
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Frequently Asked Questions

Phase I

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Software Certification Testing Process

Question/Comment: The Deputy Auditor and I were talking about the email we received about the upcoming testing. We were wondering about the third party entity that has to conduct the testing. Will there be a list of companies for us to choose from that can do this testing?

Answer: For this upcoming round of software certification testing that is scheduled to last from July 1, 2018 - June 30, 2020, the counties will not need to employ a third party vendor to conduct testing. The Department plans to conduct the testing; no third party testing vendors will need to be employed by the counties.

Assessment Systems: Test Area 1

Question/Comment: I thought we were using existing data with approval from the Department?

Answer: The Department does plan for the software vendors to use actual data from one of their counties as opposed to using a Department-created data bundle. The data for the county that the vendor selects to use for testing will need to be provided to the Department at least two weeks in advance of the scheduled testing date using the applicable file formats under 50 IAC 26-20. For example, a CAMA vendor will need to provide the data for the applicable county that they will be using to test on in the form of the PARCEL, LAND, IMPROVE, DWELLING, BUILDING, BLDDCTL, and APPEAL files for the applicable county and assessment years.

Question/Comment: Test 1 - The data files do not have enough information to make a complete record. In 2013 we were allowed to preload the records and we informed the DLGF how long it took us to upload their file. Presumably we will be able to do the same in 2018.

Answer: The Department does plan for the software vendors to use actual data from one of their counties as opposed to using a Department-created data bundle. In order to maximize the time of the testing session, the Department is amenable to allowing the vendor to preload the records prior to the start of the testing session. However, should the vendor elect to preload the records prior to the start of the testing session, the vendor will need to provide detailed documentation of how long it took to import the data into the system and build the database, including screenshots that show the database with no records as the starting point and the database after the records

have been successfully imported. This documentation will need to be submitted before the Department completes its review and analysis of the results from the testing session.

Assessment Systems: Test Area 5

Question/Comment: Test 7 - We need more clarification about this new test. First, will you please direct us to the section of 50 IAC 26 that requires this? Our concern is that there are multiple GIS vendors used by Indiana counties. We can certainly create links but there are costs involved by the CAMA vendor and the GIS vendor, which will be passed along to those counties that are not currently linked.

Answer: This test is based on a new required functionality that is being proposed as part of a series of updates to 50 IAC 26. The proposed language will not appear in the administrative code until the changes have been formally codified. The Department currently anticipates that the proposed updates will be in effect by the start of the upcoming round of software certification – July 1, 2018.

The Department does not anticipate asking the CAMA vendors to demonstrate every single link available to the various GIS vendors' data; rather, the CAMA vendors will simply need to demonstrate that their systems have the functionality to access GIS data associated with a selected parcel record without the user having to close out of the selected record and re-key in the parcel number in a separate user interface.

Question/Comment: Test 11 - Is this identifier only required for Business Personal Property Exempt (BPPE) parcels?

Answer: The personal property unique identifier – similar to the GIS access in Test 7 – is based on a new required functionality that is being proposed as part of a series of updates to 50 IAC 26. The expectation is that this new functionality may be applied to all personal property records in the personal property assessment system, regardless if the property is eligible for the Under \$20,000 Business Personal Property Exemption.

Assessment Systems: Test Area 6

Question/Comment: Test 1 - In our system, this test is irrelevant. Records are never purged. They always remain in the database and, after a certain number of years (e.g. 6-7), they are segregated into a partitioned section. Is it acceptable that the records are not stored offline in an ASCII format?

Answer: If the vendor's system does not purge any historical records, then, there would not be a need to store historical data off-line in an ASCII format. Similar to the previous round of Phase I certification testing, if the vendor can demonstrate and attest to the fact their system does not purge historical data, the Department would consider such demonstration as meeting the requirement for this particular test. One possible approach for demonstrating this test: for the selected county that the vendor uses during the testing session, the vendor can access a record from the assessment year that the county first went live with the vendor's system, assuming that the year is more than two years before the current assessment year.

Assessment Systems: Test Area 8

Question/Comment: Test 1e - The confidential/anonymity flag is currently marked as part of the Sales Disclosure tests. However, the sales disclosure file formats do not appear to have changed. Is this an oversight? Is the Department waiting on the Sales Disclosure form to be overhauled, then make the change to the file formats?

Answer: The Phase I test scenarios have been updated to remove this particular test for the sales disclosure systems. However, the Department would like to note that it does intend to amend the sales disclosure form in the next few years, and as part of that revision process, the file formats for the sales disclosure files in 50 IAC 26 will need to be updated, as well. Otherwise, the data that is being captured on the actual form itself would be out of sync with what is being reported to the Department via the file formats.

Assessment Systems: Test Area 13

Question/Comment: Test 5 - What cost tables will we be starting the test with and when will the cost tables be available that we will be required to import?

Answer: Based on the anticipated scheduling of the different modules for Phase I testing, the Department does not plan to start testing the CAMA vendors until mid-to-late winter 2019. So, the cost tables that CAMA vendors will be working with during the start of Phase I testing will be the same as the ones used for determining the values as of the assessment date of January 1, 2019. The Department anticipates publishing the testing version of the cost tables (used only for purposes of this particular test) on the Phase I Vendor Certification page during the Fall 2018.

Assessment Systems: Test Area 14

Question/Comment: Test 1 - What reason code list are we supposed to use?

Answer: For testing purposes, the Department is amenable to the CAMA vendors using Code 09 – General Revaluation or Code 19 – Annual Adjustment for this particular test.

Assessment Systems: Test Area 15

Question/Comment: Test 1 - Please update this test scenario to indicate the parcels must be within the same neighborhood.

Answer: The Phase I test scenarios have been updated to indicate that for this particular test, the parcels must be located in the same neighborhood.

Assessment Systems: Test Area 25

Question/Comment: Test 1k and Test 1n - What does the Alternate PIN represent?

Answer: The Alternate PIN field is a new data point that is being added to both the PERSPROP and MOBILE file formats as part of the series of updates being proposed for 50 IAC 26. Based on the Department's understanding, this particular field is currently being used during the annual interface of gross assessed values from the assessor's office to the auditor's office; however, this field is being conveyed in a supplemental data file (i.e., PERSPROPSUPP or MOBILESUPP) that is outside the scope of the prescribed file formats in 50 IAC 26. The intent behind this

particular update to 50 IAC 26 is to standardize the annual interface files across the software vendor community so that all applicable vendor pairings and all counties are using the same file formats to roll and balance data. The end result should entail doing away with the need for these supplemental data files. If a certain field is not applicable to the current process that your system has in place for the annual interface of values, then, the Department recommends that you simply leave that particular field in the interface file blank for the applicable record.

For the Alternate PIN field specifically, this field represents the alternate identification number for a given record that a county may create and track at the local level. This identification may be totally different than the prescribed format that 50 IAC 26-8-2 specifies for the state identification number assigned to personal property and annually assessed mobile homes.

Question/Comment: Test 1k - Why is government-owned property listed here? Government entities are not required to file BPP returns (and we doubt they own any/many mobile homes).

Answer: Please refer to the comments listed above for the first question in this test area.

Question/Comment: Test 1k and Test 1n - Reason for Change code – This appears to be new for PP. All property is assessed each year, so it would always be different than the prior year. Why would we need Code List 5 in this instance? Would the Code List 5 only be used if the county sends the Form 113?

Answer: Please refer to the comments listed above for the first question in this test area.

For the Reason for Change field specifically, this field is designed to provide a bit more context to the valuation change for the record, much like the same field used in the PARCEL file.

Question/Comment: Test 1k and Test 1n - There is a new field for Status (i.e. Changed, New, or Retired). Since each record is a parcel and not a piece of equipment, please explain how this status is to be used.

Answer: Please refer to the comments listed above for the first question in this test area.

For the Status Code field specifically, based on the feedback the Department received from several vendors, this field has been used in the supplemental interface files as a method for the assessor to identify to the auditor which records were new, retired, or changed. With personal property and annually assessed mobile homes (AAMH), the auditor needs to be made aware of this type of status in order to properly modify their system.

New: When a personal property or AAMH record is created new in a given year that is done on the CAMA side. The auditor needs to be made aware of the new number, owner, address, value, etc. being added.

Retired: When a personal property or AAMH record is retired in a given year that is done on the CAMA side. The auditor needs to be made aware of the number retiring.

Changed: When an existing personal property or AAMH record is modified (i.e., updated value) in a given year, that is done on the CAMA side. The auditor needs to be made aware of the value change.

Question/Comment: Test 1k and Test 1n - How does the new Mailing Name, Address, City, State, and Zip fields differ from the existing Taxpayer Name, Address, City, State, and Zip fields?

Answer: Please refer to the comments listed above for the first question in this test area.

For the mailing address fields specifically, there could potentially be differences between a taxpayer's address and the mailing address associated with the record.

Tax and Billing System: Test Area 1

Question/Comment: Test 1 - As with previous certifications, the Property Tax System is not designed to be built on the fly with only the import of 50 IAC 26 data files. The only way to create a full database from blank is via a conversion process, as we do with new customers. This process must be customized for each individual county situation and requires more detailed information than in the 50 IAC 26 prescribed files. What we can do and have done for certification in the past is have a blank database and restore our testing data into it from a backup file.

Answer: The Department does plan for the software vendors to use actual data from one of their counties as opposed to using a Department-created data bundle. In order to maximize the time of the testing session, the Department is amenable to allowing the vendor to preload the records prior to the start of the testing session. However, should the vendor elect to preload the records prior to the start of the testing session, the vendor will need to provide detailed documentation of how long it took to import the data into the system and build the database, including screenshots that show the database with no records as the starting point and the database after the records have been successfully imported. This documentation will need to be submitted before the Department completes its review and analysis of the results from the testing session.

Tax and Billing System: Test Area 6

Question/Comment: Test 1 - In our system, this test is irrelevant. Records are never purged. They always remain in the database and, after a certain number of years (e.g. 6-7), they are segregated into a partitioned section. Is it acceptable that the records are not stored offline in an ASCII format? (This is the same response as CAMA Test 7, No. 1)

Answer: If the vendor's system does not purge any historical records, then, there would not be a need to store historical data off-line in an ASCII format. Similar to the previous round of Phase I certification testing, if the vendor can demonstrate and attest to the fact their system does not purge historical data, the Department would consider such demonstration as meeting the requirement for this particular test. One possible approach for demonstrating this test: for the selected county that the vendor uses during the testing session, the vendor can access a record from the assessment year that the county first went live with the vendor's system, assuming that the year is more than two years before the current assessment year.

Tax and Billing System: Test Area 8

Question/Comment: Test 7 - Taxes will still be calculated based on whatever values are rolled from the assessor and/or entered by the auditor prior to calculation. Should an appeal come back in favor of Taxpayer, the auditor typically does the adjustment manually on a property by property basis after calculation based on revised values and paperwork provided by the assessor?

Answer: This test is based on a new required functionality that is being proposed as part of a series of updates to 50 IAC 26. Namely, the proposed language states: “Not allow the tax and billing system to assess delinquent penalties against assessed values recorded as actively under appeal in the assessment system so long as the taxpayer is compliant with IC 6-1.1-15-10.” The Department has received written comment from the software vendor community regarding the application of this proposed change and that feedback will be taken into consideration before the updates are formally adopted. While not certain, it’s possible that this particular proposed change may be stricken from the list of updates before the rule is formally adopted. If that scenario should come to fruition, this particular test will not be included during certification testing.

Question/Comment: Test 7 - After designating a parcel under appeal, please detail the corresponding calculation and billing processes that should interact with the appeal characteristic and expected results.

Answer: Please refer to the Department’s comments listed above for the other question/comment raised about Test 7 in Test Area 8.

Assuming that this proposed update is ultimately adopted, the Department envisions this process occurring via two possible methods: manual and data file integration. With the manual option, the county auditor would need some form of confirmation from the county assessor’s office of which records are actively under appeal and, then, the county auditor’s office would use this information to manually check mark/indicate in the tax and billing system which records are under active appeal for that applicable pay cycle. With the data file integration option, the county assessor’s office would generate a file from their assessment system that could be integrated/imported into the tax and billing system. The Department envisions this scenario unfolding in a comparable manner to the data integration functionality that was tested during the previous round of Phase II software certification. While the Department will defer to the software vendor community on what data points may need to be included in an appeals data integration file, the Department would still recommend that the software community take into consideration the current format of the APPEAL, APPEALPP, and APPEALMH files to see what fields from these files could potentially be used in an appeals data integration file. Additionally, the Department will defer – for the time being - to the decision of the counties on the frequency of this data integration (e.g., nightly, weekly, monthly, quarterly, etc.), but the Department does believe that the appeals data would need to be integrated at a minimum of at least once a year – at the time of tax calculation in the late winter/early spring of the applicable pay year.

If a record is marked in the tax and billing system as being under an active appeal for the applicable pay cycle and the associated owner of that record pays an amount that was based on the assessed value from the previous assessment year/pay year cycle, the tax and billing system

would not assess a delinquent penalty against that taxpayer's record for that particular installment.

Question/Comment: Test 7 - The first scenario pertains to a record where its 17pay18 AV is under appeal and a decision is not rendered before 1st installment is due. Due to a change in deductions for 17pay18, the net AV is lower than the 16pay17 thus resulting in a lower net tax. Even though the property is under appeal, may the taxpayer pay the 17pay18 1st installment tax and avoid penalty? Or must they pay the under appeal tax derived from the higher 16pay17 NAV?

The second scenario pertains to when an appeal decision is not rendered in the affected billing period –and - the current year is also under appeal, should the under appeal tax be calculated using the last year that is not under appeal? For example, the 15pay16 value has no open appeal, the 16pay17 value is under appeal and not resolved, the 17pay18 value is under appeal and not resolved. Is the 17p18 tax calculated using 15pay16 NAV?

Answer: For the first scenario, IC 6-1.1-15-10(a) states at minimum, the taxpayer must pay taxes based on the 2016 AV. The taxpayer is not prohibited from paying on the 2017 AV, if it is less costly for him to do so.

For the second scenario, the taxpayer still pays based on the 2016-pay-2017 AV

Question/Comment: Test 7 - When a property is under appeal and it has no prior value (a new property), what is the expected calculation for the tax while it is under appeal? Since there is no valid history, does it remain the same as the current calculated tax?

Answer: Based on IC 6-1.1-15-10, you still have to calculate the AV based on the prior year's assessment. If there was no assessment on the property, there'd be an AV of \$0, because there hasn't been an assessment yet.

If there is a pre-existing parcel, then we believe that you'd have to use the land AV. If it's a new parcel and a new parcel number, then you might just use a \$0 AV, because the taxes paid for that land in the prior year would be applied to a different parcel. The same would apply if there was a pre-existing parcel but the land is owned by someone other than the taxpayer who's appealing the improvement AV - the AV would be the proportion of the parent parcel's AV that comprises the new parcel.

Tax and Billing System: Test Area 9

Question/Comment: Test 1 and Test 2 - The tests appear to require the system to allocate deductions to maximize the benefit to the taxpayer but then also allow the user the ability to apply deductions to applicable AV allocations. Should the system allow the user to apply deductions in a manner that is NOT in the best interest of the taxpayer? There is mention of specific to a certain improvement, but land would also need to be considered as well correct? As the categories in the IC are only specific to the 1, 2, and 3% how would one determine the most benefit to the taxpayer without using the specific allocations along with credits applied to the record involved. This could become a very complicated process; do you have any guidance of

the way this would be done? (i.e. remove in order of 3, 2, 1 and what order individual deductions should be removed from what allocations.)

Answer: There could potentially be a scenario where the application of deductions may not work out to the greatest benefit to the taxpayer. Namely, this scenario has a greater likelihood of occurring when a taxpayer has a deduction that is specific to a certain improvement on their property. In the event that a certain deduction pertains to both a specific improvement and the footprint that the improvement resides (as opposed to a deduction that pertains to the overall property record), the deduction would be applied to the land and improvement allocations where the improvement resides.

The Department is mindful that this test may indeed cause programming challenges for the tax and billing software vendors to implement. It's likely that the systems will need to run through a number of "what if" scenarios based on the applicable local income tax property relief credits and property tax circuit breaker credits for a given county and parcel in order to derive the most appropriate order for applying non-improvement specific deductions. At the current time, there is not a suggested hierarchy for the order in which the non-improvement specific deductions should be applied.

Question/Comment: Test 4 - We do not put a message up when the user saves the record as we have no idea of what other changes they or other office users may need to make, rather we check for this as part of Pre-Calc Edits. The Pre-Calc Edits can be run independently as needed prior to calculation or they are hard coded into the Calculation to ensure they are run at least with calculation.

Answer: As long as the notification/indicator of the ineligible combination is provided to the user before taxes are ultimately calculated, the Department is amenable to this method.

Tax and Billing System: Test Area 11

Question/Comment: Test 2 - The same questions and concerns as in 2 of test area 9, but for exemptions.

Answer: Please refer to the Department's comments listed above for the question/comment raised about Test 1 and Test 2 in Test Area 9.

Tax and Billing System: Test Area 12

Question/Comment: Test 6 - It appears this is a linkage to Apportionment and the Unit that receives the disbursements at settlement. Can you please clarify Unit in this instance? Also, how much information is expected for this Unit?

Answer: Yes, this particular test would be pertinent during settlement. Namely, this test is designed to bring settlement reporting requirements in line with how counties report distributions to the Department for their applicable governmental units. With the exception of four units, the Department does not certify the levies, budgets, and tax rates of redevelopment commission units; rather, the Department certifies the levies, budgets, and tax rates of the applicable county, city, or town unit that established the redevelopment commission, which in turn oversees or

administers the TIF districts. Settlement reporting to the Department – via the Form 22 upload in Gateway – is reported via the applicable units receiving the distribution. With this particular test, the counties would have the ability to report the TIF settlement distributions for the respective county, city, or town unit associated with those TIF districts. At a minimum, the tax and billing system’s TIF application should contain user-entered fields for the Unit Name, Unit Type Code, and Unit Code (as reflected on the county’s certified budget order) for each TIF district.

Question/Comment: Test 7 - Please confirm the dates have changed from March 1, 201x to January 1, 201x to coincide with changes to Assessment and Transfer Dates.

Answer: This test corresponds with the statutory change in the assessment date that first went into effect for the 2016 Pay 2017 cycle. Namely, the date for real and personal property assessment switched from March 1 to January 1.

Question/Comment: Test 9 - Is the term Residential here referring to Residential AV or Homestead AV or some combination of both? When these scenarios were originally created Residential property WAS Homestead property UNTIL the changes to the AV Circuit Breaker Allocations which then also introduced an additional “Residential” allocation.

Answer: The term “residential” for this test refers to the assessed value of property that is allocated to the 1% homestead land and improvement categories in the tax and billing system, along with the residential AV as defined for purposes of calculating the rate for the local income tax property tax relief credit designated for residential property per I.C. 6-3.6-5-6(d)(3). In addition to Homestead AV, residential property consists of the following:

- (1) A single family dwelling that is not part of a homestead and the land, not exceeding one (1) acre, on which the dwelling is located.
- (2) Real property that consists of:
 - (A) a building that includes two (2) or more dwelling units;
 - (B) any common areas shared by the dwelling units (including any land that is a common area, as described in section 1.2(b)(2) of this chapter); and
 - (C) the land on which the building is located.
- (3) Land rented or leased for the placement of a manufactured home or mobile home, including any common areas shared by the manufactured homes or mobile homes.

The term includes a single family dwelling that is under construction and the land, not exceeding one (1) acre, on which the dwelling will be located. The term does not include real property that consists of a commercial hotel, motel, inn, tourist camp, or tourist cabin.

UPDATE: The Department is engaged in conversations with the legislature and stakeholders regarding developing a uniform definition for the term “residential” that may be used for TIF base AV calculations. Because those conversations are ongoing, the Department will amend its guidance pertaining to this test. Tax and billing vendors should demonstrate this test - in terms of how their systems categorize “residential” AV in TIF districts – in the same manner they demonstrated the same test during the previous round of Phase I certification testing in 2014. However, the Department would also like to note that this test may potentially need to be revisited at a later date – either within the current cycle of certification testing that ends in June

2020 or afterward – in the event that the definition of “residential” AV is modified in statute and/or administrative rule.

Question/Comment: Test 10, 11, and 12 - Do these actions have to be done within the tax and billing system, or do we just need to be able to import/export files that achieve these points? My understanding is most counties either calculate these values in-house in a spreadsheet and import them, or they outsource the calculations to an outside vendor and receive a file from them to import.

Answer: Regarding Test 10 in Test Area 12 of the Tax and Billing Phase I scenarios, this particular test should be calculated within the tax and billing system. This test is often referred to as the “restore loss” step or process that tax and billing systems perform on parcels in TIF districts prior to the certification of net assessed value.

Regarding Test 11 and Test 12 in Test Area 12 of the Tax and Billing Phase I scenarios, these two tests pertain to the neutralization process for real property in TIF districts. You are correct that the process of deriving the correct factor to use is handled offline. The Department provides TIF neutralization worksheets to the counties and their financial advisers to use in order to derive the base adjustment factor for each TIF district. After the Department reviews and approves these worksheets, the base adjustment (i.e., “neutralization”) factors are then, inputted into the tax and billing system and applied to the real property parcels located in the applicable TIF district. So, while the process to derive the factor may be handled offline, once the factor is derived and approved by the Department, it then, must be inputted into the tax and billing to proceed with calculating the correct increment for the TIF district.

Question/Comment: Test 14 - No. 13(a) below – should be 15?

Answer: The wording in the test should reference Test No. 15(a) instead of Test 13. The wording for this test has been updated in the revised draft of the Phase I tax and billing test scenarios.

Tax and Billing System: Test Area 13

Question/Comment: Test 1 - Is this referring to the just displaying a report of the CNAV 1 file?

Answer: This test is referring to the tax and billing system’s ability to generate/display information on the user interface that would contain the same data points shown on the CNAV application in Gateway.

Question/Comment: Test 2 - Is this referring to just the CNAV1 and CNAV2 files or the new file formation not yet received?

Answer: The tax and billing software vendors have recently received a draft of the proposed file formats for the parcel-level CNAV, which is slated for live production starting with the 2018 Pay 2019 submission. For Phase I testing, the expectation is that the tax and billing systems will be able to produce the CNAV files for upload to Gateway under the file formats used for 2018 Pay 2019.

Tax and Billing System: Test Area 15

Question/Comment: Test 1 - Please confirm if the ALLCERRATE file is required for import. We recall this file may have been determined unnecessary during the last certification.

Answer: The wording for this test has been updated in the revised draft of the Phase I tax and billing test scenarios to indicate that the import of the ALLCERRATE is optional rather than required. In the event the tax and billing system does not need any additional information from the ALLCERRATE file that would not already be provided in the CERTDRATES file, the vendor can simply indicate during the testing session that there is not a necessity to import the ALLCERRATE file into their system.

Question/Comment: Test 1 - Does the ALLCERRATE file need to import LIT PTRC rates? If so, would those be codes 77, 78, 79, 80, and 83 like the ABTAXSUPP and TIFTAXSUPP exports?

Answer: No, the ALLCERRRATE file will not include the LIT PTRC rates; rather, the actual percentages to use for tax calculation purposes are entered manually into the tax and billing system following completion of the LIT PTRC workbook provided by AOS. When generating the abstract files that will be uploaded to Gateway Abstract, the calculated LIT PTRC amounts will be reflected under the applicable codes 77, 78, 79, 80, and/or 83 in the ADJMENTS file and under the applicable codes 077, 078, 079, 080, and/or 083 in the TIFTAXSUPP file.

Question/Comment: Test 3c - Please confirm which assessed value allocations are to included/eligible for the LIT PTRC – Residential and if long-term care facility land and improvement AV should be grouped into that eligibility category.

Answer: Based on the statutory guidance shown below, it does not appear that long term care AV is eligible for the Residential LIT PTRC. Furthermore, the 1% homestead is also not captured under the Residential LIT PTRC. Instead, it appears that the 2% Non-Homestead Residential Land & Improvements, 2% Commercial Apartments Land & Improvements, and 2% Mobile Home Land AV buckets make up the AV allocation categories as eligible to receive the Residential LIT PTRC.

IC 6-3.6-5-6(d)Rate of tax; property tax credit; allocation categories; uniform percentage; allocation of revenue to taxing units

(d) The adopting body shall specify by ordinance how the revenue from the tax shall be applied under subdivisions (1) through (4) to provide property tax credits in subsequent years. The allocation must be specified as a percentage of property tax relief revenue for taxpayers within each property category. The ordinance must be adopted as provided in [IC 6-3.6-3](#) and takes effect and applies to property taxes as specified in [IC 6-3.6-3-3](#). The ordinance continues to apply thereafter until it is rescinded or modified. The property tax credits may be allocated to all property categories or among any combination of the following categories:

- (1) For homesteads eligible for a credit under [IC 6-1.1-20.6-7.5](#) that limits the taxpayer's property tax liability for the property to one percent (1%).

- (2) For residential property, long term care property, agricultural land, and other tangible property (if any) eligible for a credit under [IC 6-1.1-20.6-7.5](#) that limits the taxpayer's property tax liability for the property to two percent (2%).
- (3) For residential property, as defined in [IC 6-1.1-20.6-4](#).
- (4) For nonresidential real property, personal property, and other tangible property (if any) eligible for a credit under [IC 6-1.1-20.6-7.5](#) that limits the taxpayer's property tax liability for the property to three percent (3%). However, [IC 6-3.6-11-2](#) applies in Jasper County.

IC 6-1.1-20.6-4 "Residential property"

Sec. 4. As used in this chapter, "residential property" refers to real property that consists of any of the following:

- (1) A single family dwelling that is not part of a homestead and the land, not exceeding one (1) acre, on which the dwelling is located.
- (2) Real property that consists of:
 - (A) a building that includes two (2) or more dwelling units;
 - (B) any common areas shared by the dwelling units (including any land that is a common area, as described in section 1.2(b)(2) of this chapter); and
 - (C) the land on which the building is located.
- (3) Land rented or leased for the placement of a manufactured home or mobile home, including any common areas shared by the manufactured homes or mobile homes.

The term includes a single family dwelling that is under construction and the land, not exceeding one (1) acre, on which the dwelling will be located. The term does not include real property that consists of a commercial hotel, motel, inn, tourist camp, or tourist cabin.

Tax and Billing System: Test Area 18

Question/Comment: Test 1 - When a TS-1 is generated should we be showing the most recent GAV for the prior year, or should we show the GAV that was sent on the prior year's TS-1?

For example, 17p18 the GAV when the bill was sent was 100,000. In November 2018, the GAV was changed to 80,000. When we generate the TS-1 and tax bill for 18p19, should we be showing the 100,000 or the changed AV of 80,000 for the prior year portion of the TS-1?

Answer: We have not previously tested for this particular scenario and there doesn't seem to be any official guidance in Indiana Code or Indiana Administrative Code currently for this particular scenario. So with that said, it would seem that neither method is wrong, but from a presentation standpoint, it would seem that showing the most current AV available for the prior pay year (i.e., the AV that resulted after the correction of error was processed) would be preferable.

Tax and Billing System: Test Area 19

Question/Comment: Test 2 - The tax system allows modification of tax data after calculation using updated selection from new form 130 as reason for the adjustment. These are what is provided in the appeal form completed by the assessor that is given to the auditor to adjust tax liability. From page 2 of form 130. Our tax system uses these reasons for the adjustment.

SECTION III: CORRECTION OF ERROR PER IC 6-1.1-15-1.1(a) and (b)			
	Land	Improvements	Total
The property described in Section I is currently assessed at			
The petitioner contends that the property should be assessed at:			
<p>The requested change in value is justified because the following error was made:</p> <p><input type="checkbox"/> The assessment was against the wrong person.</p> <p><input type="checkbox"/> The approval, denial, or omission of a deduction, credit, exemption, abatement, or tax cap.</p> <p><input type="checkbox"/> A clerical, mathematical, or typographical mistake.</p> <p><input type="checkbox"/> The description of the property.</p> <p><input type="checkbox"/> The legality or constitutionality of a property tax or assessment.</p>			

Answer: The reasons listed on the Form 130 (as shown above) are still the current reasons available for filing/recording a correction of error due to an appeal.

Question/Comment: Test 3 - Are these four reasons to be utilized/expected versus the ones from the Form 130? Also, once calculation has been complete, all values are locked down meaning the only way for adjustments to AVs, Exemption/Deductions/Adjudications or legislative changes is via an AA or CE in our system.

Answer: Per the requirements in 50 IAC 26-14-2, the tax and billing system should prevent the user to add, modify, or remove tax data after calculation of tax liability in the current tax year unless through a correction of error by the county auditor, as assessment adjustment for the purposes of omitted or undervalued by the county auditor, an adjudication by an administrative agency or court, or a legislative change that retroactively affects the calculation of taxes. The reasons provided on the Form 130 pertain to a correction of error being processed by the county auditor due to an appeal. While there is overlap between two these groups, they are not one and the same. For example, a legislative change could be implemented that impacts the calculated tax liability without necessarily the taxpayer filing an appeal.

Tax and Billing System: Test Area 20

Question/Comment: Test 3 - When payments are taken they must match the amounts in the file. In the prior certification this was reviewed as a payment isn't actually suspended when the file doesn't match, however upon identification of the problem the file or payment can be corrected to allow the process to complete.

Answer: The Department anticipates that this particular test to be handled or demonstrated in a similar manner like the same test from the previous round of Phase I certification testing.

Tax and Billing System: Test Area 25

Question/Comment: Test 1 and 2 - This test appears to be out of order. Demand Notices come prior to Certifying to Court.

Answer: During the testing session, the tax and billing vendor may demonstrate Test 2 before Test 1 for this test area.

Tax and Billing System: Test Area 29

Question/Comment: Test 1a - This item is no longer valid as there is no longer a Homestead Credit Rate.

Answer: The Phase I test scenarios have been updated to remove this particular test from Test Area 29; however, there is still the expectation that the tax and billing system can produce a net assessed value report that can be used in the completion of information for the Property Tax Relief Workbook, which is provided by the Auditor of State's office.

Question/Comment: Test 1b - This is now related to LIT credits.

Answer: This test is now labeled as Test 1a in the revised version of the Phase I tax and billing test scenarios. The expectation for this test is to produce a report that can be used in the completion of information for the Property Tax Relief Workbook, which is provided by the Auditor of State's office.

Question/Comment: Test 2b - This item is no longer valid.

Answer: Upon further conversation with the Auditor of State's office, it has been determined that this worksheet is, indeed, no longer necessary during the settlement process. As a result, this particular test has been removed from the revised version of the Phase I tax and billing test scenarios.

Tax and Billing System: Test Area 30

Question/Comment: Test 1i - Please provide clarification on what you are wanting to see. This test contains what appears to be repetitious words, so it isn't clear to us.

Answer: This reporting requirement can be found in 50 IAC 26-11-2(b)1. Essentially, this report is providing an inventory of parcels in the tax and billing system that have more than one exemption and/or deduction applied to them and listing each exemption and/or deduction for the respective parcel. For example, Parcel 1 has a standard homestead deduction in the 45,000; a supplemental standard homestead deduction in the amount of \$70,000; and a mortgage deduction in the amount of \$3,000.

Question/Comment: Test 1j - Please clarify the desired output of the report as it relates to 'multiple exemptions and deductions' and 'corresponding exemptions and deductions'. e.g. is the output to include a listing by parcels or taxpayers where the report selection criteria allows one or many deductions/exemptions to be listed?

Answer: Upon further conversation, it has been determined that this report would be very challenging to try and generate in an accurate manner since the data in the tax and billing system is not stored with the taxpayer name being the primary key. As a result, this particular test has been removed from the revised version of the Phase I tax and billing test scenarios.

Question/Comment: Test 1n - We need a new standard report for this. If this is for the records with a BPPE designation, we believe the “total assessed value amounts” should be changed to “total acquired costs”. (This is the same response as CAMA Test Area 22 1.f.)

Answer: This report is not exclusively limited to personal property records with a BPPE designation; rather, this report pertains to the broader overall dataset of personal property records.

Question/Comment: Test 1n - This appears to be a Phase II test item rather than Phase I. The information for the unique identifier will not be available to us until the assessor vendors are Phase I certified that they can include the data in the prescribed new file format.

Answer: The Department anticipates that this report may be included during Phase II testing, as well. For purposes of Phase I testing, the tax and billing vendors may manually enter the unique identifier in their system for a number of personal property records in order to generate this report.