

**Economic Impact Statement**

LSA Document #08-54

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****Estimated Number of Small Businesses Impacted by this Rule:**

The Department estimates that no small businesses will be directly impacted by this rule. The purpose of the rule is to delineate the assessment practices to be used by assessing officials for the 2011 pay 2012 general reassessment of real property in Indiana. Under [IC 6-1.1-4-4](#), a general reassessment must be conducted to inventory, verify, and value all real estate parcels in the state. A property's assessed value is the basis for property taxes. While it is clear that some small businesses' property taxes may increase, it is equally clear that some small businesses' property taxes may decrease or stay the same. The rule itself is "business neutral" in that it simply establishes methodologies to determine the true tax value of property.

**Estimated Average Annual Administrative Costs That Small Businesses Will Incur:**

The Department estimates that no small businesses will incur additional administrative expenses resulting from compliance with this rule because no additional reporting or filing requirements will be added by the rule.

**Estimated Total Annual Economic Impact on Small Businesses:**

The Department estimates that there will be no real financial impact on small businesses as a result of compliance with this rule. The rule establishes methodologies for assessing officials to use to determine the true tax value of real property in the next general reassessment. Small businesses will have no responsibilities associated with this rule. The determination of the true tax value of property could result in an increase, a decrease, or no change in property taxes for small businesses. In any event, the true tax value of property must be determined using generally accepted appraisal methods.

- **Justification of Requirements or Costs on Small Businesses Where Rule Is Not Expressly Required by Law:** No additional requirements or costs are expected to result from this rule. If any additional costs are incurred in an effort to comply with this rule, they are justified by the state's interest in uniform and accurate assessments.
- **Supporting Data, Studies, and Analyses:** Because no financial impact is expected as a result of this rule, and because the rule simply prescribes methodologies for assessing officials, no supporting data, studies, or analyses were relied upon by the agency in its determination.

**Regulatory Flexibility Analysis of Alternative Methods:**

Because the exclusive purpose of the rule is to establish assessment methodologies in accordance with the law, the Department did not conduct a regulatory flexibility analysis of alternative methods. Additionally, because no financial impact is expected as a result of compliance with this rule, neither less stringent nor more simplified requirements are necessary for this rule.

- **Supporting Data, Studies, and Analyses:** Because formulating alternative methods is not appropriate for this rule, the Department did not rely upon data, studies, or analyses in its determination.

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