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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**TO:** Assessing Officials, Property Tax Boards of Appeal, County Auditors, & County Recorders

**FROM:** Jason Cockerill, Commissioner

**RE:** Legislation Affecting Assessment Matters

**DATE:** May 23, 2025

The Department of Local Government Finance (“Department”) issues this memorandum to inform the public of legislative changes concerning assessment matters. Please note that this memorandum is for informational purposes only and is not a substitute for reading the law. Except as otherwise stated, all provisions are effective July 1, 2025.

## **I. Business Personal Property Exemption**

On April 15, 2025, Governor Mike Braun signed into law Senate Enrolled Act 1-2025 (“SEA 1”). Section 6 of SEA 1, retroactively effective January 1, 2025, amends Ind. Code § 6-1.1-3-7.2 by increasing the acquisition cost of a taxpayer’s total business personal property in a county from \$80,000 to \$1,000,000 for the 2025 assessment date and to \$2,000,000 for the 2026 assessment date and each assessment date thereafter for purposes of receiving a business personal property tax exemption.

However, on May 6, 2025, Governor Braun signed into law House Enrolled Act 1427-2025 (“HEA 1427”). Section 14 of HEA 1427, retroactively effective January 1, 2025, further amends Ind. Code § 6-1.1-3-7.2. HEA 1427 repeals the increase in the personal property tax exemption threshold for the 2025 assessment date enacted in SEA 1 but retains the increase in the personal property tax exemption threshold to \$2,000,000 for the 2026 assessment date and following assessment dates.

Therefore, per HEA 1427, and subject to all other applicable provisions, if the acquisition cost of a taxpayer’s total business personal property in a county is less than:

- (1) eighty thousand dollars (\$80,000) for assessment dates before 2026; and
- (2) two million dollars (\$2,000,000) for the 2026 assessment date, and each assessment date thereafter;

the taxpayer’s business personal property in the county for that assessment date is exempt from taxation.

Additionally, Section 14 of HEA 1427 adds subsection (g) to Ind. Code § 6-1.1-3-7.2, which addresses those taxpayers who filed a business personal property tax return on or after April 15, 2025, if the taxpayer claimed an exemption for the 2025 assessment date for acquisition costs totaling more than \$80,000 but less than \$1,000,000 under the provisions enacted in SEA 1 but before those same provisions were repealed in HEA 1427. In other words, subsection (g) addresses those taxpayers that filed a business personal property tax return from April 15 to May 6 and claimed an exemption for business personal property in a county with total acquisition costs below \$1,000,000.

A taxpayer described by this new subsection (g) is not entitled to an exemption that exceeds the amount as amended in HEA 1427 (\$80,000) and must file an amended return by no later than May 31, 2025. Taxpayers who file an amended return under Ind. Code § 6-1.1-3-7.2 by May 31, 2025, are still able to file an amended return under Ind. Code § 6-1.1-3-7.5 by the deadlines specified in that section. If a taxpayer is required to file an amended return under Ind. Code § 6-1.1-3-7.2 by May 31, 2025, but fails to do so, the assessing official should disallow the portion of the claimed exemption that the taxpayer is not entitled to and should notify the taxpayer of the disallowance using Form 113/PP – Notice of Assessment/Change by an Assessing Official.

The Department will be making necessary updates to affected personal property forms to reflect these changes.

## **II. Discontinuation of the Indiana Personal Property Online Portal (PPOP-IN)**

Sections 13, 15, and 16 of HEA 1427, effective January 1, 2026, provide that the Indiana Personal Property Online Portal (PPOP-IN) may be used to file a personal property return until 2026. HEA 1427 repeals the provision requiring the establishment of the portal (Ind. Code § 6-1.1-3-26) and makes corresponding changes to specify that taxpayers can no longer file personal property tax returns through PPOP-IN after 2025.

While no filings will be accepted after 2025, the Department is making plans to keep PPOP-IN accessible after January 1, 2026, to ensure that taxpayers who have previously filed returns through PPOP-IN are able to access historical data. The Department will release additional guidance on this topic in the future.

## **III. Exemption from 30% Minimum Valuation Limitation**

Section 11 of SEA 1 adds Ind. Code § 6-1.1-3-29 as a new section regarding assessable depreciable personal property. Section 14 of SEA 1 adds Ind. Code § 6-1.1-8-45 as a new section regarding assessable depreciable personal property of public utility companies. Both new sections of code are effective retroactively as of January 1, 2025.

Under Department rules currently found in 50 IAC 4.2-4-9 and 50 IAC 5.1-6-9, the total valuation of a taxpayer's assessable depreciable personal property in a single taxing district cannot be less than thirty percent (30%) of the adjusted cost of all such property of the taxpayer, with exceptions for abnormal obsolescence, equipment not placed in service, special tooling,

construction in progress (under 50 IAC 5.1-9-1(a)), and permanently retired depreciable personal property. This is often referred to as the 30% minimum valuation limitation, or the 30% floor.

The newly added provisions in Ind. Code § 6-1.1-3-29 and Ind. Code § 6-1.1-8-45 also state the total valuation of a taxpayer's assessable depreciable personal property in a single taxing district may not be less than thirty percent (30%) of the adjusted cost of all the taxpayer's assessable depreciable personal property in the taxing district. However, both Ind. Code § 6-1.1-3-29 and Ind. Code § 6-1.1-8-45 provide that the 30% minimum valuation limitation only applies to a taxpayer's assessable depreciable personal property that is placed in service on or before January 1, 2025. Similar to the existing administrative rules found in 50 IAC 4.2-4-9 and 50 IAC 5.1-6-9, there are exceptions for abnormal obsolescence, equipment not placed in service, special tooling, and permanently retired depreciable personal property.

For depreciable personal property placed in service after January 1, 2025, Ind. Code § 6-1.1-3-29(c) and Ind. Code § 6-1.1-8-45(c) state that the property is not subject to the 30% minimum valuation limitation unless the property is located in an existing tax increment allocation area for which the base assessed value is determined before January 1, 2025.

SEA 1 also provided that depreciable personal property would remain subject to the 30% minimum valuation limitation if: (1) property tax revenue attributable to the depreciable personal property is pledged as payment for bonds, leases, or other obligations; or (2) the property is located in an existing tax increment allocation area with a base assessed value determined before January 1, 2025. However, this first exception was removed under Section 18 of HEA 1427. Depreciable personal property placed in service after January 1, 2025, is therefore subject to the 30% minimum valuation limitation only if it is located in an existing tax increment allocation area for which the base assessed value is determined before January 1, 2025.

The Department will update its administrative rules and business personal property forms to reflect the enactment of Ind. Code § 6-1.1-3-29 and Ind. Code § 6-1.1-8-45.

#### **IV. Agricultural Land Base Rate**

Section 12 of SEA 1, retroactively effective January 1, 2025, amends Ind. Code § 6-1.1-4-4.5 by increasing a capitalization rate percentage under the statewide agricultural land base rate determination. There are three (3) income capitalization rates that are used in the determination of the farmland base assessment rate. This provision in SEA 1 increases the highest capitalization rate in the formula from 8% to 9% for the January 1, 2025, and 2026 assessment dates with taxes payable in 2026 and 2027 respectively.

Section 19 of HEA 1427, retroactively effective January 1, 2025, specifies that, for the January 1, 2025, assessment date only, the agricultural land base rate as modified in SEA 1 does not apply to land assessed under Ind. Code § 6-1.1-4-12, commonly referred to as land held in inventory (also referred to as the "developer's discount").

As a result of this change, the 2025 agricultural land base rate amount as originally certified by the Department in December 2024 has been revised and recertified. Please refer to the

Department's revised [Certification of Agricultural Land Base Rate Value for Assessment Year 2025](#) memorandum for information about what the revised agricultural land base rate is and how it was calculated.

Assessors should update values for agricultural land using the revised agricultural land base rate value. If assessors have not already rolled and balanced values, they should do so using the revised base rate. If assessors have already rolled and balanced values, they should re-roll and balance values after updating land values with the revised base rate.

If a county mailed the Notice of Assessment Form (Form 11) to taxpayers before the 2025 Session concluded, the county may choose to reissue Form 11s for property assessments that were impacted by the revised agricultural land base rate. However, assessing officials should be aware that resending a new Form 11 may impact the appeal deadline for the subject property. According to Ind. Code § 6-1.1-15-1.1(b)(2)(B), if notices of assessment are mailed on or after May 1 of the assessment year, the deadline to file an appeal is June 15 of the year in which the tax statement is mailed.

## **V. Community Land Trusts**

Section 21 of HEA 1427 adds Ind. Code § 6-1.1-4-47 as a new section of code regarding assessed values of community land trust land and improvements, which will apply to assessment date January 1, 2026. The entirety of Ind. Code § 6-1.1-4-47 is copied below.

Indiana Code § 6-1.1-4-47 specifies that the assessed value of land held by a community land trust in an assessment year is equal to the assessed value of the land at the time it was acquired by the community land trust. It also specifies that, for purposes of making a reassessment of a community land trust improvement under Ind. Code § 6-1.1-4-4.2 or an annual adjustment under Ind. Code § 6-1.1-4-4.5, the assessed value of a community land trust improvement after the initial assessment under Ind. Code § 6-1.1-4-47 may not exceed the maximum amount for which the community land trust improvement may be sold or transferred as set forth in the affordability restrictions of the ground lease to which the community land trust improvement is subject.

Definitions for the terms "affordability restrictions", "community land trust", "community land trust improvement", "community land trust land", "ground lease", and "qualified owner" are provided in subsections (b) through (g) below.

### **Ind. Code § 6-1.1-4-47 (NEW)**

**[Effective July 1, 2025]**

#### **Sec. 47.**

- (a)** This section applies to assessment dates occurring after December 31, 2025.
- (b)** As used in this section, "affordability restrictions" means restrictions set forth in a ground lease concerning the future sale or transfer of the community land trust improvement owned by a qualified owner that are intended to maintain the continued affordability of the community land trust improvement, including at least the following:
  - (1)** The community land trust improvement may only be sold to another qualified owner who intends to:

- (A) use the community land trust improvement as the qualified owner's primary place of residence; and
  - (B) enter into a ground lease with the community land trust.
- (2) A formula to be used to calculate the sale or transfer price that preserves the continued affordability of the community land trust improvement.
  - (3) A purchase option for the community land trust intended to preserve the continued affordability of the community land trust improvement.
  - (4) The maximum amount for which the community land trust improvement located on the community land trust land may be sold or transferred.
- (c) As used in this section, "community land trust" means a nonprofit corporation that meets the following requirements: (1) The nonprofit corporation is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. (2) A primary purpose of the nonprofit corporation is the creation and maintenance of permanently affordable single family or multi-family residences. (3) The nonprofit corporation leases community land trust land on which a community land trust improvement is located to a qualified owner under a ground lease that provides for the qualified owner's use of the community land trust improvement as the qualified owner's primary place of residence.
  - (d) As used in this section, "community land trust improvement" means a dwelling unit and associated improvements located on community land trust land that is occupied by a qualified owner as the qualified owner's primary place of residence according to the terms of a ground lease.
  - (e) As used in this section, "community land trust land" means land owned by a community land trust for the purposes described in subsection (c)(2) and (c)(3).
  - (f) As used in this section, "ground lease" means a lease entered into between a community land trust and a qualified owner that allows the qualified owner to occupy a community land trust improvement located on community land trust land and includes at least the following:
    - (1) Affordability restrictions.
    - (2) Restrictions for resale or transfer of the community land trust improvement.
    - (3) A provision stating that the community land trust retains an interest in the community land trust land.
    - (4) The initial appraised value of the community land trust improvement at the time the lease is entered into or at the time otherwise specified.
    - (5) The monthly fee that the qualified owner must pay to the community land trust for use of the community land trust land.
    - (6) A term of ninety-nine (99) years that may be renewed.
  - (g) As used in this section, "qualified owner" means an individual who is a member of a household with annual household income that is not more than eighty percent (80%) of the median household income in the community land trust land's surrounding area, as determined according to the median household income amounts published by the United States Department of Housing and Urban Development at the time the ground lease is entered into.
  - (h) The assessed value of the land held by a community land trust in an assessment year is equal to the assessed value of the land at the time land was acquired by the community land trust.
  - (i) For purposes of making a reassessment of a community land trust improvement under section 4.2 of this chapter or an annual adjustment under section 4.5 of this chapter, the assessed value of a community land trust improvement after the initial assessment under this section may not exceed the maximum amount for which the community land trust improvement may be sold or transferred as set forth in the affordability restrictions of the ground lease to which the community land trust improvement is subject.

Assessors will need to perform due diligence and collect additional information (e.g., certain data points from the ground lease agreements) on properties categorized under a community land trust to verify that the calculated assessments for improvements are adhering to the conditions in the ground lease agreement. The Department will issue future guidance on classifying properties owned by community land trusts within local assessment software and on how community land trusts are to be assessed in terms of the application of annual adjustment factors applied to improvements.

Additionally, Section 58 of HEA 1427 adds Ind. Code § 6-1.1-50.1 as a new chapter regarding a property tax credit for community land trust property.

**Ind. Code § 6-1.1-50.1 (NEW)**  
**[Effective July 1, 2025]**

**Chapter 50.1. Credit for Community Land Trust Property**

**Sec. 1.** The credit provided by this chapter applies to assessment dates occurring after December 31, 2025.

**Sec. 2.** As used in this chapter, "net property tax" means liability for the tax imposed on property under this article determined after the application of all credits and deductions under this article but does not include any interest or penalty imposed under this article.

**Sec. 3.** As used in this chapter, "qualified owner" has the meaning set forth in IC 6-1.1-4-47(g).

**Sec. 4.** A qualified owner whose property is assessed under IC 6-1.1-4-47 is entitled to a credit in an amount equal to thirty percent (30%) of the qualified owner's net property tax due.

**Sec. 5.** The department of local government finance shall prescribe a form on which a qualified owner may claim the credit provided under this chapter.

This new section of code references the definition of "qualified owner" from Ind. Code § 6-1.1-4-47 (described above). It states that a qualified owner is entitled to a property tax credit equal to 30% of the net property tax due, as defined in the statute. The Department will release the new credit form referenced in Ind. Code § 6-1.1-50.1-5 in the future.

**VI. Solar Land Base Rate**

Indiana Code § 6-1.1-8-24.5 specifies how the Department annually determines the solar land base rate for three (3) specified geographical regions within the state.

Section 22 of HEA 1427, effective January 1, 2026, amends Ind. Code § 6-1.1-8-24.5 to specify that, when calculating the solar land base rate for each of the three regions, the Department shall exclude from the calculation any land classified under the Department's utility property class codes but that is assessed using the agricultural land base rate for the immediately preceding assessment date.

## **VII. Tentative Assessments – Public Utility Companies**

Section 23 of HEA 1427 amends Ind. Code § 6-1.1-8-28 to clarify and extend the deadline for when a public utility company can object to a tentative assessment issued by the Department or request a correction.

Under current law, public utility companies have ten (10) days after receiving the Department's tentative assessment to object and request a preliminary conference with the Department. Public utility companies will now have fifteen (15) days from the date the Department sends a notice of tentative assessment of distributable property to object and request a preliminary conference on the tentative assessment.

## **VIII. PTABOA Membership**

On April 16, 2025, Governor Braun signed into law Senate Enrolled Act 187 (“SEA 187”). SEA 187 states that a member of any county property tax assessment board of appeal (PTABOA) must be a resident of Indiana for the entirety of the member’s term. The bill also provides that the term of an individual serving as a member on a PTABOA on June 30, 2025, who is not a resident of Indiana, expires July 1, 2025. In such a case, the bill requires the appropriate county appointing authority to appoint the individual's successor.

## **IX. PTABOA Member Terms**

As adopted during the 2024 Legislative Session under House Enrolled Act 1328 (“HEA 1328”), Ind. Code § 6-1.1-28-1 was amended to specify that the term of a member of the county property tax assessment board of appeals must be staggered to ensure that the appointment of a majority of the board does not expire in any single year. However, the statute still specifies that the term of a member of the county property tax assessment board of appeals is one (1) year and begins on January 1.

Section 53 of HEA 1427 amends Ind. Code § 6-1.1-28-1 and provides that the terms for members of PTABOAs must be staggered for a two-year period and begin on January 1.

## **X. Large Industrial Assessments – Population Threshold**

Section 25 of HEA 1427 amends Ind. Code § 6-1.1-8.5-3 to modify the definition of “qualifying county” for purposes of identifying the industrial facilities subject to assessment by the Department.

Counties with a population of more than four hundred and fifty thousand (450,000) (rather than the current 400,000) and less than seven hundred thousand (700,000) will be considered qualifying counties under HEA 1427. Industrial facilities located in a qualifying county are assessed by the Department in the manner prescribed in Ind. Code § 6-1.1-8.5.

## **XI. Petitions for the Review of Land Values**

Section 20 of HEA 1427 amends Ind. Code § 6-1.1-4-13.6 to modify requirements for the filing of a petition for review of land values.

Under current law, a petition for review of the land values determined by a county assessor under Ind. Code § 6-1.1-4-13.6 (often referred to as “land orders”) may be filed with the Department once such a petition is signed by the requisite number of property owners.

HEA 1427 states that such a petition must now set forth the property owners’ objections. It also states that the petition should be filed with the county auditor (rather than the Department), who will be required, after reviewing the petition and verifying that it meets the requirements specified in statute, to certify a copy of the petition, together with any other data that is necessary to present the property owners’ objections, to the Department.

HEA 1427 specifies that, once the Department receives such a petition, the Department must give notice of a public hearing to the assessor and to the first ten (10) petition signatories at least five (5) days before the date of the public hearing.

#### **Contact Information**

Questions may be directed to Barry Wood, Assessment Division Director at [bwood@dlgf.in.gov](mailto:bwood@dlgf.in.gov) or Stephen Lucas, Deputy General Counsel at [slucas@dlgf.in.gov](mailto:slucas@dlgf.in.gov).