to a refund from the
 33 ~~Indiana~~ department of **state** revenue because of the overpayment of
 34 income tax for a taxable year may designate on their annual state
 35 income tax return that either a specific amount or all of the refund to
 36 which they are entitled shall be paid over to **one (1) or more of the**
 37 ~~nongame fund. In the event that the husband and wife designate that a~~
 38 ~~certain amount shall be paid over to the nongame fund and funds~~
 39 **described in subsection (c). If the refund to which they a husband**
 40 **and wife** are entitled is less than the **total** amount designated ~~such~~
 41 ~~designation shall mean that to be paid over to one (1) or more of the~~
 42 **funds described in subsection (c), all of the refund to which they the**
 43 **husband and wife** are entitled shall be paid over to the ~~nongame fund:~~
 44 **designated funds, but in an amount or amounts reduced**
 45 **proportionately for each designated fund. If a husband and wife**
 46 **designate all of the refund to which the husband and wife are**
 47 **entitled to be paid over to one (1) or more of the funds described in**
 48 **subsection (c) without designating specific amounts, the refund to**
 49 **which the husband and wife are entitled shall be paid over to each**
 50 **fund described in subsection (c) in an amount equal to the refund**

1 divided by the number of funds described in subsection (c),
 2 rounded to the lowest cent, with any part of the refund remaining
 3 due to the effects of rounding to be deposited in the nongame fund.

4 (c) Designations under subsection (a) or (b) may be directed
 5 only to the following funds:

6 (1) The nongame fund.

7 (2) The state general fund for exclusive use in funding public
 8 education for kindergarten through grade 12.

9 (e) (d) The instructions for the preparation of individual income tax
 10 returns shall contain a description of the purposes of **the following:**

11 (1) The nongame and endangered species program, ~~which is~~ **The**
 12 **description of this program shall be** written in cooperation with
 13 the department of natural resources.

14 (2) **The funding of public education for kindergarten through**
 15 **grade 12. The description of this purpose shall be written in**
 16 **cooperation with the state superintendent of public**
 17 **instruction.**

18 (e) **The department shall interpret a designation on a return**
 19 **under subsection (a) or (b) that is illegible or otherwise not**
 20 **reasonably discernible to the department as if the designation had**
 21 **not been made.**

22 SECTION 70. IC 8-22-3.5-14 IS REPEALED [EFFECTIVE
 23 JANUARY 1, 2014]. Sec. 14. (a) This section applies only to an airport
 24 development zone that is in a:

25 (1) city described in section 1(2) or 1(7) of this chapter; or

26 (2) county described in section 1(3); 1(4); or 1(6) of this chapter.

27 (b) Notwithstanding any other law, a business or an employee of a
 28 business that is located in an airport development zone is entitled to the
 29 benefits provided by the following statutes, as if the business were
 30 located in an enterprise zone:

31 (1) IC 6-3-2-8.

32 (2) IC 6-3-3-10.

33 (3) IC 6-3.1-7.

34 (4) IC 6-3.1-9.

35 (5) IC 6-3.1-10-6.

36 (e) Before June 1 of each year, a business described in subsection
 37 (b) must pay a fee equal to the amount of the fee that is required for
 38 enterprise zone businesses under IC 5-28-15-5(a)(4)(A). However,
 39 notwithstanding IC 5-28-15-5(a)(4)(A), the fee shall be paid into the
 40 debt service fund established under section 9(e)(2) of this chapter. If
 41 the commission determines that a business has failed to pay the fee
 42 required by this subsection, the business is not eligible for any of the
 43 benefits described in subsection (b):

44 (d) A business that receives any of the benefits described in
 45 subsection (b) must use all of those benefits, except for the amount of
 46 the fee required by subsection (c), for its property or employees in the
 47 airport development zone and to assist the commission. If the
 48 commission determines that a business has failed to use its benefits in
 49 the manner required by this subsection, the business is not eligible for
 50 any of the benefits described in subsection (b):

51 (e) If the commission determines that a business has failed to pay

1 the fee required by subsection (e) or has failed to use benefits in the
 2 manner required by subsection (d); the commission shall provide
 3 written notice of the determination to the department of state revenue,
 4 the department of local government finance, and the county auditor.

5 SECTION 71. IC 36-1-8-5.1, AS AMENDED BY HEA 1145-2013,
 6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2013]: Sec. 5.1. (a) A political subdivision may establish a
 8 rainy day fund by the adoption of:

- 9 (1) an ordinance, in the case of a county, city, or town; or
- 10 (2) a resolution, in the case of any other political subdivision.

11 (b) An ordinance or a resolution adopted under this section must
 12 specify the following:

- 13 (1) The purposes of the rainy day fund.
- 14 (2) The sources of funding for the rainy day fund, which may
 15 include the following:

16 (A) Unused and unencumbered funds under:

- 17 (i) section 5 of this chapter;
- 18 (ii) IC 6-3.5-1.1-21.1;
- 19 (iii) IC 6-3.5-6-17.3; or
- 20 (iv) IC 6-3.5-7-17.3.

21 (B) Any other funding source:

- 22 (i) specified in the ordinance or resolution adopted under
 23 this section; and
- 24 (ii) not otherwise prohibited by law.

25 (c) The rainy day fund is subject to the same appropriation process
 26 as other funds that receive tax money.

27 (d) In any fiscal year, a political subdivision may, at any time, do the
 28 following:

- 29 (1) Transfer any unused and unencumbered funds specified in
 30 subsection (b)(2)(A) from any fiscal year to the rainy day fund.
- 31 (2) Transfer any other unobligated cash balances from any fiscal
 32 year that are not otherwise identified in subsection (b)(2)(A) or
 33 section 5 of this chapter to the rainy day fund as long as the
 34 transfer satisfies the following requirements:

35 (A) The amount of the transfer is authorized by and identified
 36 in an ordinance or resolution.

37 (B) The amount of the transfer is not more than ten percent
 38 (10%) of the political subdivision's total annual budget
 39 adopted under IC 6-1.1-17 for that fiscal year.

40 **(C) The transfer is not made from a debt service fund.**

41 (e) A political subdivision may use only the funding sources
 42 specified in subsection (b)(2)(A) or in the ordinance or resolution
 43 establishing the rainy day fund. The political subdivision may adopt a
 44 subsequent ordinance or resolution authorizing the use of another
 45 funding source.

46 (f) The department of local government finance may not reduce the
 47 actual or maximum permissible levy of a political subdivision as a
 48 result of a balance in the rainy day fund of the political subdivision.

49 (g) A county, city, or town may at any time, by ordinance or
 50 resolution, transfer to:

1 (1) its general fund; or
 2 (2) any other appropriated funds of the county, city, or town;
 3 money that has been deposited in the rainy day fund of the county, city,
 4 or town.

5 SECTION 72. [EFFECTIVE JANUARY 1, 2014] (a) **IC 6-3.1-26-8,**
 6 **IC 6-3.1-26-14, IC 6-3.1-26-17, IC 6-3.1-26-18, IC 6-3.1-26-20,**
 7 **IC 6-3.1-26-21, and IC 6-3.1-26-25, all as amended by this act,**
 8 **apply to taxable years beginning after December 31, 2013.**

9 (b) **IC 6-3.1-26-8.5, as added by this act, applies to taxable years**
 10 **beginning after December 31, 2013.**

11 (c) **This SECTION expires January 1, 2017.**

12 SECTION 73. [EFFECTIVE JANUARY 1, 2007
 13 (RETROACTIVE)] (a) **This SECTION applies notwithstanding**
 14 **IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or**
 15 **provision.**

16 (b) **This SECTION applies to the March 1, 2007, and March 1,**
 17 **2008, assessment dates.**

18 (c) **As used in this SECTION, "eligible property" means the real**
 19 **property described in subsection (d).**

20 (d) **As used in this SECTION, "qualified taxpayer" refers to a**
 21 **church that:**

22 (1) **purchased real property in June 2007;**

23 (2) **has used the real property for church purposes since**
 24 **purchasing the real property; and**

25 (3) **filed a property tax exemption application for the real**
 26 **property in June 2007.**

27 (e) **A qualified taxpayer may, before September 1, 2013, file a**
 28 **property tax exemption application and supporting documents**
 29 **claiming a property tax exemption under IC 6-1.1-10-16 and this**
 30 **SECTION for the eligible property for the March 1, 2007, and**
 31 **March 1, 2008, assessment dates.**

32 (f) **A property tax exemption application filed under subsection**
 33 **(e) by a qualified taxpayer is considered to have been timely filed.**

34 (g) **If a qualified taxpayer demonstrates in the property tax**
 35 **exemption application filed under subsection (e) or by other means**
 36 **that the eligible property would have qualified for an exemption**
 37 **under IC 6-1.1-10-16 for the March 1, 2007, and March 1, 2008,**
 38 **assessment dates if the property tax exemption application had**
 39 **been filed under IC 6-1.1-11 in a timely manner for the March 1,**
 40 **2007, and March 1, 2008, assessment dates and the taxpayer had**
 41 **owned the real property on May 1, 2007:**

42 (1) **the property tax exemption for the eligible property shall**
 43 **be allowed and granted for the March 1, 2007, and March 1,**
 44 **2008, assessment dates by the county assessor and county**
 45 **auditor of the county in which the eligible property is located;**

46 (2) **the qualified taxpayer is not required to pay any property**
 47 **taxes, penalties, or interest with respect to the eligible**
 48 **property for the March 1, 2007, and March 1, 2008,**
 49 **assessment dates; and**

50 (3) **to the extent the qualified taxpayer has paid any property**
 51 **taxes, penalties, or interest with respect to the eligible**

1 property for the March 1, 2007, and March 1, 2008,
2 assessment dates, the eligible taxpayer is entitled to a refund
3 of the amounts paid.

4 The county auditor may pay the refund in two (2) equal
5 installments over a two (2) year period.

6 (h) The exemption allowed by this SECTION shall be applied
7 without need of any further ruling or action by the county assessor,
8 the county auditor, or the county property tax assessment board of
9 appeals of the county in which the eligible property is located or by
10 the Indiana board of tax review.

11 (i) This SECTION expires July 1, 2017.

12 SECTION 74. [EFFECTIVE JANUARY 1, 2011
13 (RETROACTIVE)] (a) This SECTION applies notwithstanding
14 IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or
15 provision.

16 (b) This SECTION applies to the March 1, 2011, and March 1,
17 2012, assessment dates.

18 (c) As used in this SECTION, "eligible property" means the
19 parcel of real property described in subsection (d)(1) for which the
20 qualified taxpayer failed to timely file the property tax exemption
21 application.

22 (d) As used in this SECTION, "qualified taxpayer" refers to a
23 nonprofit corporation that:

24 (1) owns multiple parcels of real property in Marion County
25 that are owned, occupied, and used for educational, literary,
26 scientific, religious, or charitable purposes described in
27 IC 6-1.1-10-16; and

28 (2) failed to timely file a property tax exemption application
29 for one (1) of the parcels described in subdivision (1) for the
30 March 1, 2011, assessment date.

31 (e) A qualified taxpayer may, before September 1, 2013, file a
32 property tax exemption application and supporting documents
33 claiming a property tax exemption under IC 6-1.1-10-16 and this
34 SECTION for the eligible property for the March 1, 2011, and
35 March 1, 2012, assessment dates.

36 (f) A property tax exemption application filed under subsection
37 (e) by a qualified taxpayer is considered to have been timely filed.

38 (g) If a qualified taxpayer demonstrates in the property tax
39 exemption application filed under subsection (e) or by other means
40 that the eligible property would have qualified for an exemption
41 under IC 6-1.1-10-16 for the March 1, 2011, and March 1, 2012,
42 assessment dates if the property tax exemption application had
43 been filed under IC 6-1.1-11 in a timely manner for the March 1,
44 2011, and March 1, 2012, assessment dates:

45 (1) the property tax exemption for the eligible property shall
46 be allowed and granted for the March 1, 2011, and March 1,
47 2012, assessment dates by the county assessor and county
48 auditor of Marion County;

49 (2) the qualified taxpayer is not required to pay any property
50 taxes, penalties, or interest with respect to the eligible
51 property for the March 1, 2011, and March 1, 2012,

1 assessment dates; and

2 (3) to the extent the qualified taxpayer has paid any property
3 taxes, penalties, or interest with respect to the eligible
4 property for the March 1, 2011, and March 1, 2012,
5 assessment dates, the eligible taxpayer is entitled to a refund
6 of the amounts paid.

7 The county auditor may pay the refund in two (2) equal
8 installments over a two (2) year period.

9 (h) The exemption allowed by this SECTION shall be applied
10 without need of any further ruling or action by the county assessor,
11 the county auditor, or the county property tax assessment board of
12 appeals of Marion County or by the Indiana board of tax review.

13 (i) This SECTION expires July 1, 2017.

14 SECTION 75. [EFFECTIVE UPON PASSAGE] (a) This
15 SECTION applies notwithstanding IC 6-1.1-10, IC 6-1.1-11, or any
16 other law or administrative rule or provision.

17 (b) This SECTION applies to the March 1, 2011, and March 1,
18 2012, assessment dates.

19 (c) As used in this SECTION, "eligible property" means a
20 vacant parcel of real property in Marion County that is owned, is
21 occupied, and will be used for educational, literary, scientific,
22 religious, or charitable purposes described in IC 6-1.1-10-16.

23 (d) As used in this SECTION, "qualified taxpayer" refers to a
24 ministry that:

25 (1) is exempt from federal income taxes;

26 (2) owns an eligible property;

27 (3) acquired the eligible property after the 2012 assessment
28 date; and

29 (4) redeemed the eligible property after it was sold for
30 delinquent taxes in 2012.

31 (e) A qualified taxpayer may, before September 1, 2013, file a
32 property tax exemption application and supporting documents
33 claiming a property tax exemption under IC 6-1.1-10-16 and this
34 SECTION for the eligible property for the March 1, 2012,
35 assessment date.

36 (f) A property tax exemption application filed under subsection
37 (e) by a qualified taxpayer is considered to have been timely filed.

38 (g) If a qualified taxpayer demonstrates in the property tax
39 exemption application filed under subsection (e) or by other means
40 that the eligible property would have qualified for an exemption
41 under IC 6-1.1-10-16 for the March 1, 2012, assessment date if the
42 property tax exemption application had been filed under
43 IC 6-1.1-11 in a timely manner for the March 1, 2012, assessment
44 date:

45 (1) the property tax exemption for the eligible property shall
46 be allowed and granted for the March 1, 2012, assessment
47 date by the county assessor and county auditor of Marion
48 County; and

49 (2) the qualified taxpayer is not required to pay any property
50 taxes, penalties, or interest with respect to the eligible
51 property for the March 1, 2012, assessment date.

1 (h) To the extent the qualified taxpayer has:

2 (1) paid any property taxes, penalties, or interest with respect
3 to the eligible property for the March 1, 2011, assessment
4 date; or

5 (2) paid to redeem the property under IC 6-1.1-24 and
6 IC 6-1.1-25;

7 the eligible taxpayer is entitled to a refund of the amounts paid.
8 Notwithstanding the filing deadlines for a claim in IC 6-1.1-26, any
9 claim for a refund filed by an eligible taxpayer under this
10 subsection before September 1, 2013, is considered timely filed.
11 The county auditor may make a determination that any refund due
12 under this SECTION shall be paid in two (2) equal annual
13 installments.

14 (i) The exemption allowed by this SECTION shall be applied
15 without need of any further ruling or action by the county assessor,
16 the county auditor, or the county property tax assessment board of
17 appeals of Marion County or by the Indiana board of tax review.

18 (j) This SECTION expires July 1, 2017.

19 SECTION 76. [EFFECTIVE UPON PASSAGE] (a) This
20 SECTION applies notwithstanding IC 6-1.1-10, IC 6-1.1-11, or any
21 other law or administrative rule or provision.

22 (b) This SECTION applies to the March 1, 2012, and March 1,
23 2013, assessment dates.

24 (c) As used in this SECTION, "eligible property" means real
25 property in Grant County that is:

26 (1) a national historic landmark; and

27 (2) owned, occupied, and used for educational, literary,
28 scientific, religious, or charitable purposes described in
29 IC 6-1.1-10-16.

30 (d) As used in this SECTION, "qualified taxpayer" refers to a
31 charitable organization that:

32 (1) is exempt from federal income taxes;

33 (2) owns an eligible property; and

34 (3) acquired the eligible property after the 2011 assessment
35 date.

36 (e) A qualified taxpayer may, before September 1, 2013, file a
37 property tax exemption application and supporting documents
38 claiming a property tax exemption under IC 6-1.1-10-16 and this
39 SECTION for the eligible property for the March 1, 2012, and
40 March 1, 2013, assessment dates.

41 (f) A property tax exemption application filed under subsection
42 (e) by a qualified taxpayer is considered to have been timely filed.

43 (g) If a qualified taxpayer demonstrates in the property tax
44 exemption application filed under subsection (e) or by other means
45 that the eligible property would have qualified for an exemption
46 under IC 6-1.1-10-16 for the March 1, 2012, and March 1, 2013,
47 assessment dates if the property tax exemption application had
48 been filed under IC 6-1.1-11 in a timely manner for the March 1,
49 2012, assessment date:

50 (1) the property tax exemption for the eligible property shall
51 be allowed and granted for the March 1, 2012, and March 1,

1 **2013, assessment dates by the county assessor and county**
2 **auditor of Grant County; and**
3 **(2) the qualified taxpayer is not required to pay any property**
4 **taxes, penalties, or interest with respect to the eligible**
5 **property for the March 1, 2012, and March 1, 2013,**
6 **assessment dates.**
7 **(h) The exemption allowed by this SECTION shall be applied**
8 **without need of any further ruling or action by the county assessor,**
9 **the county auditor, or the county property tax assessment board of**
10 **appeals of Grant County or by the Indiana board of tax review.**
11 **The county auditor may make a determination that any refund due**
12 **under this SECTION shall be paid in two (2) equal annual**
13 **installments.**
14 **(i) This SECTION expires July 1, 2017.**
15 **SECTION 77. An emergency is declared for this act.**
 (Reference is to EHB 1545 as reprinted April 10, 2013.)

Conference Committee Report
on
Engrossed House Bill 1545

Signed by:

Representative Turner
Chairperson

Senator Hershman

Representative Brown T

Senator Skinner

House Conferees

Senate Conferees