



Department of Local Government Finance

Personal Property

2023 Level I Tutorials



Personal Property Basics

- Following are some basic concepts, forms, and procedures that are connected with Personal Property.



Assessor Duties

- Supply Forms
- Verify Accuracy
- Review Returns
- Notify Taxpayer of Changes in Assessment
- Omitted and Undervalued Assessments
- Filing Extensions
- Know Duties of Other Offices



County Assessors

- Forms 102, 103, and 104 are all filed with the township assessor, if any, otherwise they are filed with the county assessor.
- Filed by **May 15**, unless an extension of time to file is granted.
- Up to and including June 14 with an extension.



Omitted & Undervalued Assessments

- Effective July 1, 2016. Now a township assessor, or county assessor if there is no township assessor, may, rather than shall, examine and verify or allow a contractor under IC 6-1.1-36-12 to examine and verify the accuracy of a personal property return if the assessor considers the examination and verification of that personal property return to be useful to the accuracy of the assessment process.



Omitted & Undervalued Assessments

- It is still the case that if appropriate, the assessor or contractor under IC 6-1.1-36-12 must compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.



Omitted & Undervalued Assessments

- If done, upon discovery, the assessing official will assess the omitted or undervalued personal property to the person owning, holding, possessing, controlling, or occupying that property.
- *The assessing official **MUST** also give the taxpayer written notice of change and statement of taxpayer's right to appeal by use of the Form 113/PP.*



Filing Extension

- The county assessor (township assessor if one exists) MAY grant up to a 30 day extension to file return (to June 14.)
- Taxpayer must provide a written request for the extension on or before May 15 to the county assessor (township assessor if one exists.)



Filing Extension

- The county assessor (township assessor if one exists) must provide a written response granting or denying the request.



Duties of Other Offices

- County and Township Assessors - IC 6-1.1-5-14(real property) and IC 6-1.1-3-17(personal property). The table below summarizes:

| | Real Property Deadlines | Personal Property Deadlines |
|--|------------------------------------|--|
| Township to County Assessor | May 1 | June 1 |
| County Assessor To Auditor | July 1 | July 1 |



Duties of Other Offices

- For each year that begins after December 31, 2016.
 - On or before June 1 – A township assessor, if any, shall deliver a list of timely filed personal property assessments to the county assessor.
 - On or before July 1 – A county assessor shall certify to the county auditor the assessment value of the personal property in every taxing district.



Duties of Other Offices

- On or before August 1, the county auditor shall provide assessed valuation information to the fiscal officer of each political subdivision of the county and to the Department of Local Government Finance.



Duties of Other Offices

- County auditor certifies to the Department the values provided by the township and county assessors.
- Necessary for inclusion in the tax base for setting tax rates.
- Necessary for preparing and issuing tax bills.
- Necessary for applying deductions, exemptions etc..
- Necessary for providing fair and equitable taxes to comply with the Constitution of the State of Indiana.



General Concepts

- Self Assessment System
- Personal Property Defined
- Filing Requirements
- Assessed Value
- Real v. Personal
- Commonly Used Forms
- Amended Returns
- Penalties
- Lists and Reports



Self Assessment System

- Taxpayer is responsible for reporting assessment.
- Taxpayer MUST Sign Return.



Definition of Personal Property

IC 6-1.1-1-11 Personal Property Defined - Sec. 11. (a) Subject to the limitation contained in subsection (b), "personal property" means:

- (1) billboards and other advertising devices which are located on real property that is not owned by the owner of the devices;
- (2) foundations (other than foundations which support a building or structure) on which machinery or equipment:
 - (A) held for sale in the ordinary course of a trade or business;
 - (B) held, used, or consumed in connection with the production of income; or
 - (C) held as an investment; is installed;



Definition of Personal Property

- (3) all other tangible property (other than real property) which:
 - (A) is being held as an investment; or
 - (B) is depreciable personal property; and
- (4) mobile homes that do not qualify as real property and are not described in subdivision (3).
- (b) Personal property does not include the following:
 - (1) Commercially planted and growing crops while in the ground.
 - (2) Computer application software.
 - (3) Inventory.



Filing Requirements

- Anyone who owns, holds, controls or possesses personal property, with a tax situs within the state, must file a return.
- Tax Situs – the actual or assumed location of a property for assessment and taxation purposes.*

*Property Assessment Valuation, 2nd edition, IAAO



Examples of Taxpayers

- Firms
- Companies
- Partnerships
- Associations
- Corporations
- Fiduciaries
- Individuals



Real vs. Personal

- Personal Property Manual, Rule 4 - Section 10 (50 IAC 4.2-4-10)
- Real Property Assessment Guideline
- Chapter 1, Table 1-1
- Assessor's Operation Manual Appendix A starting on page 23.



Common Forms

- Form 102 – Farmer’s Tangible Personal Property Tax Return
- Is used by farmers to report their tangible depreciable personal property.
- This form is **CONFIDENTIAL**.



Common Forms

- Two versions:
 - 103 Short
 - 103 Long
- Both versions are **CONFIDENTIAL**.



Form 103 Short

- Form 103 - Business Tangible Personal Property Tax Return
- Can be used by a taxpayer to report their tangible business personal property if:
 - Taxpayer is not a manufacturer or processor.
 - assessment does not exceed \$150,000.
 - Taxpayer is not claiming any exemptions or deductions and is not claiming any special adjustments.



Form 103 Long

- Used:
 - By any taxpayer including manufacturers or processors.
 - Taxpayer is claiming exemptions or deductions.
 - Taxpayer is claiming special adjustments.



Form 104

- Form 104 – Business Tangible Personal Property Return
- Used as a summary form for taxpayer reporting on Forms 102 and 103.
- **Is NOT confidential.**
- * If a Form 104 is requested, verify there are no phone numbers listed on the form before releasing it, as phone numbers ARE confidential.



Economic Revitalization Area

- For March 1, 2006 and subsequent, the township and county assessors will be charged with determining the amount for the deduction for the ERA abatements claimed by a taxpayer.
- Form 103 ERA has been designed for attachment to the Form 103.



Supplemental Forms

- The supplemental forms are attached to the Forms 102 and 103 to explain any adjustments, additions or deductions.
- Examples:
 - Form 103 T – Return of Special Tools
 - Form 103 P – Claim for Exemption of Air or Water Pollution
 - Form 103 ERA



Supplemental Forms

- All supplemental forms are CONFIDENTIAL.
- IC 6-1.1-35-9, IC 6-1.1-35-11, and IC 6-1.1-35-12 describe the penalties for disclosing confidential information to non authorized persons.



Disclosure of Confidential Information

- Results in immediate dismissal.
- Subject to \$500 fine OR the actual monetary damage done to taxpayer by the disclosure of confidential information.
- If you have any questions on who can view the confidential information, refer to the code sites on the previous slide or call your field representative.



Amended Returns

- IC 6-1.1-3-7.5
- Filed by Taxpayer
- Taxpayer files an amended return by writing **AMENDED** on top of original return.
- The next slide discusses further the deadlines for amended returns.



Amended Returns

- IC 6-1.1-3-7.5 Amended returns; tax adjustments; credits
- Sec. 7.5. (a) A taxpayer may file an amended personal property tax return, in conformity with the rules adopted by the department of local government finance, not more than six (6) months, if the filing date for the original personal property tax return is before May 15, 2011, or twelve (12) months, if the filing date for the original personal property tax return is after May 14, 2011, after the later of the following:
 - (1) The filing date for the original personal property tax return, if the taxpayer is not granted an extension in which to file under section 7 of this chapter.
 - (2) The extension date for the original personal property tax return, if the taxpayer is granted an extension under section 7 of this chapter.



Amended Returns

- HEA 1388-2015 amends IC 6-1.1-3-7.5 so that a taxpayer who files an amended personal property return for the 2016 assessment date or after pays taxes based on the assessed value reported on the amended return only if the amended return is filed on or before July 15 of the assessment year.



Amended Returns Process

- Taxpayer may claim any deduction or exemption that he could have claimed on his original return.
- Taxpayer may only amend the original return one time.
- (IC 6-1.1-3-7.5)



Amended Returns

- Original Return - The taxpayer may only amend a return that was filed in compliance with the statutory filing procedures.
- This includes filing a timely return with the proper assessing official.
- Original personal property return means a personal property tax return filed with the proper assessing official by May 15, or if an extension is granted, the extended filing date.



Amended Returns

- Waiver of Exemption 6-1.1-11-1
- Note: A timely filed amended return becomes the taxpayer's assessment of record. The assessor has four months from date amended return was filed to make a change. **Assessor may change assessment and notify taxpayer on Form 113/PP.**



Amended Returns Process

- When an assessing official receives an amended return, the assessing official needs to review the return for accuracy.
- Accept: Notify taxpayer of acceptance and provide the county auditor with necessary paperwork to put on books. This is done with a Form 122.



Amended Returns Process

- If the assessing official does not agree with the amended return, he/she can issue a Form 113/PP and return the assessment to the value reported prior to the amended return.
- Any change of value made by an assessing official **MUST** be done on a Form 113/PP.



Penalties

- Return Not Filed by May 15 or up to June 14 with extension.
 - Fine = \$ 25
- Return over 30 days late.
 - Fine = \$25 + 20% of Taxes due.



\$80,000 Exemption

IC 6-1.1-3-7.2 Exemption for certain business personal property with acquisition cost less than \$80,000; information required on return

Note: This version of section effective 1-1-2023. See also preceding version of this section, effective until 1-1-2023.

Sec. 7.2. (a) This section applies to assessment dates occurring after December 31, 2015.

(b) As used in this section, "affiliate" means an entity that effectively controls or is controlled by a taxpayer or is associated with a taxpayer under common ownership or control, whether by shareholdings or other means.



\$80,000 Exemption

(c) As used in this section, "business personal property" means personal property that:

- (1) is otherwise subject to assessment and taxation under this article;
- (2) is used in a trade or business or otherwise held, used, or consumed in connection with the production of income; and

(3) was:

- (A) acquired by the taxpayer in an arms length transaction from an entity that is not an affiliate of the taxpayer, if the personal property has been previously used in Indiana before being placed in service in the county; or
- (B) acquired in any manner, if the personal property has never been previously used in Indiana before being placed in service in the county.



\$80,000 Exemption Continued

The term does not include mobile homes assessed under [IC 6-1.1-7](#), personal property held as an investment, or personal property that is assessed under [IC 6-1.1-8](#) and is owned by a public utility subject to regulation by the Indiana utility regulatory commission. However, the term does include the personal property of a telephone company or a communications service provider if that personal property meets the requirements of subdivisions (1) through (3), regardless of whether that personal property is assessed under [IC 6-1.1-8](#) and regardless of whether the telephone company or communications service provider is subject to regulation by the Indiana utility regulatory commission.

(d) Notwithstanding section 7 of this chapter, if the acquisition cost of a taxpayer's total business personal property in a county is less than eighty thousand dollars (\$80,000) for that assessment date, the taxpayer's business personal property in the county for that assessment date is exempt from taxation.



\$80,000 Exemption Continued

(e) Subject to subsection (f), a taxpayer that is eligible for the exemption under this section for an assessment date shall include the following information on the taxpayer's personal property tax return:

- (1) A declaration that the taxpayer's business personal property in the county is exempt from property taxation.
- (2) Whether the taxpayer's business personal property within the county is in one (1) location or multiple locations.
- (3) An address for the location of the property.

If the business personal property is in multiple locations within a county, the taxpayer shall provide an address for the location where the sum of acquisition costs for business personal property is greatest. If two (2) or more addresses contain the greatest equivalent sum of acquisition costs for business personal property within a given county, the taxpayer shall choose only one (1) address to list on the return.



\$80,000 Exemption Continued

(f) Beginning after December 31, 2022, a taxpayer that has included the information required under subsection (e) on the taxpayer's personal property tax return to claim the exemption under this section is not required to file a personal property return for the taxpayer's business personal property for an assessment date that occurs after the assessment date for which the information is first provided under subsection (e), unless or until the taxpayer no longer qualifies for the exemption under subsection (d) for a subsequent assessment date.

As added by P.L.80-2014, SEC.1. Amended by P.L.249-2015, SEC.3; P.L.199-2016, SEC.1; P.L.273-2019, SEC.2; P.L.153-2021, SEC.1; P.L.137-2022, SEC.11



\$80,000 Exemption

- 2017 and subsequent - HEA 1169-2016 Provides that the taxpayer would declare the exemption by using a personal property form.
- HEA 1472-2015 allowed counties to adopt an ordinance that would collect a service fee (up to \$50) for any taxpayer that indicates on the personal property return (or for January 1, 2016, assessment date, their certification) their qualification of the exemption.
- Beginning for the 2023 assessment date, a taxpayer is no longer required to file a personal property return if: (1) they have already attested in the previous return that they are under the \$80,000 exemption; and (2) they continue to qualify for the exemption.
- * This has been repealed by SEA 233-2019. This fee can no longer be billed after July 1, 2019.



Personal Property Resources

- Assessor's Operations Manual.
- Personal Property Rule. (50 IAC 4.2)
- Field Representative.
- Department's Webpage – www.in.gov/dlgef.



Personal Property Basics

- This concludes the personal property basics tutorial and is a reminder that should you have questions you can email these questions to the Department.
- Please send emails to Level1@dlgf.in.gov