
HOUSE BILL No. 1544

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 34-24-1-1; IC 35-43-5-4.4.

Synopsis: Various tax matters. Permits a county, city, or town to authorize a 100% property tax deduction for all personal property or, alternatively, to grant a tax credit for all property taxes imposed on all personal property in the county, city, or town. Defines the term "common areas" for purposes of the circuit breaker credit law. 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. Imposes a Class C felony penalty for sale, purchase, installation, transfer, or possession of an automated sales suppression device ("zapper") or phantom-ware.

Effective: Upon passage; March 1, 2011 (retroactive); July 1, 2013.

Turner

January 22, 2013, read first time and referred to Committee on Ways and Means.

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First Regular Session 118th General Assembly (2013)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

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HOUSE BILL No. 1544



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

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

- 1 SECTION 1. IC 6-1.1-12-47 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 3 UPON PASSAGE]: **Sec. 47. (a) This section does not apply to any**
- 4 **year in which an ordinance adopted under IC 6-1.1-46 is in effect**
- 5 **for the same personal property.**
- 6 **(b) As used in this section, "assessed value of personal property"**
- 7 **means the assessed value determined after the application of any**
- 8 **deductions or adjustments that apply by statute or rule to the**
- 9 **assessment of personal property, other than the deduction allowed**
- 10 **under subsection (d).**
- 11 **(c) As used in this section, "designating body" refers to the fiscal**
- 12 **body (as defined in IC 36-1-2-6) for a county, city, or town.**
- 13 **(d) After conducting a public hearing on the proposed ordinance**
- 14 **under subsection (f), a designating body may adopt an ordinance**
- 15 **to grant a deduction against the assessed value of personal**
- 16 **property located in:**
- 17 **(1) the county (if the ordinance is adopted by the county**



1 designating body); and

2 (2) the city or town (if the ordinance is adopted by a city or
3 town designating body).

4 **The deduction is equal to one hundred percent (100%) of the**
5 **assessed value of personal property for the appropriate year of**
6 **assessment.**

7 (e) After a public hearing on the proposed rescission, a
8 designating body may rescind an ordinance adopted under
9 subsection (d). A designating body may rescind an ordinance under
10 this section in the same year an ordinance granting a credit for
11 personal property is adopted under IC 6-1.1-46.

12 (f) Before adopting an ordinance under this section, a
13 designating body shall conduct a public hearing on the proposed
14 ordinance. The designating body shall:

15 (1) publish notice of the public hearing in accordance with
16 IC 5-3-1; and

17 (2) not later than ten (10) days before the public hearing, file
18 the notice with each taxing unit in the geographic area served
19 by the designating body.

20 (g) An ordinance adopted under this section in a particular year
21 applies:

22 (1) if adopted before October 1 in a year, to each subsequent
23 assessment year; and

24 (2) if adopted after September 30 in a year, to the assessment
25 year that follows the year that immediately follows the year
26 of adoption and to each subsequent assessment year.

27 (h) The designating body shall provide to the department of
28 local government finance and the county auditor a certified copy
29 of an ordinance adopted under this section.

30 (i) A taxpayer is not required to file an application to qualify for
31 the deduction permitted under this section.

32 (j) The department of local government finance shall
33 incorporate the deduction provided under this section in the
34 personal property tax return form to be used each year for filing
35 under this article to permit the taxpayer to enter the deduction on
36 the form. If a taxpayer fails to enter the deduction on the form, the
37 township assessor, the county assessor (if there is no township
38 assessor for the township), or the department of local government
39 finance (if the department of local government finance assesses the
40 personal property) shall:

41 (1) determine the amount of the deduction; and

42 (2) within the period established in IC 6-1.1-16-1, issue a

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1 notice of assessment to the taxpayer that reflects the
2 application of the deduction to the personal property.

3 (k) The deduction provided under this section must be applied
4 to any personal property assessment made by:

- 5 (1) an assessing official;
6 (2) a county property tax board of appeals; or
7 (3) the department of local government finance.

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

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

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

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

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

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

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

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

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

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

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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

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1 with a designating body to assist that body in making a
 2 determination about whether a particular area should be
 3 designated as an economic revitalization area.

4 (10) "Hazardous waste" has the meaning set forth in
 5 IC 13-11-2-99(a). The term includes waste determined to be a
 6 hazardous waste under IC 13-22-2-3(b).

7 (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a).
 8 However, the term does not include dead animals or any animal
 9 solid or semisolid wastes.

10 (12) "New research and development equipment" means tangible
 11 personal property that:

12 (A) a deduction applicant installs ~~after June 30, 2000, and~~ on
 13 or before the approval deadline determined under section 9 of
 14 this chapter, in an economic revitalization area in which a
 15 deduction for tangible personal property is allowed;

16 (B) consists of:

- 17 (i) laboratory equipment;
- 18 (ii) research and development equipment;
- 19 (iii) computers and computer software;
- 20 (iv) telecommunications equipment; or
- 21 (v) testing equipment;

22 (C) the deduction applicant uses in research and development
 23 activities devoted directly and exclusively to experimental or
 24 laboratory research and development for new products, new
 25 uses of existing products, or improving or testing existing
 26 products;

27 (D) the deduction applicant acquires for purposes described in
 28 this subdivision:

- 29 (i) in an arms length transaction from an entity that is not an
 30 affiliate of the deduction applicant, if the tangible personal
 31 property has been previously used in Indiana before the
 32 installation described in clause (A); or
- 33 (ii) in any manner, if the tangible personal property has
 34 never been previously used in Indiana before the installation
 35 described in clause (A); and

36 (E) the deduction applicant has never used for any purpose in
 37 Indiana before the installation described in clause (A).

38 The term does not include equipment installed in facilities used
 39 for or in connection with efficiency surveys, management studies,
 40 consumer surveys, economic surveys, advertising or promotion,
 41 or research in connection with literacy, history, or similar
 42 projects.

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1 (13) "New logistical distribution equipment" means tangible
2 personal property that:

3 (A) a deduction applicant installs ~~after June 30, 2004, and~~ on
4 or before the approval deadline determined under section 9 of
5 this chapter, in an economic revitalization area in which a
6 deduction for tangible personal property is allowed;

7 (B) consists of:

8 (i) racking equipment;

9 (ii) scanning or coding equipment;

10 (iii) separators;

11 (iv) conveyors;

12 (v) fork lifts or lifting equipment (including "walk
13 behinds");

14 (vi) transitional moving equipment;

15 (vii) packaging equipment;

16 (viii) sorting and picking equipment; or

17 (ix) software for technology used in logistical distribution;

18 (C) the deduction applicant acquires for the storage or
19 distribution of goods, services, or information:

20 (i) in an arms length transaction from an entity that is not an
21 affiliate of the deduction applicant, if the tangible personal
22 property has been previously used in Indiana before the
23 installation described in clause (A); and

24 (ii) in any manner, if the tangible personal property has
25 never been previously used in Indiana before the installation
26 described in clause (A); and

27 (D) the deduction applicant has never used for any purpose in
28 Indiana before the installation described in clause (A).

29 (14) "New information technology equipment" means tangible
30 personal property that:

31 (A) a deduction applicant installs ~~after June 30, 2004, and~~ on
32 or before the approval deadline determined under section 9 of
33 this chapter, in an economic revitalization area in which a
34 deduction for tangible personal property is allowed;

35 (B) consists of equipment, including software, used in the
36 fields of:

37 (i) information processing;

38 (ii) office automation;

39 (iii) telecommunication facilities and networks;

40 (iv) informatics;

41 (v) network administration;

42 (vi) software development; and

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

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- 1 dwellings designed for up to four (4) families, including accessory
 2 buildings for those dwellings.
 3 (2) Any dwellings in the area are not permanently occupied and
 4 are:
 5 (A) the subject of an order issued under IC 36-7-9; or
 6 (B) evidencing significant building deficiencies.
 7 (3) Parcels of property in the area:
 8 (A) have been sold and not redeemed under IC 6-1.1-24 and
 9 IC 6-1.1-25; or
 10 (B) are owned by a unit of local government.

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

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

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

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

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

- 42 (1) The deduction will not be allowed unless the dwelling is

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1 rehabilitated to meet local code standards for habitability.

2 (2) If a designation application is filed, the designating body may
3 require that the redevelopment or rehabilitation be completed
4 within a reasonable period of time.

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

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

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

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

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

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

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

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

34 (i) In declaring an area an economic revitalization area, the
35 designating body may:

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

39 (2) limit the type of deductions that will be allowed within the
40 economic revitalization area to the deduction allowed under
41 section 3 of this chapter, the deduction allowed under section 4.5
42 of this chapter, the deduction allowed under section 4.8 of this

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

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1 (2) limit the length of time a taxpayer is entitled to receive a
 2 deduction to a number of years that is less than the number of
 3 years designated under section ~~4, 4.5, or 4.8~~ **17** of this chapter.
 4 ~~(k) Notwithstanding any other provision of this chapter, deductions:~~
 5 ~~(1) that are authorized under section 3 of this chapter for property~~
 6 ~~in an area designated as an urban development area before March~~
 7 ~~1, 1983, and that are based on an increase in assessed valuation~~
 8 ~~resulting from redevelopment or rehabilitation that occurs before~~
 9 ~~March 1, 1983; or~~
 10 ~~(2) that are authorized under section 4.5 of this chapter for new~~
 11 ~~manufacturing equipment installed in an area designated as an~~
 12 ~~urban development area before March 1, 1983;~~
 13 ~~apply according to the provisions of this chapter as they existed at the~~
 14 ~~time that an application for the deduction was first made. No deduction~~
 15 ~~that is based on the location of property or new manufacturing~~
 16 ~~equipment in an urban development area is authorized under this~~
 17 ~~chapter after February 28, 1983, unless the initial increase in assessed~~
 18 ~~value resulting from the redevelopment or rehabilitation of the property~~
 19 ~~or the installation of the new manufacturing equipment occurred before~~
 20 ~~March 1, 1983.~~
 21 ~~(†) (k) In addition to the other requirements of this chapter, if~~
 22 ~~property located in an economic revitalization area is also located in an~~
 23 ~~allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), a~~
 24 ~~taxpayer's statement of benefits concerning that property may not be~~
 25 ~~approved under this chapter unless a resolution approving the~~
 26 ~~statement of benefits is adopted by the legislative body of the unit that~~
 27 ~~approved the designation of the allocation area.~~
 28 SECTION 4. IC 6-1.1-12.1-2.5, AS AMENDED BY P.L. 154-2006,
 29 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2013]: Sec. 2.5. (a) If a designating body finds that an area in
 31 its jurisdiction is an economic revitalization area, it shall either:
 32 (1) prepare maps and plats that identify the area; or
 33 (2) prepare a simplified description of the boundaries of the area
 34 by describing its location in relation to public ways, streams, or
 35 otherwise.
 36 (b) After the compilation of the materials described in subsection
 37 (a), the designating body shall pass a resolution declaring the area an
 38 economic revitalization area. The resolution must contain a description
 39 of the affected area and be filed with the county assessor. A resolution
 40 ~~adopted after June 30, 2000,~~ may include a determination of the
 41 number of years a deduction under section 3, 4.5, or 4.8 of this chapter
 42 is allowed.

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

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

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

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

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

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

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

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

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1 final and conclusive, unless an appeal is taken as in other civil actions.
 2 SECTION 5. IC 6-1.1-12.1-3, AS AMENDED BY P.L.119-2012,
 3 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2013]: Sec. 3. (a) An applicant must provide a statement of
 5 benefits to the designating body. If the designating body requires
 6 information from the applicant for economic revitalization area status
 7 for use in making its decision about whether to designate an economic
 8 revitalization area, the applicant shall provide the completed statement
 9 of benefits form to the designating body before the hearing required by
 10 section 2.5(c) of this chapter. Otherwise, the statement of benefits form
 11 must be submitted to the designating body before the initiation of the
 12 redevelopment or rehabilitation for which the person desires to claim
 13 a deduction under this chapter. The department of local government
 14 finance shall prescribe a form for the statement of benefits. The
 15 statement of benefits must include the following information:
 16 (1) A description of the proposed redevelopment or rehabilitation.
 17 (2) An estimate of the number of individuals who will be
 18 employed or whose employment will be retained by the person as
 19 a result of the redevelopment or rehabilitation and an estimate of
 20 the annual salaries of these individuals.
 21 (3) An estimate of the value of the redevelopment or
 22 rehabilitation.
 23 With the approval of the designating body, the statement of benefits
 24 may be incorporated in a designation application. Notwithstanding any
 25 other law, a statement of benefits is a public record that may be
 26 inspected and copied under IC 5-14-3-3.
 27 (b) The designating body must review the statement of benefits
 28 required under subsection (a). The designating body shall determine
 29 whether an area should be designated an economic revitalization area
 30 or whether a deduction should be allowed, based on (and after it has
 31 made) the following findings:
 32 (1) Whether the estimate of the value of the redevelopment or
 33 rehabilitation is reasonable for projects of that nature.
 34 (2) Whether the estimate of the number of individuals who will be
 35 employed or whose employment will be retained can be
 36 reasonably expected to result from the proposed described
 37 redevelopment or rehabilitation.
 38 (3) Whether the estimate of the annual salaries of those
 39 individuals who will be employed or whose employment will be
 40 retained can be reasonably expected to result from the proposed
 41 described redevelopment or rehabilitation.
 42 (4) Whether any other benefits about which information was

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1 requested are benefits that can be reasonably expected to result
 2 from the proposed described redevelopment or rehabilitation.
 3 (5) Whether the totality of benefits is sufficient to justify the
 4 deduction.
 5 A designating body may not designate an area an economic
 6 revitalization area or approve a deduction unless the findings required
 7 by this subsection are made in the affirmative.
 8 (c) Except as provided in subsections (a) through (b), the owner of
 9 property which is located in an economic revitalization area is entitled
 10 to a deduction from the assessed value of the property. ~~If the area is a~~
 11 ~~residentially distressed area, the period is not more than five (5) years.~~
 12 ~~For all other economic revitalization areas designated before July 1,~~
 13 ~~2000, the period is three (3), six (6), or ten (10) years.~~ For all economic
 14 revitalization areas designated after June 30, 2000, the period is the
 15 number of years determined under subsection (d). **section 17 of this**
 16 **chapter.** The owner is entitled to a deduction if:
 17 (1) the property has been rehabilitated; or
 18 (2) the property is located on real estate which has been
 19 redeveloped.
 20 The owner is entitled to the deduction for the first year, and any
 21 successive year or years, in which an increase in assessed value
 22 resulting from the rehabilitation or redevelopment occurs and for the
 23 following years determined under subsection (d). ~~However, property~~
 24 ~~owners who had an area designated an urban development area~~
 25 ~~pursuant to an application filed prior to January 1, 1979, are only~~
 26 ~~entitled to a deduction for a five (5) year period. In addition, property~~
 27 ~~owners who are entitled to a deduction under this chapter pursuant to~~
 28 ~~an application filed after December 31, 1978, and before January 1,~~
 29 ~~1986, are entitled to a deduction for a ten (10) year period.~~ **section 17**
 30 **of this chapter.**
 31 (d) For an area designated as an economic revitalization area after
 32 June 30, 2000, that is not a residentially distressed area, the designating
 33 body shall determine the number of years for which the property owner
 34 is entitled to a deduction. However, the deduction may not be allowed
 35 for more than ten (10) years. ~~This~~ **The designating body's**
 36 ~~determination shall~~ **must** be made:
 37 (1) as part of the resolution adopted under section 2.5 of this
 38 chapter; or
 39 (2) by resolution adopted within sixty (60) days after receiving a
 40 copy of a property owner's certified deduction application from
 41 the county auditor. A certified copy of the resolution ~~shall~~ **must**
 42 be sent to the county auditor, who shall make the deduction as

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1 provided in section 5 of this chapter.

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

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

- 12 (1) Private or commercial golf course.
- 13 (2) Country club.
- 14 (3) Massage parlor.
- 15 (4) Tennis club.
- 16 (5) Skating facility (including roller skating, skateboarding, or ice
17 skating).
- 18 (6) Racquet sport facility (including any handball or racquetball
19 court).
- 20 (7) Hot tub facility.
- 21 (8) Suntan facility.
- 22 (9) Racetrack.
- 23 (10) Any facility the primary purpose of which is:
 - 24 (A) retail food and beverage service;
 - 25 (B) automobile sales or service; or
 - 26 (C) other retail;

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

- 29 (11) Residential, unless:
 - 30 (A) the facility is a multifamily facility that contains at least
31 twenty percent (20%) of the units available for use by low and
32 moderate income individuals;
 - 33 (B) the facility is located in an economic development target
34 area established under section 7 of this chapter; or
 - 35 (C) the area is designated as a residentially distressed area.
- 36 (12) A package liquor store that holds a liquor dealer's permit
37 under IC 7.1-3-10 or any other entity that is required to operate
38 under a license issued under IC 7.1. ~~This subdivision does not~~
39 ~~apply to an applicant that:~~
 - 40 (A) ~~was eligible for tax abatement under this chapter before~~
41 ~~July 1, 1995;~~
 - 42 (B) ~~is described in IC 7.1-5-7-11; or~~

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1 ~~(C)~~ operates a facility under:
2 ~~(i)~~ a beer wholesaler's permit under IC 7.1-3-3;
3 ~~(ii)~~ a liquor wholesaler's permit under IC 7.1-3-8; or
4 ~~(iii)~~ a wine wholesaler's permit under IC 7.1-3-13;
5 for which the applicant claims a deduction under this chapter.
6 SECTION 6. IC 6-1.1-12.1-4, AS AMENDED BY P.L.112-2012,
7 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2013]: Sec. 4. (a) Except as provided in section 2(i)(4) of this
9 chapter, and subject to section 15 of this chapter, the amount of the
10 deduction which the property owner is entitled to receive under section
11 3 of this chapter for a particular year equals the product of:
12 (1) the increase in the assessed value resulting from the
13 rehabilitation or redevelopment; multiplied by
14 (2) ~~either of the following:~~
15 ~~(A) The percentage prescribed in the table set forth in~~
16 ~~subsection (d):~~
17 ~~(B) a the percentage determined under section 17 of this~~
18 ~~chapter. if the designating body elects to use an alternative~~
19 ~~abatement schedule provided under section 17 of this chapter.~~
20 (b) The amount of the deduction determined under subsection (a)
21 shall be adjusted in accordance with this subsection in the following
22 circumstances:
23 (1) If:
24 (A) a general reassessment of real property under IC 6-1.1-4-4;
25 or
26 (B) a reassessment under a county's reassessment plan
27 prepared under IC 6-1.1-4-4.2;
28 occurs within the particular period of the deduction, the amount
29 determined under subsection (a)(1) shall be adjusted to reflect the
30 percentage increase or decrease in assessed valuation that resulted
31 from the reassessment.
32 (2) If an appeal of an assessment is approved that results in a
33 reduction of the assessed value of the redeveloped or rehabilitated
34 property, the amount of any deduction shall be adjusted to reflect
35 the percentage decrease that resulted from the appeal.
36 The department of local government finance shall adopt rules under
37 IC 4-22-2 to implement this subsection.
38 ~~(c) Property owners who had an area designated an urban~~
39 ~~development area pursuant to an application filed prior to January 1,~~
40 ~~1979, are only entitled to the deduction for the first through the fifth~~
41 ~~years as provided in subsection (d)(10). In addition, property owners~~
42 ~~who are entitled to a deduction under this chapter pursuant to an~~

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1 application filed after December 31, 1978, and before January 1, 1986;
 2 are entitled to a deduction for the first through the tenth years, as
 3 provided in subsection (d)(10):

4 (d) The percentage that may be used in calculating the deduction
 5 under subsection (a)(2)(A) is as follows:

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

7 YEAR OF DEDUCTION	PERCENTAGE
8 1st	100%

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

10 YEAR OF DEDUCTION	PERCENTAGE
11 1st	100%
12 2nd	50%

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

14 YEAR OF DEDUCTION	PERCENTAGE
15 1st	100%
16 2nd	66%
17 3rd	33%

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

19 YEAR OF DEDUCTION	PERCENTAGE
20 1st	100%
21 2nd	75%
22 3rd	50%
23 4th	25%

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

25 YEAR OF DEDUCTION	PERCENTAGE
26 1st	100%
27 2nd	80%
28 3rd	60%
29 4th	40%
30 5th	20%

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

32 YEAR OF DEDUCTION	PERCENTAGE
33 1st	100%
34 2nd	85%
35 3rd	66%
36 4th	50%
37 5th	34%
38 6th	17%

39 (7) For deductions allowed over a seven (7) year period:

40 YEAR OF DEDUCTION	PERCENTAGE
41 1st	100%
42 2nd	85%

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1	3rd	71%
2	4th	57%
3	5th	43%
4	6th	29%
5	7th	14%
6	(8) For deductions allowed over an eight (8) year period:	
7	YEAR OF DEDUCTION	PERCENTAGE
8	1st	100%
9	2nd	88%
10	3rd	75%
11	4th	63%
12	5th	50%
13	6th	38%
14	7th	25%
15	8th	13%
16	(9) For deductions allowed over a nine (9) year period:	
17	YEAR OF DEDUCTION	PERCENTAGE
18	1st	100%
19	2nd	88%
20	3rd	77%
21	4th	66%
22	5th	55%
23	6th	44%
24	7th	33%
25	8th	22%
26	9th	11%
27	(10) For deductions allowed over a ten (10) year period:	
28	YEAR OF DEDUCTION	PERCENTAGE
29	1st	100%
30	2nd	95%
31	3rd	80%
32	4th	65%
33	5th	50%
34	6th	40%
35	7th	30%
36	8th	20%
37	9th	10%
38	10th	5%

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



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1 (b) This subsection applies to **deductions approved before July 1,**
2 **2013, for the redevelopment or rehabilitation of property located**
3 **in** economic revitalization areas that are residentially distressed areas.
4 Subject to section 15 of this chapter, the amount of the deduction that
5 a property owner is entitled to receive under section 3 of this chapter
6 for a particular year equals the lesser of:

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

9 (2) the following amount:

10 TYPE OF DWELLING	AMOUNT
11 One (1) family dwelling	\$74,880
12 Two (2) family dwelling	\$106,080
13 Three (3) unit multifamily dwelling	\$156,000
14 Four (4) unit multifamily dwelling	\$199,680

15 (c) **This subsection applies to deductions approved after June**
16 **30, 2013, for the redevelopment or rehabilitation of property**
17 **located in economic revitalization areas that are residentially**
18 **distressed areas. Subject to section 15 of this chapter, the amount**
19 **of the deduction the property owner is entitled to receive under**
20 **section 3 of this chapter in a residentially distressed area for a**
21 **particular year equals the product of:**

22 (1) **the increase in the assessed value resulting from the**
23 **rehabilitation or redevelopment; multiplied by**

24 (2) **the percentage determined under section 17 of this**
25 **chapter.**

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

38 (1) A description of the new manufacturing equipment, new
39 research and development equipment, new logistical distribution
40 equipment, or new information technology equipment that the
41 person proposes to acquire.

42 (2) With respect to:

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

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1 employed or whose employment will be retained can be
 2 reasonably expected to result from the installation of the new
 3 manufacturing equipment, new research and development
 4 equipment, new logistical distribution equipment, or new
 5 information technology equipment.

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

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

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

25 (6) Whether the totality of benefits is sufficient to justify the
 26 deduction.

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

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

42 (1) the assessed value of the new manufacturing equipment, new

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1 research and development equipment, new logistical distribution
 2 equipment, or new information technology equipment in the year
 3 of deduction under the appropriate table set forth in subsection
 4 (d); **abatement schedule established under section 17 of this**
 5 **chapter**; multiplied by

6 (2) the percentage prescribed in the appropriate table set forth in
 7 subsection (d); **by the designating body under section 17 of this**
 8 **chapter.**

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

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

14 YEAR OF DEDUCTION	PERCENTAGE
15 1st	100%
16 2nd and thereafter	0%

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

18 YEAR OF DEDUCTION	PERCENTAGE
19 1st	100%
20 2nd	50%
21 3rd and thereafter	0%

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

23 YEAR OF DEDUCTION	PERCENTAGE
24 1st	100%
25 2nd	66%
26 3rd	33%
27 4th and thereafter	0%

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

29 YEAR OF DEDUCTION	PERCENTAGE
30 1st	100%
31 2nd	75%
32 3rd	50%
33 4th	25%
34 5th and thereafter	0%

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

36 YEAR OF DEDUCTION	PERCENTAGE
37 1st	100%
38 2nd	80%
39 3rd	60%
40 4th	40%
41 5th	20%
42 6th and thereafter	0%

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

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1	(10) For deductions allowed over a ten (10) year period:	
2	YEAR OF DEDUCTION	PERCENTAGE
3	1st	100%
4	2nd	90%
5	3rd	80%
6	4th	70%
7	5th	60%
8	6th	50%
9	7th	40%
10	8th	30%
11	9th	20%
12	10th	10%
13	11th and thereafter	0%

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

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

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

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

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

42 (g) (f) The owner of new manufacturing equipment that is directly

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1 used to dispose of hazardous waste is not entitled to the deduction
 2 provided by this section for a particular assessment year if during that
 3 assessment year the owner:

4 (1) is convicted of a criminal violation under IC 13, including
 5 IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or

6 (2) is subject to an order or a consent decree with respect to
 7 property located in Indiana based on a violation of a federal or
 8 state rule, regulation, or statute governing the treatment, storage,
 9 or disposal of hazardous wastes that had a major or moderate
 10 potential for harm.

11 ~~(h)~~ (g) For purposes of subsection (c), the assessed value of new
 12 manufacturing equipment, new research and development equipment,
 13 new logistical distribution equipment, or new information technology
 14 equipment that is part of an owner's assessable depreciable personal
 15 property in a single taxing district subject to the valuation limitation in
 16 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

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

20 (2) the quotient of:

21 (A) the amount of the valuation limitation determined under
 22 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's
 23 depreciable personal property in the taxing district; divided by

24 (B) the total true tax value of all of the owner's depreciable
 25 personal property in the taxing district that is subject to the
 26 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9
 27 determined:

28 (i) under the depreciation schedules in the rules of the
 29 department of local government finance before any
 30 adjustment for abnormal obsolescence; and

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

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



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1 economic revitalization area in which the new manufacturing
 2 equipment was installed was approved by the designating body before
 3 September 1, 1994.

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

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

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

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

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

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

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

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

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

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

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

39 (5) The amount of deductions provided by section 4.5 of this
 40 chapter with respect to new manufacturing equipment that was
 41 installed on or before March 1, 2000, shall be increased from
 42 thirty-three and one-third percent (33 1/3%) of true tax value to

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1 one hundred percent (100%) of true tax value for assessment
2 dates after February 28, 2001.

3 (e) A deduction not fully allowed under subsection (c) in the first
4 year the deduction is claimed or in a subsequent year permitted by
5 section 4.5 of this chapter shall be carried over and allowed as a
6 deduction in succeeding years. A deduction that is carried over to a
7 year but is not allowed in that year under this subsection shall be
8 carried over and allowed as a deduction in succeeding years. The
9 following apply for purposes of this subsection:

10 (1) A deduction that is carried over to a succeeding year is not
11 allowed in that year to the extent that the deduction, together
12 with:

13 (A) deductions otherwise allowed under section 3 of this
14 chapter;

15 (B) deductions otherwise allowed under section 4.5 of this
16 chapter; and

17 (C) other deductions carried over to the year under this
18 subsection;

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

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

25 (3) A deduction may not be carried over to a succeeding year
26 under this subsection if such year is after the period specified in
27 section 4.5(c) of this chapter or the period specified in a
28 resolution adopted by the designating body under section 4.5(g)
29 **4.5(f)** of this chapter.

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

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



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- 1 (c) The department of local government finance shall prescribe a
- 2 form for the statement of benefits. The statement of benefits must
- 3 include the following information:
- 4 (1) A description of the eligible vacant building that the property
- 5 owner or a tenant of the property owner will occupy.
- 6 (2) An estimate of the number of individuals who will be
- 7 employed or whose employment will be retained by the property
- 8 owner or the tenant as a result of the occupation of the eligible
- 9 vacant building, and an estimate of the annual salaries of those
- 10 individuals.
- 11 (3) Information regarding efforts by the owner or a previous
- 12 owner to sell, lease, or rent the eligible vacant building during the
- 13 period the eligible vacant building was unoccupied.
- 14 (4) Information regarding the amount for which the eligible
- 15 vacant building was offered for sale, lease, or rent by the owner
- 16 or a previous owner during the period the eligible vacant building
- 17 was unoccupied.
- 18 (d) With the approval of the designating body, the statement of
- 19 benefits may be incorporated in a designation application. A statement
- 20 of benefits is a public record that may be inspected and copied under
- 21 IC 5-14-3.
- 22 (e) The designating body must review the statement of benefits
- 23 required by subsection (a). The designating body shall determine
- 24 whether an area should be designated an economic revitalization area
- 25 or whether a deduction should be allowed, after the designating body
- 26 has made the following findings:
- 27 (1) Whether the estimate of the number of individuals who will be
- 28 employed or whose employment will be retained can be
- 29 reasonably expected to result from the proposed occupation of the
- 30 eligible vacant building.
- 31 (2) Whether the estimate of the annual salaries of those
- 32 individuals who will be employed or whose employment will be
- 33 retained can be reasonably expected to result from the proposed
- 34 occupation of the eligible vacant building.
- 35 (3) Whether any other benefits about which information was
- 36 requested are benefits that can be reasonably expected to result
- 37 from the proposed occupation of the eligible vacant building.
- 38 (4) Whether the occupation of the eligible vacant building will
- 39 increase the tax base and assist in the rehabilitation of the
- 40 economic revitalization area.
- 41 (5) Whether the totality of benefits is sufficient to justify the
- 42 deduction.

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

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

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

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

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

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

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

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

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

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

36 (2) the percentage ~~set forth in the table in subsection (i);~~
37 **determined by the designating body under section 17 of this**
38 **chapter.**

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

41 (1) For deductions allowed over a one (1) year period:
42 YEAR OF DEDUCTION PERCENTAGE

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

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

- 9 (1) The name of the property owner.
- 10 (2) A description of the property for which a deduction is claimed
- 11 in sufficient detail to afford identification.
- 12 (3) The assessed value of the improvements before rehabilitation.
- 13 (4) The increase in the assessed value of improvements resulting
- 14 from the rehabilitation.
- 15 (5) The assessed value of the new structure in the case of
- 16 redevelopment.
- 17 (6) The amount of the deduction claimed for the first year of the
- 18 deduction.
- 19 (7) If the deduction application is for a deduction in a
- 20 residentially distressed area, the assessed value of the
- 21 improvement or new structure for which the deduction is claimed.

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

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

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

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

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1 deduction application filed under section 5 of this chapter must contain
 2 information showing the extent to which there has been compliance
 3 with the statement of benefits approved under section 3 of this chapter.
 4 ~~Failure to comply with a statement of benefits approved before July 1,~~
 5 ~~1991, may not be a basis for rejecting a deduction application.~~

6 (b) This subsection applies to each deduction (other than a
 7 deduction for property located in a residentially distressed area) for
 8 which a statement of benefits was approved under section 3 of this
 9 chapter. ~~after June 30, 1991.~~ In addition to the requirements of section
 10 5(c) of this chapter, a property owner who files a deduction application
 11 under section 5 of this chapter must provide the county auditor and the
 12 designating body with information showing the extent to which there
 13 has been compliance with the statement of benefits approved under
 14 section 3 of this chapter. This information must be included in the
 15 deduction application and must also be updated each year in which the
 16 deduction is applicable at the same time that the property owner is
 17 required to file a personal property tax return in the taxing district in
 18 which the property for which the deduction was granted is located. If
 19 the taxpayer does not file a personal property tax return in the taxing
 20 district in which the property is located, the information must be
 21 provided before May 15.

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

- 24 (1) The name and address of the taxpayer.
- 25 (2) The location and description of the property for which the
 26 deduction was granted.
- 27 (3) Any information concerning the number of employees at the
 28 property for which the deduction was granted, including estimated
 29 totals that were provided as part of the statement of benefits.
- 30 (4) Any information concerning the total of the salaries paid to
 31 those employees, including estimated totals that were provided as
 32 part of the statement of benefits.
- 33 (5) Any information concerning the assessed value of the
 34 property, including estimates that were provided as part of the
 35 statement of benefits.

36 (d) 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 property owner.
- 40 (2) Any information concerning the cost of the property.

41 SECTION 13. IC 6-1.1-12.1-5.4, AS AMENDED BY P.L.146-2008,
 42 SECTION 126, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2013]: Sec. 5.4. (a) A person that desires to
 2 obtain the deduction provided by section 4.5 of this chapter must file
 3 a certified deduction schedule with the person's personal property
 4 return on a form prescribed by the department of local government
 5 finance with the township assessor of the township in which the new
 6 manufacturing equipment, new research and development equipment,
 7 new logistical distribution equipment, or new information technology
 8 equipment is located, or with the county assessor if there is no
 9 township assessor for the township. Except as provided in subsection
 10 (e), the deduction is applied in the amount claimed in a certified
 11 schedule that a person files with:

12 (1) a timely personal property return under IC 6-1.1-3-7(a) or
 13 IC 6-1.1-3-7(b); or

14 (2) a timely amended personal property return under
 15 IC 6-1.1-3-7.5.

16 The township or county assessor shall forward to the county auditor a
 17 copy of each certified deduction schedule filed under this subsection.
 18 The township assessor shall forward to the county assessor a copy of
 19 each certified deduction schedule filed with the township assessor
 20 under this subsection.

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

23 (1) The name of the owner of the new manufacturing equipment,
 24 new research and development equipment, new logistical
 25 distribution equipment, or new information technology
 26 equipment.

27 (2) A description of the new manufacturing equipment, new
 28 research and development equipment, new logistical distribution
 29 equipment, or new information technology equipment.

30 (3) The amount of the deduction claimed for the first year of the
 31 deduction.

32 (c) ~~This subsection applies to a deduction schedule with respect to~~
 33 ~~new manufacturing equipment, new research and development~~
 34 ~~equipment, new logistical distribution equipment, or new information~~
 35 ~~technology equipment for which a statement of benefits was initially~~
 36 ~~approved after April 30, 1991.~~ If a determination about the number of
 37 years the deduction is allowed has not been made in the resolution
 38 adopted under section 2.5 of this chapter, the county auditor shall ~~send~~
 39 ~~a copy of the deduction schedule to~~ **notify** the designating body, and
 40 the designating body shall adopt a resolution under section ~~4.5(f)(2)~~
 41 **4.5(e)(2)** of this chapter.

42 (d) A deduction schedule must be filed under this section in the year

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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.

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1 SECTION 14. IC 6-1.1-12.1-5.6, AS AMENDED BY P.L.1-2006,
 2 SECTION 134, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2013]: Sec. 5.6. (a) This subsection applies to
 4 a property owner whose statement of benefits was approved under
 5 section 4.5 of this chapter before July 1, 1991. In addition to the
 6 requirements of section 5.4(b) of this chapter, a deduction schedule
 7 filed under section 5.4 of this chapter must contain information
 8 showing the extent to which there has been compliance with the
 9 statement of benefits approved under section 4.5 of this chapter.
 10 Failure to comply with a statement of benefits approved before July 1,
 11 1991, may not be a basis for rejecting a deduction schedule.

12 (b) This subsection applies to a property owner whose statement of
 13 benefits was approved under section 4.5 of this chapter after June 30,
 14 1991. (a) In addition to the requirements of section 5.4(b) of this
 15 chapter, a property owner who files a deduction schedule under section
 16 5.4 of this chapter must provide the county auditor and the designating
 17 body with information showing the extent to which there has been
 18 compliance with the statement of benefits approved under section 4.5
 19 of this chapter.

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

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

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1 provided as part of the statement of benefits.

2 ~~(d)~~ (c) 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 owner of the new manufacturing
6 equipment, new research and development equipment, new
7 logistical distribution equipment, or new information technology
8 equipment.

9 (2) Any information concerning the cost of the new
10 manufacturing equipment, new research and development
11 equipment, new logistical distribution equipment, or new
12 information technology equipment.

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

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

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

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

32 (1) An explanation of the reasons for the designating body's
33 determination.

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

39 (c) On the date specified in the notice described in subsection
40 (b)(2), the designating body shall conduct a hearing for the purpose of
41 further considering the property owner's compliance with the statement
42 of benefits. Based on the information presented at the hearing by the

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1 property owner and other interested parties, the designating body shall
 2 again determine whether the property owner has made reasonable
 3 efforts to substantially comply with the statement of benefits and
 4 whether any failure to substantially comply was caused by factors
 5 beyond the control of the property owner. If the designating body
 6 determines that the property owner has not made reasonable efforts to
 7 comply with the statement of benefits, the designating body shall adopt
 8 a resolution terminating the property owner's deduction under section
 9 3, 4.5, or 4.8 of this chapter. If the designating body adopts such a
 10 resolution, the deduction does not apply to the next installment of
 11 property taxes owed by the property owner or to any subsequent
 12 installment of property taxes.

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

- 16 (1) the property owner;
- 17 (2) the county auditor; and
- 18 (3) the county assessor.

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

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

36 (f) If an appeal under subsection (e) is pending, the taxes resulting
 37 from the termination of the deduction are not due until after the appeal
 38 is finally adjudicated and the termination of the deduction is finally
 39 determined.

40 SECTION 16. IC 6-1.1-12.1-11.3, AS AMENDED BY
 41 P.L.173-2011, SECTION 7, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2013]: Sec. 11.3. (a) This section applies only

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- 1 to the following requirements:
- 2 (1) Failure to provide the completed statement of benefits form to
- 3 the designating body before the hearing required by section 2.5(c)
- 4 of this chapter.
- 5 (2) Failure to submit the completed statement of benefits form to
- 6 the designating body before the:
- 7 (A) initiation of the redevelopment or rehabilitation;
- 8 (B) installation of new manufacturing equipment, new
- 9 research and development equipment, new logistical
- 10 distribution equipment, or new information technology
- 11 equipment; or
- 12 (C) occupation of an eligible vacant building;
- 13 for which the person desires to claim a deduction under this
- 14 chapter.
- 15 (3) Failure to designate an area as an economic revitalization area
- 16 before the initiation of the:
- 17 (A) redevelopment;
- 18 (B) installation of new manufacturing equipment, new
- 19 research and development equipment, new logistical
- 20 distribution equipment, or new information technology
- 21 equipment;
- 22 (C) rehabilitation; or
- 23 (D) occupation of an eligible vacant building;
- 24 for which the person desires to claim a deduction under this
- 25 chapter.
- 26 (4) Failure to make the required findings of fact before
- 27 designating an area as an economic revitalization area or
- 28 authorizing a deduction for new manufacturing equipment, new
- 29 research and development equipment, new logistical distribution
- 30 equipment, or new information technology equipment under
- 31 section 2, 3, 4.5, or 4.8 of this chapter.
- 32 (5) Failure to file a:
- 33 (A) timely; or
- 34 (B) complete;
- 35 deduction application under section 5, 5.3, or 5.4 of this chapter.
- 36 ~~(6) Failure to designate an area as a designated downtown area~~
- 37 ~~under section 16 of this chapter before enhancing a deduction~~
- 38 ~~under section 16 of this chapter.~~
- 39 (b) This section does not grant a designating body the authority to
- 40 exempt a person from filing a statement of benefits or exempt a
- 41 designating body from making findings of fact.
- 42 (c) A designating body may by resolution waive noncompliance

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1 described under subsection (a) under the terms and conditions specified
 2 in the resolution. Before adopting a waiver under this subsection, the
 3 designating body shall conduct a public hearing on the waiver.

4 SECTION 17. IC 6-1.1-12.1-16 IS REPEALED [EFFECTIVE JULY
 5 1, 2013]. Sec. 16: (a) This section applies to property that is the subject
 6 of a deduction application filed after June 30, 2011, if:

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

12 (2) as a condition of obtaining a deduction under this chapter, the
 13 deduction applicant agrees to invest at least ten million dollars
 14 (\$10,000,000) in property that is eligible for a deduction under
 15 this chapter;

16 (3) property that is the subject of a deduction application consists
 17 of a proposed rehabilitation of property in a designated downtown
 18 area; or

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

21 (A) the average annualized unemployment rate in each of the
 22 two (2) calendar years immediately preceding the current
 23 calendar year exceeded the statewide average annualized
 24 unemployment rate for each of the same calendar years by at
 25 least two percent (2%); or

26 (B) the average annualized unemployment rate in the
 27 immediately preceding calendar year was at least double the
 28 statewide average annualized unemployment rate for the same
 29 period;

30 as determined by the department of workforce development.

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

40 (c) A designating body may enhance the deduction as provided in
 41 subsection (b) in the resolution designating the number of years to
 42 which a deduction allowed under section 3, 4.5, or 4.8 of this chapter

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

11 (1) county auditor; and

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

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

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

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

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

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

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

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

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



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1 (3) The average wage of the new employees compared to the state
2 minimum wage.

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

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

7 An alternative abatement schedule must specify the percentage amount
8 of the deduction for each year of the deduction. An alternative
9 abatement schedule may not exceed ten (10) years.

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

14 SECTION 19. IC 6-1.1-20.6-1.2 IS ADDED TO THE INDIANA
15 CODE AS A NEW SECTION TO READ AS FOLLOWS
16 [EFFECTIVE MARCH 1, 2011 (RETROACTIVE)]: **Sec. 1.2. As used**
17 **in this chapter, "common areas" means any of the following:**

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

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

29 SECTION 20. IC 6-1.1-46 IS ADDED TO THE INDIANA CODE
30 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
31 UPON PASSAGE]:

32 **Chapter 46. Personal Property Credit**

33 **Sec. 1. As used in this chapter, "credit" refers to a credit**
34 **granted under this chapter.**

35 **Sec. 2. As used in this chapter, "debt service obligations of a**
36 **political subdivision" refers to:**

37 **(1) the principal and interest payable during a calendar year**
38 **on bonds; and**

39 **(2) lease rental payments payable during a calendar year on**
40 **leases;**

41 **of a political subdivision payable from ad valorem property taxes.**

42 **Sec. 3. As used in this chapter, "designating body" refers to the**

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1 fiscal body (as defined in IC 36-1-2-6) of a county, city, or town.

2 Sec. 4. As used in this chapter, "ordinance" refers to an
3 ordinance adopted under this chapter.

4 Sec. 5. As used in this chapter, "property tax liability" means
5 the ad valorem property tax imposed on personal property under
6 this article determined after application of all credits and
7 deductions under this article or IC 6-3.5, except the credit under
8 this chapter. The term does not include any interest or penalty
9 imposed under this article.

10 Sec. 6. After conducting a public hearing on the proposed
11 ordinance under section 10 of this chapter, a designating body may
12 adopt an ordinance to establish a credit against the property tax
13 liability that a taxpayer would otherwise be obligated to pay for
14 personal property.

15 Sec. 7. An ordinance adopted by the fiscal body of a county
16 applies to all property tax liability imposed on personal property
17 located in the county, including personal property located in a city
18 or town.

19 Sec. 8. An ordinance adopted by the fiscal body of a city or town
20 applies to all property tax liability imposed on personal property
21 located in the city or town.

22 Sec. 9. After conducting a public hearing on the proposed
23 rescission under section 10 of this chapter, a designating body may
24 adopt an ordinance to rescind an ordinance adopted under section
25 6 of this chapter.

26 Sec. 10. Before adopting an ordinance, a designating body shall
27 conduct a public hearing on the proposed ordinance. The
28 designating body shall:

29 (1) publish notice of the public hearing in accordance with
30 IC 5-3-1; and

31 (2) not later than ten (10) days before the public hearing, file
32 the notice with each taxing unit in the geographic area served
33 by the designating body.

34 Sec. 11. An ordinance adopted before October 1 in a year
35 initially applies to property taxes first due and payable in the
36 immediately following year.

37 Sec. 12. An ordinance adopted after September 30 in a year
38 initially applies to property taxes first due and payable in the year
39 that follows the year that immediately follows the year of adoption.

40 Sec. 13. A designating body shall certify an ordinance adopted
41 under this chapter to the county auditor and the department of
42 local government finance.

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1 **Sec. 14. A taxpayer is not required to file an application for the**
2 **credit under this chapter. The county auditor shall:**

- 3 **(1) identify the property in the county eligible for the credit;**
- 4 **and**
- 5 **(2) apply the credit to property tax liability on the identified**
- 6 **property.**

7 **Sec. 15. The county auditor of each county shall certify to the**
8 **department of local government finance:**

- 9 **(1) the total amount of credits that are allowed under this**
- 10 **chapter in the county for the calendar year; and**
- 11 **(2) the amount by which each taxing unit's distribution of**
- 12 **property taxes will be reduced as a result of the granting of**
- 13 **the credits.**

14 **If the amount of credits granted changes after the date the**
15 **certification is made, the county auditor shall submit an amended**
16 **certification to the department of local government finance. The**
17 **initial certification and the amended certification shall be**
18 **submitted to the department of local government finance on the**
19 **schedule prescribed by the department of local government**
20 **finance.**

21 **Sec. 16. For purposes of computing and distributing any excise**
22 **taxes or local option income taxes for which the distribution is**
23 **based on the amount of a taxing unit's property tax levy, the**
24 **computation and distribution of the excise tax or local option**
25 **income tax shall be based on the taxing unit's property tax levy as**
26 **calculated before any reduction due to credits provided to**
27 **taxpayers under this chapter.**

28 SECTION 21. IC 34-24-1-1, AS AMENDED BY P.L.125-2012,
29 SECTION 411, IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) The following may be seized:

- 31 (1) All vehicles (as defined by IC 35-31.5-2-346), if they are used
- 32 or are intended for use by the person or persons in possession of
- 33 them to transport or in any manner to facilitate the transportation
- 34 of the following:
 - 35 (A) A controlled substance for the purpose of committing,
 - 36 attempting to commit, or conspiring to commit any of the
 - 37 following:
 - 38 (i) Dealing in or manufacturing cocaine or a narcotic drug
 - 39 (IC 35-48-4-1).
 - 40 (ii) Dealing in methamphetamine (IC 35-48-4-1.1).
 - 41 (iii) Dealing in a schedule I, II, or III controlled substance
 - 42 (IC 35-48-4-2).

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

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

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1 (15) Except as provided in subsection (e), a vehicle used by a
 2 person who operates the vehicle:

3 (A) while intoxicated, in violation of IC 9-30-5-1 through
 4 IC 9-30-5-5, if in the previous five (5) years the person has two
 5 (2) or more prior unrelated convictions:

6 (i) for operating a motor vehicle while intoxicated in
 7 violation of IC 9-30-5-1 through IC 9-30-5-5; or

8 (ii) for an offense that is substantially similar to IC 9-30-5-1
 9 through IC 9-30-5-5 in another jurisdiction; or

10 (B) on a highway while the person's driving privileges are
 11 suspended in violation of IC 9-24-19-2 through IC 9-24-19-4,
 12 if in the previous five (5) years the person has two (2) or more
 13 prior unrelated convictions:

14 (i) for operating a vehicle while intoxicated in violation of
 15 IC 9-30-5-1 through IC 9-30-5-5; or

16 (ii) for an offense that is substantially similar to IC 9-30-5-1
 17 through IC 9-30-5-5 in another jurisdiction.

18 If a court orders the seizure of a vehicle under this subdivision,
 19 the court shall transmit an order to the bureau of motor vehicles
 20 recommending that the bureau not permit a vehicle to be
 21 registered in the name of the person whose vehicle was seized
 22 until the person possesses a current driving license (as defined in
 23 IC 9-13-2-41).

24 (16) The following real or personal property:

25 (A) Property used or intended to be used to commit, facilitate,
 26 or promote the commission of an offense specified in
 27 IC 23-14-48-9, IC 30-2-9-7(b), IC 30-2-10-9(b), or
 28 IC 30-2-13-38(f).

29 (B) Property constituting, derived from, or traceable to the
 30 gross proceeds that a person obtains directly or indirectly as a
 31 result of an offense specified in IC 23-14-48-9, IC 30-2-9-7(b),
 32 IC 30-2-10-9(b), or IC 30-2-13-38(f).

33 **(17) An automated sales suppression device (as defined in**
 34 **IC 35-43-5-4.4(a)(1)) or phantom-ware (as defined in**
 35 **IC 35-43-5-4.4(a)(3)).**

36 (b) A vehicle used by any person as a common or contract carrier in
 37 the transaction of business as a common or contract carrier is not
 38 subject to seizure under this section, unless it can be proven by a
 39 preponderance of the evidence that the owner of the vehicle knowingly
 40 permitted the vehicle to be used to engage in conduct that subjects it to
 41 seizure under subsection (a).

42 (c) Equipment under subsection (a)(10) may not be seized unless it

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1 can be proven by a preponderance of the evidence that the owner of the
 2 equipment knowingly permitted the equipment to be used to engage in
 3 conduct that subjects it to seizure under subsection (a)(10).

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

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

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

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

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

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

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

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

25 (8) IC 35-48-4-10 (dealing in marijuana, hashish, hashish, salvia,
 26 or a synthetic cannabinoid) as a Class C felony.

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

28 (1) an owner of the vehicle; or

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

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

34 SECTION 22. IC 35-43-5-4.4 IS ADDED TO THE INDIANA
 35 CODE AS A NEW SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2013]: **Sec. 4.4. (a) The following definitions**
 37 **apply throughout this section:**

38 (1) "Automated sales suppression device" means a software
 39 program:

40 (A) carried on a memory stick or removable compact disc;

41 (B) accessed through an Internet link; or

42 (C) accessed through any other means;

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1 that falsifies the electronic records of electronic cash registers
 2 and other point-of-sale systems, including transaction data
 3 and transaction reports.

4 (2) "Electronic cash register" means a device that keeps a
 5 register or supporting documents through the means of an
 6 electronic device or a computer system designed to record
 7 transaction data for the purpose of computing, compiling, or
 8 processing retail sales transaction data in any manner.

9 (3) "Phantom-ware" means a programming option that is
 10 hidden, pre-installed, or installed at a later time, that is
 11 embedded in the operating system of an electronic cash
 12 register or hardwired into the electronic cash register, and
 13 that:

14 (A) can be used to create a virtual second till; or

15 (B) may eliminate or manipulate transaction records that
 16 may or may not be preserved in digital formats to
 17 represent the true or manipulated record of transactions
 18 in the electronic cash register.

19 (4) "Transaction data" includes information regarding:

20 (A) items purchased by a customer;

21 (B) the price for each item;

22 (C) a taxability determination for each item;

23 (D) a segregated tax amount for each of the taxed items;

24 (E) the amount of cash or credit tendered;

25 (F) the net amount returned to the customer in change;

26 (G) the date and time of the purchase;

27 (H) the name, address, and identification number of the
 28 vendor; and

29 (I) the receipt or invoice number of the transaction.

30 (5) "Transaction report" means:

31 (A) a report that includes:

32 (i) the sales;

33 (ii) taxes collected;

34 (iii) media totals; and

35 (iv) discount voids;

36 at an electronic cash register and that is printed on cash
 37 register tape at the end of a day or shift; or

38 (B) a report documenting every action at an electronic cash
 39 register that is stored electronically.

40 (6) "Zapper" refers to an automated sales suppression device.

41 (b) A person who knowingly or intentionally sells, purchases,
 42 installs, transfers, or possesses:

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1 **(1) an automated sales suppression device or a zapper; or**
2 **(2) phantom-ware;**
3 **after June 30, 2012, commits unlawful sale or possession of a**
4 **transaction manipulation device, a Class C felony.**
5 **SECTION 23. An emergency is declared for this act.**

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