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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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## Personal Property Data Compliance Checks

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The compliance reviews that are detailed in this document are the standard data reviews conducted by the Department of Local Government Finance (“Department”) on the county assessor’s personal property data submission. Additional reviews may be conducted if necessary.

The review process for the personal property data file submission (“submission”) is a two-step process. The submission is first reviewed in the fall for initial compliance when it can be deemed “pending” or “not compliant.” Pending status is the best status a submission can reach for the fall review. Submissions that reach a pending status will remain in a pending status until the spring review. In the spring, the submission deemed pending is reviewed in relation to the TAXDATA file received from the county auditor as part of the county’s Abstract submission in Gateway. At that time, the submission will be given a final status of compliant or not compliant.

Discrepancies that warrant a not compliant status of the submission are noted as rejection items on the compliance report. Rejection items must be identified and corrected. A corrected resubmission is required if a rejection item has been included in the compliance report. Warning items on the compliance report are discrepancies that are not serious enough to reject the submission. However, these items may result in a rejection of the submission for the following year if the issue remains. Further comments on the submission may appear in the Items Applicable to Future Submissions section of the compliance report.

The records that do not pass the checks outlined in this document may result in a warning and/or rejection item being noted on the county’s compliance report. The Department determines whether failed checks meet the threshold for rejection and shares its analysis with the Legislative Services Agency (“LSA”). For the 2021 Pay 2022 review cycle, the Department used a 3% tolerance level in determining whether a county’s submission would be deemed pending or would be deemed not compliant. In other words, if any of the checks performed on the county’s submission for the 2021 Pay 2022 review cycle – with a handful of exceptions – had records where the gross assessed value (“AV”) total that was greater than 3% of the overall total gross AV for the county’s personal property, the submission was deemed as not compliant. Unless otherwise noted, the AV threshold checked for compliance is the sum of the AV Farm Implements and Equipment and the AV Business Depreciable Personal Property fields from the PERSPROP file as per 50 IAC 26-20-5.

If a county is aware of any potential issues with its files prior to submitting a data extract, it should provide an explanation with the data submissions. Additionally, county assessors are encouraged to consult with their personal property assessment software vendors on reports that can be generated from their personal property assessment system that look for the sort of items listed below. These system reports can help the county spot and correct any issues prior to

submitting their data extract to the Department.

### **1. Personal Property Compliance Checks**

The following checks are conducted on the personal property data submissions:

### **2. Property Number Format**

The property numbers must be in accordance with the personal property numbering system per 50 IAC 26-8-2. The first two digits of the property number should reference the county code/number and should be in the unformatted form (i.e., not include dashes or dots) in the Property Number field in the three personal property data files.

### **3. POOLDATA File Format**

The data checks involving the POOLDATA file are done mainly to ensure that the data are in the correct format. Most counties have four pools, although some have a fifth pool. The Department verifies that all four pools have been correctly populated. Counties with a fifth pool should provide a separate listing of those items that would be categorized under the fifth pool and include it with the submission. Additionally, the Department verifies that the Acquisition Start and End dates are in chronological order (i.e., the end date needs to be later than the start date).

### **4. Valid NAICS Codes**

The PERSPROP file should have only valid Principal Business Activity Codes. The PERSPROP file requires a Principal Business Activity Code, which 50 IAC 26 identifies as being the North American Industry Classification System (“NAICS”) code. All personal property submissions should reflect a valid entry from the most current NAICS code list. The code list is available on the [U.S. Census Bureau website](#).

### **5. Valid Taxpayer Types**

The Department verifies the number of Business Taxpayer Type records in the file—those records that are coded with “B” for business. For a list of valid Taxpayer Type codes, please refer to the Code List 38 in the Property Tax Management System Code List Manual found on the [Department’s website](#).

### **6. Instances of Social Security Numbers**

The data submission must *not* contain any instances of a taxpayer’s social security number in any of the data points in the personal property data files. The data in the PERSPROP file is made available for download on the Indiana Gateway for Government Units public site. Therefore, it’s imperative that social security numbers *not* be used as any sort of personal identifier in the data files.

### **7. Missing or Null Taxpayer’s Address**

Taxpayer Address fields in the PERSPROP file need to be populated with a logical value as opposed to being left blank. At a minimum, Taxpayer Address information for each personal property record in a county should have at least a valid city/town, state, and ZIP value populated in the PERSPROP file.

### **8. Missing or Null Form Types**

The Department verifies the Form Type associated with each record in the PERSPROP file. The

Form Type indicates which particular personal property form was used for the filing of a taxpayer's return. The most common examples are the Form 102, Form 103-Short, and Form 103-Long.

#### **9. Missing or Null Return Type**

The Department verifies the Return Type associated with each record in the PERSPROP file. The Return Type indicates whether a taxpayer's personal property return was an original filing (most common), amended filing, or forced filing. For a list of valid Return Type codes, please refer to the Code List 63 in the Property Tax Management System Code List Manual found on the [Department's website](#).

#### **10. Missing or Null Filing Date**

The Date of Filing field in the PERSPROP file needs to be populated with a logical value as opposed to being left blank. The Date of Filing field indicates the date which the taxpayer filed their return with the county assessor's office and should be in the mm/dd/yyyy format.

#### **11. Missing or Null Personal Property Taxpayer Unique ID**

The Personal Property Taxpayer Unique ID field in the PERSPROP file needs to be populated with a logical value as opposed to being left blank. This field is assigned to a personal property filer in the county's personal property assessment software system as a means to uniquely identify the taxpayer in the event the filer has multiple filings within the county. By way of example: John Smith has personal property located in ten different taxing districts across the county and files ten different personal property returns. Each return that John Smith files will have its own individual Property Number assigned to it in the county's personal property assessment software system, but there will only be one Taxpayer Unique ID assigned in the system to represent John Smith. Social security numbers or federal tax ID numbers may not be used as the unique identifier.

#### **12. Email Tax Bill But No Email Address Provided**

This check looks for any instances of records in the PERSPROP file where the taxpayer indicated on their return that they wish to receive their property tax bill by email but did not include an email address on the return.

#### **13. BPPE Qualified with an AV greater than \$0**

This check looks for any instances of records in the PERSPROP file where the taxpayer has qualified for the Business Personal Property Exemption ("BPPE") but the AV provided for the record in the PERSPROP file is greater than \$0. If the taxpayer has qualified for the BPPE, the AV amount for the record should be listed as \$0 in either the AV – Farm Implements and Equipment field (for the Form 102) or the AV – Business Depreciable Personal Property (for the Form 103-S or Form 103-L) field in the PERSPROP file.

#### **14. PERSPROP and POOLDATA Matching Records**

All records in the PERSPROP file should have corresponding records in the POOLDATA file. The Department understands that special tooling records may not have any pool data associated with them. To address this, the Department recommends the county supply a spreadsheet containing a list of applicable records along with their personal property data submission. This may allow the Department to verify that the applicable records are special tooling. Likewise, all

instances of Property Numbers in the POOLDATA file must have a corresponding match to a Property Number in the PERSPROP file.

#### **15. AV greater than Cost**

The Gross AV in the PERSPROP file may not be higher than the maximum of the Adjusted Cost and the Total Cost from the POOLDATA file.

#### **16. PERSPROP File versus TAXDATA File**

In the spring review, records should be consistent between the PERSPROP file and the Auditor's TAXDATA file. The PERSPROP file and the TAXDATA file should contain the same personal property records. By comparing the property numbers between the two files, the Department can verify which records are missing, if any. The Department also reviews the Gross AV of the records in both files. The Gross AV of the personal property records in both files should be consistent. Under the Lock Guidance in 50 IAC 26, there may be a reason for the Gross AV in the PERSPROP file to not match the Gross AV in the TAXDATA file. During the spring review, the Department will request the lock modification tracking report, which is generated from the county's tax and billing system, to reconcile the differences between the two files.

#### **17. PERSPROP District AV versus Abstract's District AV**

The AV in the PERSPROP file should be consistent with the county's Abstract AV. Grouping the records in the PERSPROP file by their State Assigned Taxing District number, the PERSPROP Gross AV by the district is compared against the district AV from the county's Abstract. For the fall review, this check is done using the previous year's Abstract (e.g., for Pay 2022, the Pay 2022 data is evaluated alongside the county's Pay 2021 Abstract). A variance exceeding ten percent in a district and for the overall Gross AV may require further investigation and may be noted in the Items Applicable to Future Submissions section of the compliance report. For the spring review, this check is re-visited with the current year Abstract. In this check, the AV variance of each district should not exceed five percent. A variance exceeding five percent in a district and for the overall Gross AV may require further investigation and may be noted in the Items Applicable to Future Submissions section of the compliance report. The number of records in each district is also considered. In the spring review, if a discrepancy is found between the PERSPROP file and the Abstract's district AV, additional analysis is conducted on the individual records from those districts.

Inquiries regarding the compliance of personal property data submissions should be sent to the Department's Data Inbox at [data@dlgf.in.gov](mailto:data@dlgf.in.gov).