

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

### **Chapter 2. Imposition of Tax**

#### **IC 6-1.1-2-0.1**

##### **Application of certain amendments to chapter**

Sec. 0.1. The following amendments to this chapter apply as follows:

(1) The amendments made to section 6 of this chapter (before its repeal) by P.L.98-1989 apply to boating years beginning after December 31, 1989.

(2) The amendments made to section 4 of this chapter by P.L.51-1997 apply only to assessment years beginning after December 31, 1997.

(3) If a court makes a final determination that the commercial vehicle excise tax, as added by P.L.181-1999 is invalid, the amendments made to section 7 of this chapter by P.L.181-1999 are void upon the exhaustion of all appeals of the court's final determination.

*As added by P.L.220-2011, SEC.116.*

#### **IC 6-1.1-2-1**

##### **Property subject to tax**

Sec. 1. Except as otherwise provided by law, all tangible property which is within the jurisdiction of this state on the assessment date of a year is subject to assessment and taxation for that year.

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

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

##### **Assessment methods**

Sec. 2. All tangible property which is subject to assessment shall be assessed on a just valuation basis and in a uniform and equal manner. Personal property which is subject to assessment and taxation shall be assessed annually in the manner prescribed in this article. Real property which is subject to assessment and taxation shall be assessed in the manner and at the times prescribed in this article.

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

#### **IC 6-1.1-2-3**

##### **Rate of tax; use of revenues**

Sec. 3. The total tax rate to be imposed on each one hundred dollars (\$100) of the assessed value of property shall be determined in the manner provided by law. Property tax revenues shall be used for state expenditures and for the support of the political subdivisions of this state.

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

#### **IC 6-1.1-2-4**

##### **Liability for tax; assessment of improvement or appurtenance separately from land**

Sec. 4. (a) The owner of any real property on the assessment date of a year is liable for the taxes imposed for that year on the property, unless a person holding, possessing, controlling, or occupying any real property on the assessment date of a year is liable for the taxes imposed for that year on the property under a memorandum of lease or other contract with the owner that is recorded with the county recorder before January 1, 1998. A person holding, possessing, controlling, or occupying any personal property on the assessment date of a year is liable for the taxes imposed for that year on the property unless:

- (1) the person establishes that the property is being assessed and taxed in the name of the owner; or
- (2) the owner is liable for the taxes under a contract with that person.

When a person other than the owner pays any property taxes, as required by this section, that person may recover the amount paid from the owner, unless the parties have agreed to other terms in a contract.

(b) An owner on the assessment date of a year of real property that has an improvement or appurtenance that is:

- (1) assessed as real property; and
- (2) owned, held, possessed, controlled, or occupied on the assessment date of a year by a person other than the owner of the land;

is jointly liable for the taxes imposed for the year on the improvement or appurtenance with the person holding, possessing, controlling, or occupying the improvement or appurtenance on the assessment date.

(c) An improvement or appurtenance to land that, on the assessment date of a year, is held, possessed, controlled, or occupied by a different person than the owner of the land may be listed and assessed separately from the land only if the improvement or appurtenance is held, possessed, controlled, or occupied under a memorandum of lease or other contract that is recorded with the county recorder before January 1, 1998.

*(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1981, P.L.63, SEC.1; P.L.51-1997, SEC.1.*

#### **IC 6-1.1-2-5**

##### **Partnership property**

Sec. 5. The tangible property of a partnership shall be listed and assessed in the firm name. Each partner is jointly and severally liable for the property taxes so assessed.

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

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

##### **Repealed**

*(Repealed by P.L.1-1990, SEC.65.)*

#### **IC 6-1.1-2-7**

**Exempt property**

Sec. 7. (a) As used in this section, "nonbusiness personal property" means personal property that is not:

- (1) held for sale in the ordinary course of a trade or business;
- (2) held, used, or consumed in connection with the production of income; or
- (3) held as an investment.

(b) The following property is not subject to assessment and taxation under this article:

- (1) A commercial vessel that is subject to the net tonnage tax imposed under IC 6-6-6.
- (2) A motor vehicle that is subject to the annual license excise tax imposed under IC 6-6-5.
- (3) A motorized boat or sailboat that is subject to the boat excise tax imposed under IC 6-6-11.
- (4) Property used by a cemetery (as defined in IC 23-14-33-7) if the cemetery:
  - (A) does not have a board of directors, board of trustees, or other governing authority other than the state or a political subdivision; and
  - (B) has had no business transaction during the preceding calendar year.
- (5) A commercial vehicle that is subject to the annual excise tax imposed under IC 6-6-5.5.
- (6) Inventory.
- (7) A recreational vehicle or truck camper that is subject to the annual excise tax imposed under IC 6-6-5.1.
- (8) The following types of nonbusiness personal property:
  - (A) All-terrain vehicles.
  - (B) Snowmobiles.
  - (C) Rowboats, canoes, kayaks, and other human powered boats.
  - (D) Invalid chairs.
  - (E) Yard and garden tractors.
  - (F) Trailers that are not subject to an excise tax under:
    - (i) IC 6-6-5-5.5;
    - (ii) IC 6-6-5.1; or
    - (iii) IC 6-6-5.5.

*As added by P.L.1-1990, SEC.66. Amended by P.L.52-1997, SEC.1; P.L.181-1999, SEC.1; P.L.146-2008, SEC.50; P.L.131-2008, SEC.3; P.L.1-2009, SEC.27.*

**IC 6-1.1-2-8**

**Application of P.L.6-1997; changing method of assessed valuation; tax rates, deductions, limits on indebtedness; computation of assessed value growth quotient, tax rates, other values; state board of tax commissioner duties; intent of general assembly**

Sec. 8. (a) IC 6-1.1-1-3, as amended by P.L.6-1997, and all changes in tax rates, deductions, and limits on indebtedness made by P.L.6-1997 apply only to budget years and property taxes first due

and payable after December 31, 2001.

(b) For the purpose of computing:

- (1) the assessed value growth quotient under IC 6-1.1-18.5-2; and
- (2) any other value that requires the use of an assessed value from a date before March 1, 2001;

for a budgetary appropriation, state distribution, or property tax levy first due and payable after December 31, 2001, the assessed value from a date before March 1, 2001, must first be increased from thirty-three and thirty-three hundredths percent (33.33%) of true tax value to one hundred percent (100%) of true tax value before the computation is made.

(c) For the purpose of computing:

- (1) a tax rate under IC 6-1.1-19-1.5 (before its repeal); and
- (2) any other value that requires the use of a tax rate from a date before March 1, 2001;

for a budgetary appropriation, state distribution, or property tax levy first due and payable after December 31, 2001, a tax rate from a date before January 1, 2002, must first be reduced by dividing the tax rate by three (3) before the computation is made.

(d) The state board of tax commissioners shall adjust the tax rates of all taxing units to eliminate the effects of changing assessed values from thirty-three and thirty-three hundredths percent (33.33%) of true tax value to one hundred percent (100%) of true tax value.

(e) If a maximum property tax rate that was enacted before 1997 is not amended by P.L.6-1997, the state board of tax commissioners shall adjust the maximum tax rate to eliminate the effects of changing assessed values from thirty-three and thirty-three hundredths percent (33.33%) of true tax value to one hundred percent (100%) of true tax value.

(f) The state board of tax commissioners shall prepare the initial schedule of adjusted assessed values for all political subdivisions under IC 36-1-15, as added by P.L.6-1997, not later than July 1, 2001.

(g) It is the intent of the general assembly that all adjustments necessary to implement IC 6-1.1-1-3, as amended by P.L.6-1997, be made without raising the revenues available to governmental units more than would have occurred if P.L.6-1997 were not enacted. The state board of tax commissioners shall provide fiscal officers in the taxing units, assessing officials, and members of the board of tax adjustment with instructions on how to implement this section.

(h) If a statute that imposes an assessed value limitation on the aggregate amount of bonds that a political subdivision may issue that was enacted before 1997 is not amended by P.L.6-1997, the state board of tax commissioners shall adjust the assessed value limitation to eliminate the effects of changing assessed values from thirty-three and thirty-three hundredths percent (33.33%) of true tax value to one hundred percent (100%) of true tax value.

(i) The state board of tax commissioners shall, if necessary to protect owners of bonds payable in whole or in part from tax

increment, adjust the base assessed value to neutralize the effect of changing assessed values under P.L.6-1997 from thirty-three and thirty-three hundredths percent (33.33%) of true tax value to one hundred percent (100%) of true tax value under the following statutes:

- (1) IC 6-1.1-39.
- (2) IC 8-22-3.5.
- (3) IC 36-7-14.
- (4) IC 36-7-14.5.
- (5) IC 36-7-15.1.
- (6) IC 36-7-30.

*As added by P.L.220-2011, SEC.117.*

### **IC 6-1.1-2-10**

#### **Legalization of certain actions of department before November 21, 2007; validation of certain local government actions**

Sec. 10. (a) Any action taken by the department of local government finance before November 21, 2007, to do any of the following with respect to property taxes first due and payable in 2007 in any county is legalized and validated:

- (1) Halt billing and collection.
- (2) Invalidate the certification under IC 6-1.1-17-16(f) of the department's actions concerning budgets, rates, and levies.
- (3) Revise and reissue certifications referred to in subdivision (2).
- (4) Require the preparation and delivery under IC 6-1.1-22-5 of an abstract that is based on the assessed values determined in a reassessment:
  - (A) performed by; or
  - (B) ordered by;the department of local government finance under IC 6-1.1-4 or IC 6-1.1-14.
- (5) Allow payments of installments on dates and in amounts different from the dates and amounts that applied in an earlier issuance of tax statements by the county.
- (6) Allow the issuance of reconciling property tax statements to reconcile the payment of different amounts referred to in subdivision (5) as compared to the amounts finally determined to be due and payable.
- (7) Waive all or part of a penalty under IC 6-1.1-37-10.

(b) The department of local government finance may take any action listed in subsection (a) on or after November 21, 2007, with respect to property taxes first due and payable in 2007 in any county.

(c) Any action taken before November 21, 2007, by a unit of local government or a public official on behalf of a unit of local government that:

- (1) is in response to; and
- (2) is consistent with;

an action of the department of local government finance referred to in subsection (a) is legalized and validated.

(d) A unit of local government or a public official on behalf of a unit of local government may take any action on or after November 21, 2007, that:

(1) is in response to; and

(2) is consistent with;

an action of the department of local government finance referred to in subsection (a) or (b).

*As added by P.L.220-2011, SEC.118.*