

**IC 6-1.1-12.4**

Chapter 12.4. Investment Deduction

**IC 6-1.1-12.4-1**

**"Official"**

Sec. 1. For purposes of this chapter, "official" means:

- (1) a county auditor;
- (2) a county assessor; or
- (3) a township assessor (if any).

*As added by P.L.193-2005, SEC.8. Amended by P.L.146-2008, SEC.129.*

**IC 6-1.1-12.4-2**

**Applicability of deduction entitlement; calculation of deduction amount; filing requirements; adjustments**

Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to a development, redevelopment, or rehabilitation that is first assessed after March 1, 2005, and before March 2, 2007. Except as provided in subsection (h) and sections 4, 5, and 8 of this chapter, an owner of real property that:

- (1) develops, redevelops, or rehabilitates the real property; and
- (2) creates or retains employment from the development, redevelopment, or rehabilitation;

is entitled to a deduction from the assessed value of the real property.

(c) Subject to section 14 of this chapter, the deduction under this section is first available in the year in which the increase in assessed value resulting from the development, redevelopment, or rehabilitation occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:

- (1) two million dollars (\$2,000,000); or
- (2) the product of:
  - (A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by
  - (B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor, or the county assessor if there is no township assessor for the township, shall:

- (1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and
- (2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

- (1) make the deductions; and
- (2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:

- (1) a general reassessment of real property under IC 6-1.1-4-4; or
- (2) an annual adjustment under IC 6-1.1-4-4.5.

(g) If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.

(h) The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

*As added by P.L.193-2005, SEC.8. Amended by P.L.219-2007, SEC.34; P.L.234-2007, SEC.38; P.L.3-2008, SEC.38; P.L.146-2008, SEC.130.*

### **IC 6-1.1-12.4-3**

#### **Eligibility; deduction amount; period of deduction; deduction claim; limitations**

Sec. 3. (a) For purposes of this section, an increase in the assessed value of personal property is determined in the same manner that an increase in the assessed value of new manufacturing equipment is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to personal property that the owner purchases after March 1, 2005, and before March 2, 2007. Except as provided in sections 4, 5, and 8 of this chapter, an owner that purchases personal property that:

- (1) was never before used by its owner for any purpose in Indiana; and
- (2) creates or retains employment;

is entitled to a deduction from the assessed value of the personal property.

(c) Subject to section 14 of this chapter, the deduction under this section is first available in the year in which the increase in assessed value resulting from the purchase of the personal property occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to personal property located in a county for a particular year equals the lesser of:

- (1) two million dollars (\$2,000,000); or
- (2) the product of:

(A) the increase in assessed value resulting from the

purchase of the personal property; multiplied by  
(B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) If an appeal of an assessment is approved that results in a reduction of the assessed value of the personal property, the amount of the deduction is adjusted to reflect the percentage decrease that results from the appeal.

(e) A property owner must claim the deduction under this section on the owner's annual personal property tax return. The township assessor, or the county assessor if there is no township assessor for the township, shall:

- (1) identify the personal property eligible for the deduction to the county auditor; and
- (2) inform the county auditor of the deduction amount.

(f) The county auditor shall:

- (1) make the deductions; and
- (2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(g) The deduction under this section does not apply to personal property at a facility listed in IC 6-1.1-12.1-3(e).

*As added by P.L.193-2005, SEC.8. Amended by P.L.154-2006, SEC.37; P.L.169-2006, SEC.7; P.L.1-2007, SEC.41; P.L.219-2007, SEC.35; P.L.234-2007, SEC.39; P.L.3-2008, SEC.39; P.L.146-2008, SEC.131.*

#### **IC 6-1.1-12.4-4**

##### **Ineligibility of real and personal property located in allocation area**

Sec. 4. A property owner may not receive a deduction under this chapter with respect to real property or personal property located in an allocation area (as defined in IC 6-1.1-21.2-3).

*As added by P.L.193-2005, SEC.8.*

#### **IC 6-1.1-12.4-5**

##### **Additional deductions for property prohibited**

Sec. 5. A property owner that qualifies for a deduction for a year under this chapter and another statute with respect to the same:

- (1) real property development, redevelopment, or rehabilitation;  
or
- (2) personal property purchase;

may not receive a deduction under both statutes for the development, redevelopment, rehabilitation, or purchase for that year.

*As added by P.L.193-2005, SEC.8.*

#### **IC 6-1.1-12.4-6**

##### **Official review of job creation and job retention criteria; notice of hearing**

Sec. 6. An official may:

- (1) review the creation or retention of employment from:
  - (A) the development, redevelopment, or rehabilitation of real property; or
  - (B) the purchase of personal property;that qualifies a property owner for a deduction under this chapter;
- (2) determine whether the creation or retention of employment described in subdivision (1) has occurred; and
- (3) if the official determines under subdivision (2) that:
  - (A) the creation or retention of employment described in subdivision (1) has not occurred; and
  - (B) the failure to create or retain employment was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services);

mail a written notice to the property owner of a hearing on the termination of the deduction under this chapter.

*As added by P.L.193-2005, SEC.8.*

#### **IC 6-1.1-12.4-7**

##### **Notice of hearing requirements**

Sec. 7. The written notice under section 6(3) of this chapter must include the following:

- (1) An explanation of the reasons for the determination that the creation or retention of employment described in section 6(1) of this chapter has not occurred.
- (2) The date, time, and place of a hearing to be conducted:
  - (A) by the official; and
  - (B) not more than thirty (30) days after the date of the notice under section 6(3) of this chapter;

to further consider the property owner's creation or retention of employment as described in section 6(1) of this chapter.

*As added by P.L.193-2005, SEC.8.*

#### **IC 6-1.1-12.4-8**

##### **Hearing requirements; termination of deduction**

Sec. 8. On the date specified in the notice described in section 6(3) of this chapter, the official shall conduct a hearing for the purpose of further considering the property owner's creation or retention of employment as described in section 6(1) of this chapter. Based on the information presented at the hearing by the property owner and other interested parties, the official shall determine whether the property owner has made reasonable efforts to create or retain employment as described in section 6(1) of this chapter and whether any failure to create or retain employment was caused by factors beyond the control of the property owner. If the official determines that the property owner has not made reasonable efforts to create or retain employment, the official shall determine that the property owner's deduction under this chapter is terminated. If the

official terminates the deduction, the deduction does not apply to:

- (1) the next installment of property taxes owed by the property owner; or
- (2) any subsequent installment of property taxes.

*As added by P.L.193-2005, SEC.8.*

#### **IC 6-1.1-12.4-9**

##### **Notice of termination**

Sec. 9. If an official terminates a deduction under section 8 of this chapter:

- (1) the official shall immediately mail a certified copy of the determination to:
  - (A) the property owner; and
  - (B) if the determination is made by the county assessor or the township assessor (if any), the county auditor;
- (2) the county auditor shall:
  - (A) remove the deduction from the tax duplicate; and
  - (B) notify the county treasurer of the termination of the deduction; and
- (3) if the official's determination to terminate the deduction occurs after the county treasurer has mailed the statement required by IC 6-1.1-22-8.1, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.

*As added by P.L.193-2005, SEC.8. Amended by P.L.3-2008, SEC.40; P.L.146-2008, SEC.132.*

#### **IC 6-1.1-12.4-10**

##### **Appeal of termination**

Sec. 10. A property owner whose deduction is terminated under section 8 of this chapter may appeal the official's decision by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. The court shall:

- (1) hear an appeal under this section promptly without a jury; and
- (2) determine the appeal not later than thirty (30) days after the date of the filing of the appeal.

The judgment of the court is final and conclusive unless an appeal is taken as in other civil actions.

*As added by P.L.193-2005, SEC.8.*

#### **IC 6-1.1-12.4-11**

##### **Taxes not due while appeal pending**

Sec. 11. If an appeal under section 10 of this chapter is pending, the taxes resulting from the termination of the deduction are not due until after the appeal is finally adjudicated and the termination of the deduction is finally determined.

*As added by P.L.193-2005, SEC.8.*

**IC 6-1.1-12.4-12****Change of ownership**

Sec. 12. If ownership of the real property or new personal property changes, the deduction under this chapter continues to apply to the real property or personal property, and the amount of deduction is the product of:

- (1) the percentage under section 2(c)(2)(B) or 3(c)(2)(B) of this chapter that would have applied if the ownership of the property had not changed; multiplied by
- (2) the assessed value of the real property or personal property for the year the new owner qualifies for the deduction.

*As added by P.L.193-2005, SEC.8.*

**IC 6-1.1-12.4-13****Department of local government finance rulemaking**

Sec. 13. The department of local government finance shall adopt rules under IC 4-22-2 to implement this chapter.

*As added by P.L.193-2005, SEC.8.*

**IC 6-1.1-12.4-14****Correction of error in deduction amount**

Sec. 14. If:

- (1) as the result of an error the county auditor applies a deduction under this chapter for a particular assessment date in an amount that is less than the amount to which the taxpayer is entitled under this chapter; and
- (2) the taxpayer is entitled to a correction of the error under this article;

the county auditor shall apply the correction of the error in the manner that corrections are applied under IC 6-1.1-12.1-15.

*As added by P.L.219-2007, SEC.36.*