

**Economic Impact Statement**  
LSA Document #12-382

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

The Department of Local Government Finance (Department) estimates that no small businesses will be impacted by this rule. Under [IC 6-1.1-12.8-8](#), the Department must adopt rules concerning the application for the residence in inventory deduction. [IC 6-1.1-12.8](#) allows qualified taxpayers a 50% deduction from the assessed value of a residence held in inventory that has never been occupied and is not a model residence. The purpose of this rule is simply to provide uniform application procedures for the deduction and to give guidance to county auditors. The rule itself is "business neutral" in that it should have no direct or indirect effect on business.

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

The Department estimates that no small businesses will incur additional administrative expenses resulting from this rule because no additional reporting or filing requirements will be added by the rule. The rule simply establishes uniform procedures to guide assessing officials in processing the residence in inventory rule.

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

The Department estimates that there will be no financial impact on small businesses as a result of this rule. Small businesses will have no additional responsibilities associated with this rule.

- **Supporting Data, Studies, and Analyses:** Because no financial impact is expected as a result of this rule, no supporting data, studies, or analyses were relied upon by the agency in its determination.

**Justification of Requirement or Cost:**

[IC 6-1.1-12.8-8](#) requires the Department to adopt rules that establish formal procedures to govern the application for the residence in inventory deduction.

**Regulatory Flexibility Analysis of Alternative Methods:**

The purpose of the rule is simply to establish application procedures for the residence in inventory deduction in accordance with the law and provide guidance to county assessing officials with respect to the deduction. Thus, 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 of the nature of the rule, no supporting data, studies, or analyses were conducted.

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