

## **IC 6-1.1-11**

### Chapter 11. Exemption Procedures

#### **IC 6-1.1-11-1**

##### **Waiver of exemption**

Sec. 1. An exemption is a privilege which may be waived by a person who owns tangible property that would qualify for the exemption. If the owner does not comply with the statutory procedures for obtaining an exemption, he waives the exemption. If the exemption is waived, the property is subject to taxation.

*(Formerly: Acts 1975, P.L.47, SEC.1.)*

#### **IC 6-1.1-11-2**

##### **Applicability of chapter**

Sec. 2. The procedures contained in this chapter are general. They apply unless other procedures for obtaining a specific exemption are provided by law.

*(Formerly: Acts 1975, P.L.47, SEC.1.)*

#### **IC 6-1.1-11-3**

##### **Exemption application; deadline; information included; assessment of property; claim on personal property return**

Sec. 3. (a) Subject to subsections (e), (f), and (g), an owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the county assessor of the county in which the property that is the subject of the exemption is located. The application must be filed annually on or before May 15 on forms prescribed by the department of local government finance. Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

- (1) A description of the property claimed to be exempt in sufficient detail to afford identification.
- (2) A statement showing the ownership, possession, and use of the property.
- (3) The grounds for claiming the exemption.
- (4) The full name and address of the applicant.
- (5) For the year that ends on the assessment date of the property, identification of:
  - (A) each part of the property used or occupied; and
  - (B) each part of the property not used or occupied; for one (1) or more exempt purposes under IC 6-1.1-10 during the time the property is used or occupied.
- (6) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

(e) An owner must file with an application for exemption of real property under subsection (a) or section 5 of this chapter a copy of the assessor's record kept under IC 6-1.1-4-25(a) that shows the calculation of the assessed value of the real property for the assessment date for which the exemption is claimed. Upon receipt of the exemption application, the county assessor shall examine that record and determine if the real property for which the exemption is claimed is properly assessed. If the county assessor determines that the real property is not properly assessed, the county assessor shall:

- (1) properly assess the real property or direct the township assessor to properly assess the real property; and
- (2) notify the county auditor of the proper assessment or direct the township assessor to notify the county auditor of the proper assessment.

(f) If the county assessor determines that the applicant has not filed with an application for exemption a copy of the record referred to in subsection (e), the county assessor shall notify the applicant in writing of that requirement. The applicant then has thirty (30) days after the date of the notice to comply with that requirement. The county property tax assessment board of appeals shall deny an application described in this subsection if the applicant does not comply with that requirement within the time permitted under this subsection.

(g) This subsection applies whenever a law requires an exemption to be claimed on or in an application accompanying a personal property tax return. The claim or application may be filed on or with a personal property tax return not more than thirty (30) days after the filing date for the personal property tax return, regardless of whether an extension of the filing date has been granted under IC 6-1.1-3-7. *(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1977, P.L.2, SEC.19; P.L.65-1983, SEC.2; P.L.6-1997, SEC.37; P.L.198-2001, SEC.32; P.L.178-2002, SEC.15; P.L.264-2003, SEC.4; P.L.154-2006, SEC.10; P.L.219-2007, SEC.24; P.L.146-2008, SEC.107.*

### **IC 6-1.1-11-3.5**

#### **Not-for-profit corporation property; eligibility; application; review**

Sec. 3.5. (a) A not-for-profit corporation that seeks an exemption provided by IC 6-1.1-10 for 2000 or for a year that follows 2000 by a multiple of two (2) years must file an application for the exemption in that year. However, if a not-for-profit corporation seeks an exemption provided by IC 6-1.1-10 for a year not specified in this subsection and the corporation did not receive the exemption for the preceding year, the corporation must file an application for the

exemption in the year for which the exemption is sought. The not-for-profit corporation must file each exemption application in the manner (other than the requirement for filing annually) prescribed in section 3 of this chapter.

(b) A not-for-profit corporation that receives an exemption provided under IC 6-1.1-10 for a particular year that remains eligible for the exemption for the following year is only required to file a statement to apply for the exemption in the years specified in subsection (a), if the use of the not-for-profit corporation's property remains unchanged.

(c) A not-for-profit corporation that receives an exemption provided under IC 6-1.1-10 for a particular year which becomes ineligible for the exemption for the following year shall notify the assessor of the county in which the tangible property for which it claims the exemption is located of its ineligibility on or before May 15 of the year for which it becomes ineligible. If a not-for-profit corporation that is receiving an exemption provided under IC 6-1.1-10 changes the use of its tangible property so that part or all of that property no longer qualifies for the exemption, the not-for-profit corporation shall notify the assessor of the county in which the tangible property for which it claims the exemption is located of its ineligibility on or before May 15 of the year for which it first becomes ineligible. The county assessor shall immediately notify the county auditor of the not-for-profit corporation's ineligibility or disqualification for the exemption. A not-for-profit corporation that fails to provide the notification required by this subsection is subject to the penalties set forth in IC 6-1.1-37-9.

(d) For each year that is not a year specified in subsection (a), the auditor of each county shall apply an exemption provided under IC 6-1.1-10 to the tangible property owned by a not-for-profit corporation that received the exemption in the preceding year unless the county property tax assessment board of appeals determines that the not-for-profit corporation is no longer eligible for the exemption.

(e) The department of local government finance may at any time review an exemption provided under this section and determine whether or not the not-for-profit corporation is eligible for the exemption.

*As added by P.L.65-1983, SEC.3. Amended by P.L.81-1987, SEC.1; P.L.198-2001, SEC.33; P.L.264-2003, SEC.5.*

### **IC 6-1.1-11-3.8**

#### **Notice to county assessor of lease of certain property; county assessor notice to department of local government finance; department rules**

Sec. 3.8. (a) This section applies to real property that after December 31, 2003, is:

- (1) exempt from property taxes:
  - (A) under an application filed under this chapter; or
  - (B) under:
    - (i) IC 6-1.1-10-2; or

- (ii) IC 6-1.1-10-4; and
- (2) leased to an entity other than:
  - (A) a nonprofit entity;
  - (B) a governmental entity; or
  - (C) an individual who leases a dwelling unit in:
    - (i) a public housing project;
    - (ii) a nursing facility referred to in IC 12-15-14;
    - (iii) an assisted living facility; or
    - (iv) an affordable housing development.

(b) After December 31, 2003, each lessor of real property shall notify the county assessor of the county in which the real property is located in writing of:

- (1) the existence of the lease referred to in subsection (a)(2);
- (2) the term of that lease; and
- (3) the name and address of the lessee.

(c) Each county assessor shall annually notify the department of local government finance in writing of the information received by the county assessor under subsection (b).

(d) The department of local government finance shall adopt rules to:

- (1) establish when the notices under subsections (b) and (c) must be given; and
- (2) otherwise implement this section.

*As added by P.L.264-2003, SEC.6.*

#### **IC 6-1.1-11-4**

##### **Exemption application not required in some cases; effect on exemption of change of ownership**

Sec. 4. (a) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the United States, the state, an agency of this state, or a political subdivision (as defined in IC 36-1-2-13). However, this subsection applies only when the property is used, and in the case of real property occupied, by the owner.

(b) The exemption application referred to in section 3 of this chapter is not required if the exempt property is a cemetery:

- (1) described by IC 6-1.1-2-7; or
- (2) maintained by a township executive under IC 23-14-68.

(c) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the bureau of motor vehicles commission established under IC 9-15-1.

(d) The exemption application referred to in section 3 or 3.5 of this chapter is not required if:

- (1) the exempt property is:
  - (A) tangible property used for religious purposes described in IC 6-1.1-10-21;
  - (B) tangible property owned by a church or religious society used for educational purposes described in IC 6-1.1-10-16;
  - (C) other tangible property owned, occupied, and used by a person for educational, literary, scientific, religious, or

charitable purposes described in IC 6-1.1-10-16; or  
(D) other tangible property owned by a fraternity or sorority  
(as defined in IC 6-1.1-10-24).

(2) the exemption application referred to in section 3 or 3.5 of this chapter was filed properly at least once for a religious use under IC 6-1.1-10-21, an educational, literary, scientific, religious, or charitable use under IC 6-1.1-10-16, or use by a fraternity or sorority under IC 6-1.1-10-24; and

(3) the property continues to meet the requirements for an exemption under IC 6-1.1-10-16, IC 6-1.1-10-21, or IC 6-1.1-10-24.

A change in ownership of property does not terminate an exemption of the property if after the change in ownership the property continues to meet the requirements for an exemption under IC 6-1.1-10-16, IC 6-1.1-10-21, or IC 6-1.1-10-24. However, if title to any of the real property subject to the exemption changes or any of the tangible property subject to the exemption is used for a nonexempt purpose after the date of the last properly filed exemption application, the person that obtained the exemption or the current owner of the property shall notify the county assessor for the county where the tangible property is located of the change in the year that the change occurs. The notice must be in the form prescribed by the department of local government finance. If the county assessor discovers that title to property granted an exemption described in IC 6-1.1-10-16, IC 6-1.1-10-21, or IC 6-1.1-10-24 has changed, the county assessor shall notify the persons entitled to a tax statement under IC 6-1.1-22-8.1 for the property of the change in title and indicate that the county auditor will suspend the exemption for the property until the persons provide the county assessor with an affidavit, signed under penalties of perjury, that identifies the new owners of the property and indicates that the property continues to meet the requirements for an exemption under IC 6-1.1-10-21, IC 6-1.1-10-16, or IC 6-1.1-10-24. Upon receipt of the affidavit, the county assessor shall reinstate the exemption for the years for which the exemption was suspended and each year thereafter that the property continues to meet the requirements for an exemption under IC 6-1.1-10-21, IC 6-1.1-10-16, or IC 6-1.1-10-24.

*(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.53-1988, SEC.2; P.L.1-1990, SEC.67; P.L.2-1991, SEC.36; P.L.6-1997, SEC.38; P.L.14-2000, SEC.15; P.L.182-2009(ss), SEC.107; P.L.173-2011, SEC.3.*

#### **IC 6-1.1-11-4.5**

##### **Property tax exemption for property leased to the bureau of motor vehicles or the bureau of motor vehicles commission**

Sec. 4.5. (a) This section applies to a taxpayer notwithstanding this chapter or any other law or administrative rule or provision.

(b) This section applies to an assessment date, as defined in IC 6-1.1-1-2, occurring in 2010 through 2016, and is referred to in this section as the "applicable assessment date".

(c) As used in this section, "taxpayer" refers to a person, as defined in IC 6-1.1-1-10, that:

(1) leases real property to the bureau of motor vehicles or the bureau of motor vehicles commission as of an applicable assessment date; and

(2) filed or refiled after January 15, 2010, and before January 25, 2010, in a manner consistent with IC 6-1.1-36-1.5, a Form 136 property tax exemption application, along with any supporting documents, schedules, or attachments, claiming an exemption from real property taxes under IC 36-1-10-18 for property leased to the bureau of motor vehicles or bureau of motor vehicles commission for an assessment date that is before 2010.

(d) If the real property identified in the Form 136 property tax exemption application referred to in subsection (c)(2) at any time received a full or partial exemption from real property taxes for an assessment date that is before an applicable assessment date, the taxpayer is entitled to an exemption from real property taxes for each applicable assessment date for all property leased to the bureau of motor vehicles or bureau of motor vehicles commission for that applicable assessment date. The taxpayer is not required to pay property taxes, penalties, or interest with respect to the exempt property.

(e) The exemption allowed by this section shall be applied by the auditor of the county in which the real property exempt under this section is located without the taxpayer having to annually file or refile an exemption application under section 3 of this chapter.

(f) The part of the real property that is exempt under this section shall be based on the square footage of the real property leased to the bureau of motor vehicles or bureau of motor vehicles commission. The county auditor may request from the taxpayer information that is reasonably necessary to demonstrate:

(1) that the real property is leased to the bureau of motor vehicles or bureau of motor vehicles commission as of a particular applicable assessment date; and

(2) the appropriate exemption percentage.

The auditor of the county in which the real property exempt under this section is located shall apply the same exemption percentage to both the land and improvements owned by the taxpayer.

(g) The county assessor or the property tax assessment board of appeals of the county in which the real property exempt under this section is located may not exercise any authority over the exemption and may not disapprove the exemption. The exemption allowed by this section applies regardless of whether the property tax assessment board of appeals of the county in which the property exempt under this section is located has previously denied the exemption for an applicable assessment date.

(h) This section expires January 1, 2018.

*As added by P.L.173-2011, SEC.4.*

#### **IC 6-1.1-11-5**

##### **County auditor notice to county assessor of previously exempt property; notice to property owner of requirement to file exemption application**

Sec. 5. (a) Before May 16 of each even-numbered year, the county auditor shall provide to the county assessor a list by taxing district of property for which a tax exemption was in effect for the immediately preceding year. Before July 1 of each even-numbered year, the county assessor shall return the list to the county auditor with a notation of any action of the county property tax assessment board of appeals on that year's exemption of each listed property.

(b) The assessor of the county in which property is located shall, in each even-numbered year, mail a notice to the owner of the property if:

- (1) the owner has not applied for a tax exemption for that year;
- (2) a tax exemption for the property was in effect for the immediately preceding year; and
- (3) the owner is required to file an application for the exemption for that year under section 3.5 of this chapter.

(c) The notice required by subsection (b) must:

- (1) identify the property by key number, if any, and a street address, if any, or other common description of the property other than a legal description; and
- (2) state that the property will be placed on the county tax duplicate unless the owner applies for an exemption within fifteen (15) days after the date the notice is mailed.

The county assessor shall mail any notice required by subsection (b) before June 16 of the year in which the exemption application should have been filed.

(d) A county assessor's failure to give the notice required by subsection (b) does not continue an exemption unless an exemption application is filed by the owner and approved by the county property tax assessment board of appeals on or before the first Monday in November of the year following the year in which the application should have been filed.

*(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.65-1983, SEC.4; P.L.73-1987, SEC.2; P.L.81-1987, SEC.2; P.L.6-1997, SEC.39; P.L.264-2003, SEC.7.*

#### **IC 6-1.1-11-6**

##### **Submission of tax exemption applications for examination**

Sec. 6. Before the convening of the county property tax assessment board of appeals, the county assessor shall submit the exemption applications to the county property tax assessment board of appeals for examination.

*(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.6-1997, SEC.40; P.L.264-2003, SEC.8.*

#### **IC 6-1.1-11-7**

##### **Notice of action by the county property tax assessment board of**

**appeals; action by county assessor and county auditor; appeal**

Sec. 7. (a) The county property tax assessment board of appeals, after careful examination, shall approve or disapprove each exemption application and shall note its action on the application.

(b) If the county property tax assessment board of appeals approves the exemption, in whole or part:

- (1) the county assessor shall notify the county auditor of the approval; and
- (2) the county auditor shall note the board's action on the tax duplicate.

The county auditor's notation is notice to the county treasurer that the exempt property shall not be taxed for the current year unless otherwise ordered by the department of local government finance.

(c) If the exemption application is disapproved by the county property tax assessment board of appeals, the county assessor shall notify the applicant by mail. Within thirty (30) days after the notice is mailed, the owner may, in the manner prescribed in IC 6-1.1-15-3, petition the Indiana board to review the county property tax assessment board of appeals' determination.

*(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.6-1997, SEC.41; P.L.90-2002, SEC.104; P.L.264-2003, SEC.9.*

**IC 6-1.1-11-8**

**Review of approved application by department of local government finance; department action, report, and rules**

Sec. 8. (a) On or before August 1 of each year, the county auditor of each county shall forward to the department of local government finance the duplicate copies of all approved exemption applications.

(b) The department of local government finance shall review the approved applications forwarded under subsection (a). The department of local government finance may deny an exemption if the department determines that the property is not tax exempt under the laws of this state. However, before denying an exemption, the department of local government finance must give notice to the applicant, and the department must hold a hearing on the exemption application.

(c) With respect to the approved applications forwarded under subsection (a), the department shall annually report to the executive director of the legislative services agency:

- (1) the number forwarded;
- (2) the number subjected to field investigation by the department; and
- (3) the number denied by the department;

during the year ending on July 1 of the year. The department must submit the report under this subsection not later than August 1 of the year and in an electronic format under IC 5-14-6.

(d) The department shall adopt rules under IC 4-22-2 with respect to exempt real property to:

- (1) provide just valuations; and
- (2) ensure that assessments are:

(A) made; and

(B) recorded;

in accordance with law.

*(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.90-2002, SEC.105; P.L.264-2003, SEC.10; P.L.28-2004, SEC.62.*

#### **IC 6-1.1-11-9**

##### **Assessment method; exemption for public properties**

Sec. 9. (a) Except as provided in subsection (b) of this section, all property otherwise subject to assessment under this article shall be assessed in the usual manner, whether or not it is exempt from taxation.

(b) No assessment shall be made of property which is owned by the government of the United States, this state, an agency of this state, or a political subdivision of this state if the property is used, and in the case of real property occupied, by the owner.

*(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1977, P.L.2, SEC.20.*

#### **IC 6-1.1-11-10**

##### **No application fee permitted**

Sec. 10. No fee may be charged by a county auditor or county assessor, or the county auditor's or county assessor's employees, for filing or preparing an exemption application.

*(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.65-1983, SEC.5; P.L.178-2002, SEC.16; P.L.264-2003, SEC.11.*