

IC 6-1.1-12.8

Chapter 12.8. Deduction for Residence in Inventory

IC 6-1.1-12.8-0.5

"Affiliated group"

Sec. 0.5. As used in this chapter, "affiliated group" has the meaning set forth in IC 6-1.1-12.6-0.5.

As added by P.L.175-2011, SEC.2.

IC 6-1.1-12.8-1

"Residence in inventory"

Sec. 1. (a) As used in this chapter, "residence in inventory" means real property that:

- (1) is not a model residence (as defined in IC 6-1.1-12.6-1); and
- (2) consists of any of the following that has never been occupied:

- (A) A single family residence.
- (B) A single family townhouse.
- (C) A single family condominium unit.

(b) The term does not include any of the land on which the residence, townhouse, or condominium unit is located.

(c) Real property described in subsection (a) that is used by the owner as the owner's regular office space may not be considered a residence in inventory for purposes of this chapter. However, this subsection does not prohibit the use of a garage or other space in the real property:

- (1) to store or display material used to promote the real property or other similar properties; or
- (2) as a space for meetings with prospective buyers or lessees.

As added by P.L.175-2011, SEC.2.

IC 6-1.1-12.8-2

"Residential builder"

Sec. 2. As used in this chapter, "residential builder" means a person that builds any of the following for sale in the ordinary course of the person's trade or business:

- (1) Single family residences.
- (2) Single family townhouses.
- (3) Single family condominium units.

As added by P.L.175-2011, SEC.2.

IC 6-1.1-12.8-3

Deduction

Sec. 3. (a) This chapter applies only to a residence in inventory that is first assessed as:

- (1) a partially completed structure; or
- (2) a fully completed structure;

for the assessment date in 2012 or a later year.

(b) Except as provided in subsections (c) and (d) and sections 5 and 6 of this chapter, and subject to section 7 of this chapter, a

residential builder that is the owner of a residence in inventory is entitled to a deduction from the assessed value of the residence in inventory in the amount of fifty percent (50%) of the assessed value of the residence in inventory for the following:

(1) Not more than one (1) assessment date for which the residence in inventory is assessed as a partially completed structure.

(2) The assessment date for which the residence in inventory is first assessed as a fully completed structure.

(3) The two (2) assessment dates that immediately succeed the assessment date referred to in subdivision (2).

(c) A deduction allowed for a residence in inventory under this chapter for a particular assessment date is terminated if title to the residence in inventory is transferred:

(1) after the assessment date of that year but before January 1 of the following year; and

(2) to a person for whom the real property does not qualify as a residence in inventory.

The county auditor shall immediately mail notice of the termination to the former owner, the property owner, and the township assessor (or the county assessor if there is no township assessor for the township). The county auditor shall remove the deduction from the tax duplicate and shall notify the county treasurer of the termination of the deduction.

(d) A deduction for a residence in inventory under this chapter does not apply for a particular assessment date if the residence in inventory is leased for any purpose for any part of the calendar year in which the assessment date occurs.

As added by P.L.175-2011, SEC.2.

IC 6-1.1-12.8-4

Required statement

Sec. 4. (a) A property owner that qualifies for the deduction under this chapter must file a statement containing the information required by subsection (b) with the county auditor to claim the deduction for each assessment date for which the property owner wishes to receive the deduction in the manner prescribed in rules adopted under section 8 of this chapter. The township assessor, or the county assessor if there is no township assessor for the township, shall verify each statement filed under this section, and 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.

(b) The statement referred to in subsection (a) must be verified under penalties for perjury and must contain the following information:

(1) The assessed value of the real property for which the person is claiming the deduction.

(2) The full name and complete business address of the person

claiming the deduction.

(3) The complete address and a brief description of the real property for which the person is claiming the deduction.

(4) The name of any other county in which the person has applied for a deduction under this chapter for that assessment date.

(5) The complete address and a brief description of any other real property for which the person has applied for a deduction under this chapter for that assessment date.

(6) An affirmation by the owner that the owner is receiving not more than three (3) deductions under this chapter, including the deduction being applied for by the owner, either:

(A) as the owner of the residence in inventory; or

(B) as an owner that is part of an affiliated group.

(7) An affirmation that the real property has not been leased and will not be leased for any purpose during the term of the deduction.

As added by P.L.175-2011, SEC.2.

IC 6-1.1-12.8-5

Allocation area; deduction disallowed

Sec. 5. A property owner may not receive a deduction under this chapter with respect to a residence in inventory located in an allocation area (as defined in IC 6-1.1-21.2-3).

As added by P.L.175-2011, SEC.2.

IC 6-1.1-12.8-6

Restriction on deductions under multiple statutes

Sec. 6. A property owner that qualifies for a deduction for a year under this chapter and another statute with respect to the same residence in inventory may not receive a deduction under both statutes for the residence in inventory for that year.

As added by P.L.175-2011, SEC.2.

IC 6-1.1-12.8-7

Change in ownership

Sec. 7. (a) If ownership of the residence in inventory changes:

(1) a new owner that is a residential builder for which the property is a residence in inventory may claim the deduction under this chapter; and

(2) the deduction may not be applied for an assessment date other than the assessment dates to which the deduction could have applied under section 3 of this chapter if ownership had not changed.

(b) A person who owns a residence in inventory and claims a deduction under this chapter shall provide to the county auditor a notice that:

(1) informs the auditor of a transfer of the ownership of the residence in inventory; and

(2) indicates whether the new owner is eligible to receive a

deduction under this chapter.
The notice required by this subsection must be submitted to the county auditor at the same time that a sales disclosure form is filed under IC 6-1.1-5.5.

As added by P.L.175-2011, SEC.2.

IC 6-1.1-12.8-8

Authorization to adopt rules

Sec. 8. The department of local government finance shall adopt rules and may adopt emergency rules under IC 4-22-2 to implement this chapter.

As added by P.L.175-2011, SEC.2.

IC 6-1.1-12.8-9

Limit on number of residences in inventory

Sec. 9. (a) Subject to section 10 of this chapter, a property owner is entitled to a deduction under this chapter for an assessment date for not more than three (3) residences in inventory in Indiana.

(b) The auditor of a county (referred to in this section as the "first county") with whom a statement is filed under section 4 of this chapter shall immediately prepare and transmit a copy of the statement to the auditor of any other county (referred to in this section as the "second county") if the property owner that claims the deduction owns or is buying a residence in inventory located in the second county.

(c) The county auditor of the second county shall note on the copy of the statement whether the property owner has claimed a deduction for the current year under section 4 of this chapter for a residence in inventory located in the second county. The county auditor shall then return the copy of the statement to the auditor of the first county.

As added by P.L.175-2011, SEC.2.

IC 6-1.1-12.8-10

Affiliated group limit

Sec. 10. The aggregate number of deductions claimed under this chapter for a particular assessment date by the owners of residences in inventory who are a part of an affiliated group may not exceed three (3).

As added by P.L.175-2011, SEC.2.