



Department of Local Government Finance

Personal Property

2021 Level II Tutorials



Personal Property

- We are going to take a look at how business tangible personal property is pooled into our pooling system.
- The pooling system is found on the Form 103 Long Form, Schedule A. (provided at the end of this program)
- There are four (4) separate pools and are established as follows:



Personal Property

- Pool # 1: this pool is for assets with a Federal Tax Life of one (1) to four (4) years.
- Pool # 2: this pool is for assets with a Federal Tax Life of five (5) to eight (8) years.
- Pool # 3: this pool is for assets with a Federal Tax Life of nine (9) to twelve (12) years.
- Pool # 4: this pool is for assets with a Federal Tax Life of thirteen (13) years and longer.



Year of Acquisition for Personal Property

- On May 6, 2015, Governor Pence signed into law Senate Enrolled Act 374-2015 (“SEA 374”). Effective July 1, 2015, section 2 of SEA 374 introduces IC 6-1.1-3-22.5 concerning how to determine the year of acquisition for depreciable personal property for purposes of filing personal property returns under IC 6-1.1-3. The year of acquisition for depreciable personal property is the fiscal year determined according to the following guidelines:
 - (1) For personal property acquired after January 1, 2016, the fiscal year beginning January 2 and ending January 1.
 - (2) For personal property acquired after March 1, 2015 and before January 2, 2016, the fiscal year beginning March 2, 2015 and ending January 1, 2016.
 - (3) For personal property acquired before March 2, 2015, the fiscal year beginning March 2 and ending March 1.



Pooling of Assets

- There are four (4) things you need to know and do to pool assets. This information can be determined by reviewing the taxpayer's depreciation schedule. (See next slide for sample depreciation schedule)
 1. Identify what is Personal Property
 2. Determine the Federal Tax Life
 3. Determine the Federal Tax Date of Acquisition
 4. Determine the Federal Tax Cost



Federal Depreciation Schedule

Joe's Manufacturing Company			
Asset Description	Federal Tax Cost	Federal Tax Life	Federal Acquisition Date
Press	\$ 100,000	7	6/2/2016
Conveyor	\$ 50,000	7	2/23/2012
Delivery Truck	\$ 45,000	3	4/15/2008
Fork Lift	\$ 40,000	5	9/30/2014
Cutter Machine	\$ 65,000	8	12/4/2017
Building	\$ 225,000	30	1/15/2008
Totals	\$ 525,000		



Pooling of Assets

- The next step is to analyze the depreciation schedule and identify the depreciable personal property assets.
- In addition you will want to identify assets such as real property and excise vehicles.
- See next slide for an example. The depreciable personal property assets have been highlighted in yellow.



Pooling of Assets

Identify what is Personal Property (assets highlighted in yellow)

Asset Description	Identify Personal Property	Federal Tax Cost	Federal Tax Life	Federal Acquisition Date
Press	Personal	\$ 100,000	7	6/2/2016
Conveyor	Personal	\$ 50,000	7	2/23/2012
Delivery Truck	Excise Tax	\$ 45,000	3	4/15/2008
Fork Lift	Personal	\$ 40,000	5	9/30/2014
Cutter Machine	Personal	\$ 65,000	8	12/4/2017
Building	Real	\$ 225,000	30	1/15/2008



Pooling of Assets

- Once you have identified the depreciable personal property costs you are now ready to pool these costs. This is initially done by identifying the federal tax life of each asset, this will determine which pool will be used.
- In the previous slide you will see the tax life for all assets were between 5 – 8 years which would represent Pool #2.
- The next slide represents Pool #2.



Pooling of Assets

		Column A	Column B	Column C		Column D
	POOL NUMBER 2: (5 TO 8 YEAR LIFE)	Total Cost	Adjustments	Adjusted Cost	TTV %	True Tax Value
18	1-2-18 to 1-1-19				40%	
19	1-2-17 to 1-1-18				56%	
20	1-2-16 to 1-1-17				42%	
21	3-2-15 to 1-1-16				32%	
22	3-2-14 to 3-1-15				24%	
23	3-2-13 to 3-1-14				18%	
24	Prior to 3-2-13				15%	
25	TOTAL POOL NUMBER 2					



Pooling of Assets

- The next step is to pool each asset on the correct line based upon the acquisition date and cost.
- The next slide represents the corrected pooling schedule.



Pooling of Assets

Following is the pooling of the depreciable assets that we determined were Personal Property in the previous slides.

		Column A	Column B	Column C		Column D
POOL NUMBER 2: (5 TO 8 YEAR LIFE)		Total Cost	Adjustments	Adjusted Cost	TTV %	True Tax Value
18	1-2-18 to 1-1-19				40%	
19	1-2-17 to 1-1-18	65,000		65,000	56%	36,400
20	1-2-16 to 1-1-17	100,000		100,000	42%	42,000
21	3-2-15 to 1-1-16				32%	
22	3-2-14 to 3-1-15	40,000		40,000	24%	9,600
23	3-2-13 to 3-1-14				18%	
24	Prior to 3-2-13	50,000		50,000	15%	7,500
25	TOTAL POOL NUMBER 2	255,000		255,000		95,500



Pooling of Assets

- From the pooling of the assets on the previous slide we arrived at a True Tax Value of \$95,500.
- What we have to do next is determine if this true tax value is above or below the 30% “Floor”.
- In pooling personal property the taxpayer is not allowed to depreciate their personal property below 30% of adjusted cost in Column C.



Pooling of Assets

- Therefore we are required to take the higher of Column D or 30% of the Adjusted Cost in Column C.
- The adjusted cost in Column C is \$255,000. This value times 30% is \$76,500.
- Our Column D value from Slide # 12 is \$95,500 and our 30% floor from above is \$76,500.
- So the True Tax Value in Column D is the greater of the two which is \$95,500.
- \$95,500 would be the value carried to the front of the Form 103 Long Form and is the amount the taxpayer will pay taxes on.



Personal Property

- The example that was just presented is a very simplified version of pooling assets and arriving at a True Tax Value for depreciable assets.
- As an assessing official you will not be involved directly with filling out the pooling schedules of taxpayers. However, you may need to review some schedules due to the taxpayer possibly not reporting properly.
- You as assessing officials, have the right to request that taxpayers present you with records to backup the amounts they have reported to you.



Personal Property

- Some of the records you would request are as follows:
 - The latest Federal Tax Return
 - A detailed Depreciation Schedule
 - A Balance Sheet
 - General Ledger
- If you make any changes, as a result of this review, you must notify the taxpayer via a Form 113/PP.
- This form shows the original filing amount and the value you have established after reviewing the requested records.

**BUSINESS TANGIBLE PERSONAL PROPERTY ASSESSMENT RETURN**

State Form 11405 (R41 / 10-18)

Prescribed by the Department of Local Government Finance

FORM 103 - LONG**PRIVACY NOTICE**
This form contains information confidential pursuant to IC 6-1.1-35-9.

Reset Form

JANUARY 1, 2019

For Assessor's Use Only

NOTE: For taxpayers with less than \$20,000 in acquisition costs to report within the county, legislation was passed in 2015 which exempts this property. If you are declaring this exemption, check this box, enter the total acquisition cost of your personal property in the county, and complete only sections I and IV of this form. If you are declaring this exemption through this form, you do not need to file a Form 104.

 \$ _____

RETURN THIS FORM TO THE APPLICABLE ASSESSOR BY MAY 15, 2019.

An exemption granted under IC 6-1.1-10 or any other statute supersedes this exemption. In other words, a taxpayer whose personal property is exempt because the taxpayer applied for and was granted an exemption by the county must follow all applicable procedures for the approved exemption, which may include fully completing the personal property return.

INSTRUCTIONS:

1. Please type or print.
2. This form must be filed with the Township Assessor, if any, or the County Assessor of the county in which the property is located not later than May 15, 2019, unless an extension of up to thirty (30) days is granted in writing. Contact information for the Assessor is available at <http://www.in.gov/dlgf/2440.htm>.
3. A Form 104 must be filed with this return unless the exemption above is claimed.

SECTION I	
Name of taxpayer	Federal identification number**
Name under which business is conducted	D.L.G.F. taxing district number
Address where property is located (number and street, city, state, and ZIP code)	D.L.G.F. taxing district name
Nature of business	NAICS Code number*
Name and address to which Assessment and Tax Notice are to be mailed (if different than above)	Township
	County
	Retail merchant's certification number

SECTION II	
1. Federal income tax year ends _____	Name filed under _____
2. Location of accounting records _____	
3. Form of business	<input type="checkbox"/> Partnership or Joint Venture <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Corporation <input type="checkbox"/> Estate or Trust
	<input type="checkbox"/> Other, describe: _____
4. Do you have other locations in Indiana?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Did you own, hold, possess or control any leased, rented or other depreciable personal property on January 1?	<input type="checkbox"/> Yes <input type="checkbox"/> No (See 50 IAC 4.2-8)
6. Did you own, hold, possess or control any Special Tools on January 1?	<input type="checkbox"/> Yes <input type="checkbox"/> No (See 50 IAC 4.2-6-2)
7. Did you own, hold, possess or control any returnable containers on January 1?	<input type="checkbox"/> Yes <input type="checkbox"/> No (See 50 IAC 4.2-6-4)
If taxpayer answers "yes" to question 5, the owner must file Form 103-O and the possessor must file Form 103-N. Failure to properly disclose lease information may result in a double assessment. (See 50 IAC 4.2-2 and 50 IAC 4.2-8).	
Failure to file a return on or before the due date as required by law will result in the imposition of a twenty-five dollar (\$25) penalty. In addition, if the return is not filed within thirty (30) days after such return is due, a penalty equal to twenty percent (20%) of the taxes finally determined to be due with respect to the property which should have been reported will be imposed. A personal property return is not due until the expiration of any extension period granted by the Township Assessor or County Assessor under IC 6-1.1-3-7(b). If the total assessed value that a person reports on a personal property return is less than the total assessed value that the person is required by law to report and if the amount of the undervaluation exceeds five percent (5%) of the value that should have been reported on the return, then the County Auditor shall add a penalty of twenty percent (20%) of the additional taxes finally determined to be due as a result of the undervaluation.	
In completing a personal property return for a year, a taxpayer must make a complete disclosure of all information relating to the value, nature, or location of personal property owned, held, possessed or controlled on the assessment date. (IC 6-1.1-3-9(a)). This information would include, but not be limited to, completion of the heading and related information, answers to all questions on the face of the return, and entries on all of the appropriate lines of Schedule A. If such information is not provided, the taxpayer will be contacted and directed to provide that information. In addition, a penalty of \$25 shall be imposed. (IC 6-1.1-3-7(d)).	
* NAICS - North American Industry Classification System - A complete list of codes may be found at www.census.gov . The Indiana Code (IC) and Indiana Administrative Code (IAC) may be found on-line at the DLGF website - www.in.gov/dlgf . For further questions, contact the County Assessor (available on the DLGF website).	
NOTE: The NAICS Code Number appears on your federal income tax return.	
** An individual using his Social Security Number as the Federal Identification Number is only required to provide the last four digits of that number. IC 4-1-10-3.	

SECTION III			
SUMMARY (Round all numbers to nearest ten dollars)	REPORTED BY TAXPAYER	CHANGE BY ASSESSOR	CHANGE BY THE COUNTY BOARD
Schedule A - Personal Property	+ \$ _____	\$ _____	\$ _____
Deduction per Form 103-ERA or Form 103-CTP	- \$ _____	\$ _____	\$ _____
Final Assessed Valuation	= \$ _____	\$ _____	\$ _____

SECTION IV SIGNATURE AND VERIFICATION		
Under penalties of perjury, I hereby certify that this return (including any accompanying schedules, deduction claims, or statements), to the best of my knowledge and belief, is true, correct, and complete, if applicable, reports all tangible personal property subject to taxation owned, held, possessed or controlled by the named taxpayer in the stated township or taxing district on the assessment date, as required by law, and is prepared in accordance with IC 6-1.1 et seq., as amended, and regulations promulgated with respect thereto.		
Signature of authorized person	Telephone number (_____) _____	Date (month, day, year)
Name and title of authorized person (please type or print)	E-mail contact	
Signature of person preparing return, if different than authorized person	Name and contact information of preparer (please type or print)	

SECTION V					
FORM 103 - LONG See 50 IAC 4.2-4		TANGIBLE PERSONAL PROPERTY CONFIDENTIAL		SCHEDULE A JANUARY 1, 2019	
Line	Report all personal property assessable to this taxpayer below. (Round all figures below to nearest dollar)			Federal Identification Number	
1	Total cost of tangible depreciable personal property. (50 IAC 4.2-4-2)			\$	
2	Adjustment to federal tax basis per Form 106. (50 IAC 4.2-4-4)				
3	Total cost and base year value of tangible depreciable personal property. (Line 1 plus 2)			\$	
Deduct Exempt Property (See 50 IAC 4.2-11.1)			COST		
4	Stationary industrial air purification systems. (Attach Form 103-P)	\$			
5	Industrial waste control facilities. (Attach Form 103-P)				
6	Enterprise information technology equipment. (Attach Form 103-T)				
7	Vehicles / airplanes subject to excise tax.	Number of Units	\$		
Total cost of exempt property (Deduct from Line 3 and enter on Line 8)					
8	Subtotal			\$	
Additions: See 50 IAC 4.2-1-1.1 and 50 IAC 4.2-4-3(b) and 4					
9	Cost of all depreciable personal property still in use but written off. (50 IAC 4.2-4-3(b))			\$	
10	Cost of installation and foundations applicable to depreciable personal property. (50 IAC 4.2-4-2(d))				
11	Cost of interest incurred during construction and installation applicable to depreciable personal property. (50 IAC 4.2-4-3(j))				
12	Total cost and base year value of assessable depreciable personal property. (add Lines 8, 9, 10 and 11. Line 12 must agree with Line 52 Column A)			\$	
POOLING SUMMARY (From Schedule A-1 or Form 103-P5)		TOTAL COST COLUMN A	ADJUSTMENTS COLUMN B	ADJUSTED COST COLUMN C	TRUE TAX VALUE COLUMN D
52	Total All Pools	\$	\$	\$	\$
53	30% of Adjusted Cost (Line 52, Column C) (enter zero (0) if filing 103-P5 and entity is a qualified steel mill or oil refinery per IC 6-1.1-3-2.5)			\$	\$
54	Greater of Lines 52D or 53.			\$	\$
Adjustments to True Tax Value					
55	Equipment not placed in service and/or critical spare parts (50 IAC 4.2-6-1 & 6) per Form 106.	Cost \$	X 10%	\$	\$
56	Tools, dies, jigs, fixtures, etc., per Form 103-T. (50 IAC 4.2-6-2)	Cost \$		\$	\$
57	Permanently retired equipment (50 IAC 4.2-4-3) and/or returnable containers (50 IAC 4.2-5-4) per Form 106.	Cost \$		\$	\$
58	Commercial aircraft and commercial bus line fleet, not subject to excise tax per Form 103-L. (50 IAC 4.2-10)	Cost \$		\$	\$
59	Total additions to True Tax Value. (Lines 55, 56, 57 and 58)			\$	\$
60	Total True Tax Value before adjustments for "Abnormal Obsolescence." (Line 54 plus Line 59)			\$	\$
61	Abnormal Obsolescence Adjustment per Form 106. (50 IAC 4.2-4-8)			\$	\$
62	Total True Tax Value of personal property. (To page 1, Form 103 Summary)			\$	\$

** The total cost of special tools, dies, jigs, fixtures, etc., permanently retired equipment, commercial aircraft, and commercial bus line fleet, not subject to excise tax is to be deducted in full in Column B below. The true tax value of such property is to be computed on the proper Form(s) (103-T, 106 AND 103-I, respectively) and recorded on Line(s) 56, 57 and 58.

ROUND ALL FIGURES BELOW TO THE NEAREST DOLLAR.					
YEAR OF ACQUISITION	COLUMN A	COLUMN B	COLUMN C		COLUMN D
POOL NUMBER 1: (1 TO 4 YEAR LIFE)	TOTAL COST OR BASE YEAR VALUE	ADJUSTMENTS ** (See Note Above)	ADJUSTED COST	T.T.V.%	TRUE TAX VALUE
13	1-2-18 To 1-1-19			65	
14	1-2-17 To 1-1-18			50	
15	1-2-16 To 1-1-17			35	
16	Prior To 1-2-16	\$	\$	20	\$
17	TOTAL POOL NUMBER 1				
POOL NUMBER 2: (5 TO 8 YEAR LIFE)					
18	1-2-18 To 1-1-19			40	
19	1-2-17 To 1-1-18			56	
20	1-2-16 To 1-1-17			42	
21	3-2-15 To 1-1-16			32	
22	3-2-14 To 3-1-15			24	
23	3-2-13 To 3-1-14			18	
24	Prior To 3-2-13	\$	\$	15	\$
25	TOTAL POOL NUMBER 2				
POOL NUMBER 3: (9 TO 12 YEAR LIFE)					
26	1-2-18 To 1-1-19			40	
27	1-2-17 To 1-1-18			60	
28	1-2-16 To 1-1-17			55	
29	3-2-15 To 1-1-16			45	
30	3-2-14 To 3-1-15			37	
31	3-2-13 To 3-1-14			30	
32	3-2-12 To 3-1-13			25	
33	3-2-11 To 3-1-12			20	
34	3-2-10 To 3-1-11			16	
35	3-2-09 To 3-1-10			12	
36	Prior To 3-2-09	\$	\$	10	\$
37	TOTAL POOL NUMBER 3				
POOL NUMBER 4: (13 YEAR AND LONGER LIFE)					
38	1-2-18 To 1-1-19			40	
39	1-2-17 To 1-1-18			60	
40	1-2-16 To 1-1-17			63	
41	3-2-15 To 1-1-16			54	
42	3-2-14 To 3-1-15			48	
43	3-2-13 To 3-1-14			40	
44	3-2-12 To 3-1-13			34	
45	3-2-11 To 3-1-12			29	
46	3-2-10 To 3-1-11			25	
47	3-2-09 To 3-1-10			21	
48	3-2-08 To 3-1-09			15	
49	3-2-07 To 3-1-08			10	
50	Prior To 3-2-07	\$	\$	5	\$
51	TOTAL POOL NUMBER 4				
52	TOTAL ALL POOLS				

NOTE: All Column B adjustments above must be supported on Form 106, Form 103-T, or Form 103-I.

Filing Basics:

- Effective July 1, 2015, IC 6-1.1-3-7.2 was amended to allow an exemption for taxpayers with less than \$20,000 in acquisition costs to be reported within a county. Failure to timely file a personal property tax return with the applicable assessor declaring the exemption will result in a \$25 penalty. (IC 6-1.1-37-7)
For more information, refer to this link: <http://www.in.gov/dlgf/7576.htm>.
- Taxpayers may request up to a thirty (30) day extension of time to file their return. The written request should be sent to the Assessor before the filing deadline of May 15, 2019, and should include a reason for the request. The Assessor may, at their discretion, approve or deny the request in writing.
- Personal property must be assessed in each taxing district where property has a tax situs.
- Inventory located in the State of Indiana is exempt and is not required to be reported per IC 6-1.1-1-11(b)(3).
- It is the responsibility of the taxpayer to obtain forms from the Assessor and file a timely return. The forms are also available on-line at the Indiana Department of Local Government Finance's website at www.in.gov/dlgf.
- If you hold, possess, or control not-owned personal property on the assessment date, you have a liability for the taxes imposed for that year unless you establish that the property is to be assessed to the owner. This is done by completing a Form 103-N, attaching it to the Form 103-Long, and filing it with the Assessor. A taxpayer declaring the exemption on page one of this form may, as deemed necessary by the applicable assessor, need to file Form 103-O or 103-N, as applicable, to verify that he is the appropriate taxpayer to claim the exemption.
NOTE: Failure to properly disclose lease information may result in a double assessment. (IC 6-1.1-2-4(a))
- Taxpayers who discover an error was made on their original timely filed personal property tax return have the right to file an amended return. The amended return must be filed within twelve (12) months of the due date or the extended due date (if up to a thirty (30) day extension was granted) of their original return.

Frequently Asked Questions:

- A. How do I find out my Taxing District Name and Number?**
You will need to contact your County Assessor for assistance since heavily populated areas can have several taxing districts within a single township.
- B. How do I find out my NAICS number?**
This six-digit code number appears on the federal returns filed for businesses. For a complete list of the codes, go to www.census.gov.
- C. Will my local Assessor fill this form out for me?**
Indiana's personal property tax system is a self-assessment system. An Assessor can offer assistance with the filing; however, an authorized person representing the business must sign the form under penalties of perjury that it is true and correct so the responsibility of filing an accurate return remains with the taxpayer.
- D. How can I find contact information for the various county offices (Assessor, Auditor, or Treasurer) throughout the State of Indiana, locate forms or learn more about Indiana's personal property tax system?**
Go to the Indiana Department of Local Government Finance's website at www.in.gov/dlgf.
Contact information for the Assessor is available at <http://www.in.gov/dlgf/2440.htm>.

SECTION VI

INFORMATION OF NOT-OWNED PERSONAL PROPERTY WHICH IS TO BE ASSESSED TO THE OWNER

NOTE: This form is for the reporting of two or less Operating Leases. For all other leases, the Form 103-N (for the lessee) and the Form 103-O (for the lessor) should be utilized. For more information on the reporting of leased equipment, refer to 50 IAC 4.2-8. Failure to properly disclose lease information may result in a double assessment.

Name and Address of the Owner	Location of Property	Date of Lease (month, day, year)	Model Number and Description	Quantity	Cost, If Known



Level II Personal Property

- This concludes the Personal Property tutorial and is a reminder that should you have questions you can email these questions to the DLGF.
- Please send emails to Level2@dlgf.in.gov.