STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777

TO: All Public Utility Companies

FROM: Barry Wood, Assessment Division Director

DATE: March 19, 2026

SUBJECT: General Instructions for Filing Utility Ad Valorem Tax Returns (Annual Report UD-45)

PLEASE NOTE: This memorandum is simply intended to be informative and does not take the place of Indiana law. Please note that this memorandum is for informational purposes only and is not a substitute for reading the law. Indiana law always governs.

The Annual Report Form UD-45 is to be completed by all (non-rail) utility companies. Please read all of the instructions before completing the Annual Report. This report is for the current tax year based on information for the year ending December 31 of the previous year. Forms are available on the Department's website. Please retain a copy of your return for your records.

Taxpayers that have a property in only one taxing district may choose to file with their local assessing official according to Ind. Code § 6-1.1-8-3(c)(6). This also applies to taxpayers that participate in a net metering program under 170 IAC 4-4.2 or a feed-in tariff program according to Ind. Code § 6-1.1-8-3(c)(7).

When to File
The Annual Report and all other required documents must be filed, by statute, on or before April 1 (Ind. Code § 6-1.1-8-19) unless an extension has been requested and granted pursuant to 50 IAC 5.1-3-6. *Failure to file the Annual Report by the due date will result in a penalty of $100 a day for each day when the report is late (*Ind. Code § *6-1.1-8-20), with a maximum penalty of $1000.* Non-filers will be subject to the same penalty. All extension requests should be emailed to Utilities@dlgf.in.gov.

Where to File
The Annual Report and all other required material should be mailed to:
Department of Local Government Finance
Assessment Division/Utilities
100 North Senate Ave., Room IGCN 1058
Indianapolis, IN 46204
Phone: (317) 232-3765 or (317) 232-3484
Email: Utilities@dlgf.in.gov

NOTE

An Annual Report cannot be accepted if it is incomplete, illegible, or displays information in a manner other than as prescribed by Form UD-45. Annual Reports that are rejected may be subject to a late filing penalty if a corrected copy is not resubmitted by the filing deadline. Note that Schedules A-1 through C should be filled out prior to filling in Schedule A because those Schedules support Schedule A. Do not leave Schedule E blank. Schedule E is required for the appropriate distribution of assessed values to the local taxing jurisdictions.

Ind. Code § 6-1-1-8-3(c) states that a taxpayer that owns definite situs property located in one taxing district and/or a taxpayer participating in a net metering or feed-in tariff program may elect to file a personal property tax return with the county assessor or, if applicable, the township assessor. Please review the Indiana Code to make sure if this provision is applicable to you. If you decide to file locally but have previously filed with the Department of Local Government Finance ("Department"), please contact the Department indicating that you have filed locally.

What to File

One copy of each of the following must be filed:

- Annual Report prescribed by the Department.
- Annual Assessment Survey
- Annual Report to Stockholders and/or certified financial statements.
- Special Note: REMC's should file a complete copy of the RUS Form 7.
- Tentative Assessment and Appeal Rights

An Order notifying each company of its tentative assessment will be mailed on or before June 1 (Ind. Code § 6-1.1-8-28(b)). Not later than fifteen (15) days after the Department sends notice of the Department's tentative assessment, the taxpayer may: file with the Department its objections to the tentative assessment; and request that the Department hold a preliminary conference on the tentative assessment (Ind. Code § 6-1.1-8-28(c)).

An appeal should be made in writing and state the nature of the objections. If the taxpayer does not file a timely, written appeal, the tentative assessment is considered final. However, the assessment may still be appealed to the Indiana Board of Tax Review (Ind. Code § 6-1.1-8-28(e)).

The taxpayer must initiate the appeal in writing with the Indiana Board of Tax Review within forty-five (45) days after receiving notice of the tentative assessment if that tentative assessment becomes final due to the taxpayer's failure to timely file an objection with the Department or not later than forty-five (45) days after the Department gives notice of its final determination on an objection filed by the taxpayer (Ind. Code § 6-1.1-8-30).

If the taxpayer files a timely appeal and a request for a preliminary conference on the tentative assessment, the Department may hold a preliminary conference at a time and place fixed by the Department. After the conference, the Department will make a final assessment of the taxpayer's distributable property and will notify the taxpayer no later than June 30 (Ind. Code § 6-1.1-8-29).

INSTRUCTIONS FOR COMPLETING THE ANNUAL REPORT

The information requested on pages 1 and 2 is of a general nature. Page 5 applies to taxpayers who have sold a wind powered device. The remainder of the Annual Report consists of the following Schedules:

Schedule A	Computation of Assessment (required) Column A: Property Subject to 30% Floor. Column B: Property <u>Not</u> Subject to 30% Floor
Schedule A-1(I)	Property Subject to 30% Floor Computation of Value for Construction in Progress Computation of Credit for Gross Additions Reporting of CIAC & CAFC (required, if applicable)
Schedule A-1(II)	Property <u>Not</u> Subject to 30% Floor Computation of Value for Construction in Progress Computation of Credit for Gross Additions Reporting of CIAC & CAFC (required, if applicable)
Schedule A-2	Leased Property (required, if applicable) Schedule I-A is property assessed to the taxpayer subject to the 30% floor. Schedule I-B is property assessed to the taxpayer <u>not</u> subject to the 30% floor Schedule II is leased property assessed to owner
Schedule A-3	Air Pollution Control Equipment (required if applicable) Column A: Property Subject to 30% Floor. Column B: Property <u>Not</u> Subject to 30% Floor
Schedule A-4	Water Pollution Control Equipment (required if applicable) Column A: Property Subject to 30% Floor. Column B: Property <u>Not</u> Subject to 30% Floor
Schedule A-5	REMC Schedule (required if applicable)
Schedule A-6	Pipelines - Pipe Valuation (required if applicable)
Schedule A-7	Pipelines - Other Distributable Property (required if applicable) Schedule I is for property subject to the 30% floor. Schedule II is for property <u>not</u> subject to the 30% floor.
Schedule A-8	Passenger Bus Schedule (required if applicable)
Schedule B	Balance Sheet and Franchise Schedule (required)
Schedule C-1	Reconciliation of Book to Federal Tax Basis (required) Property Subject to 30% Floor
Schedule C-2	Reconciliation of Book to Federal Tax Basis (required) Property <u>Not</u> Subject to 30% Floor
Schedule D	Income Statement (requested)
Schedule E	Assessment Distribution (required)

REMC's, pipeline companies, and passenger bus companies should refer to the specific instructions for their respective companies before completing any schedule. If other schedules are required, please contact the Department or visit the Department's website.

The following are specific instructions concerning each Schedule:

Schedule A - Computation of Assessment

Schedule A is used to compute the true tax value of the utility company's property in Indiana. Please use Column A for property subject to the 30% floor and Column B for property not subject to the 30% floor. Specific instructions by line number are as follows:

1. Enter the total cost of utility plant in service for each Column on December 31, the previous year. The total cost is to be reported on a tax basis. (Refer to 50 IAC 5.1-6-2 through 50 IAC 5.1-6-5)

2. Enter the total cost of the non-utility property for each Column on December 31, the previous year. The total cost is to be reported on a tax basis.

3. Enter the total cost of plant held for future use for each Column on December 31, the previous year. The total cost is to be reported on a tax basis.

4. Add Lines 1, 2, and 3 for each Column.

5. Enter the total cost of locally assessed real property for each Column (except R/O/W, easements, and towers) included in the utility plant in service amount shown on Line 1 above. The total cost is to be on a tax basis.

6. Enter the total cost of locally assessed real property for each Column (except R/O/W, easements, and towers) included in the non-utility property amount shown on Line 2 above. The total cost is to be on a tax basis.

7. Enter the total cost of locally assessed real property for each Column (except R/O/W, easements, and towers) included in the plant held for future use amount shown on Line 3 above. The total cost is to be on a tax basis.

8. Add Lines 5, 6, and 7 for each Column.

9. Line 4 minus Line 8 for each Column.

10. Enter the total cost of organization expense for each Column on December 31, the previous year.

11. Enter the total cost of any acquisition adjustment for each Column on December 31, the previous year.

12. Add Lines 9, 10, and 11 for each Column.

13. Enter the total cost of intangibles for each Column at December 31, the previous year. The total cost is to be on a tax basis. You **must** provide supporting documentation for intangibles, or your claim will be disallowed.

14. Enter the total cost of locally assessed real property for each Column (except R/O/W, easements, and towers) included in the intangible amount shown on Line 13 above. The total cost is to be on a tax basis.

15. Line 13 minus Line 14 for each Column.

16. Enter the total cost of Air Pollution Control Equipment in Service for each Column from Schedule A-3.

17. Enter the total cost of Water Pollution Control Equipment in Service for each Column from Schedule A-4.

18. Add Lines 15, 16, and 17 for each Column.

19. Line 12 minus Line 18 for each Column.

20. Carry forward Line 19 from page 3 for each Column.

21. Enter the total amount of accumulated depreciation as computed for federal tax purposes for each Column on December 31, the previous year. This amount should agree with the amount shown on Schedule C- Reconciliation.

22. Enter the total amount of accumulated amortization reserve as computed for federal tax purposes for each Column on December 31, the previous year. This amount should agree with the amount shown on Schedule C-Reconciliation.

23. Add Line 21 and Line 22 for each Column.

24. Enter the total amount of accumulated depreciation as computed for federal tax purposes applicable for each Column to locally assessed real property on December 31, the previous year.

25. Enter the total amount of accumulated depreciation as computed for federal tax purposes applicable for each Column to the pollution control equipment deducted on Lines 16 and 17 above. This amount should be the difference between the cost of pollution control facilities in service shown on Schedules A-3 and A-4 and the net tax value also shown on Schedules A-3 and A-4.

26. Enter the total amount of accumulated amortization reserve applicable to locally assessed Real property for each Column on December 31, the previous year.

27. Enter the total amount of accumulated amortization reserve applicable to the intangibles deducted on Line 15 for each Column.

28. Line 23 minus Lines 24, 25, 26, and 27 for each Column.

29. Enter your credit for gross additions from Schedule A-1 for each Column.

30. Add Line 28 and Line 29 for each Column.

31. Line 20 minus Line 30 for each Column.

32. Multiply Line 20 of Column A by thirty percent (30% or 0.30). This calculation does not apply to property in Column B.

33. For Column A, Net Value of Plant and Property is the greater of Lines 31 or 32. For Column B, carry forward Line 31.

34. Add both Column A and B of Line 33 for Total Net Value of Plant and Property

35. Enter the true tax value (10% of the cost) of Construction in Progress from Schedule A-1.Column A is for property subject to the 30% floor. Column B is property not subject to the 30% floor.

36. Enter the true tax value of the leased distributable property from A-2 Leased Property (required, if applicable) Schedule I-A is property assessed to the taxpayer subject to the 30% floor and reported in Column A. Schedule I-B is property assessed to the taxpayer not subject to the 30% floor and reported in Column B.

37. Add Column A, Line 35 and Line 36. Add Column B, Line 35 and Line 36.

38. Add both Column A and B of Line 37 for Total Additions.

39. Enter the true tax value of REMC property as shown on Schedule A-5 (if applicable) Line 24.

40. Pipeline companies must enter the true tax value of their pipe as shown on Schedule A-6.

41. Pipeline companies must enter the true tax value of their distributable property other than pipe as shown on Schedule A-7. Schedule I is property that is subject to the 30% floor. Schedule II is property not subject to the 30% floor.

42. Bus companies must enter the true tax value of buses and tires as shown on Line 27 of Schedule A-8. Schedule I-A is property subject to the 30% floor. Schedule I-B is property not subject to the 30% floor.

43. Other. This is usually Abnormal Obsolescence or a dark fiber adjustment. You **must** attach a detailed explanation and worksheet showing how you arrived at the amount requested. Note the percentage of Line 37 that is being requested as abnormal obsolescence and state the subsection under which the property qualifies for abnormal obsolescence. If you do not explain your request in detail and provide adequate supporting documentation, your claim will be denied. Documentation must quantify the amount of obsolescence on the assessment date, and it must be verifiable and applicable to true tax value. See 50 IAC 5.1-11-1 through 50 IAC 5.1-11-5 for details on obsolescence.

44. Add both Column A and Column B of Line 44 for Total Other.

45. Add Lines 34, 38, 39, 40, 41, 42, and 44 for Total

46. Assessed Value (Line 45 rounded to the nearest ten dollars).

Schedule A-1 - Computation of Value for Construction in Progress, Computation of Credit for Gross Additions, and Reporting of Contributions in Aid of Construction (CIAC) & Customer Advances for Construction (CAFC)

Schedule I should be used to report personal property that is subject to the 30% floor. Schedule II should be used to report personal property that is not subject to the 30% floor.

The value of construction in progress at December 31, the previous year must be computed on Part A of Schedule A-1. Construction in Progress will be valued at ten percent (10%) of cost (50 IAC 5.1-9-1(d)). Carry total to line 35 of Schedule A.

The deduction for gross additions is sixty percent (60%) of the adjusted cost of depreciable personal property placed in service during the immediately preceding twelve (12) months minus the depreciation computed on the adjusted cost of depreciable personal property placed in service during the immediately preceding twelve (12) months. Carry the total to line 29 of Schedule A.

The cost of CIAC & CAFC should be included in Line 1 of Schedule A-Computation of Assessment. On the first line of Section C, show the cost of CIAC & CAFC in the applicable column. On the second line of Schedule C, show the amount of accumulated depreciation for CIAC & CAFC that is included in the amount of accumulated depreciation claimed on Line 21 of Schedule A-Computation of Assessment. You may calculate depreciation as if you were reporting the property on your federal tax return (50 IAC 5.1-7-2(b) & 50 IAC 5.1-7-4(b)).

Schedule A-2 - Leased Property

Schedule I-A should be used to report personal property that is subject to the 30% floor. Schedule I-B should be used to report personal property that is not subject to the 30% floor.

Report all property held, possessed, or controlled, but not owned. The true tax value or minimum value is to be carried to Schedule A, line 35. Send one copy to the local assessor.

Schedule A-3 - Air Pollution Control Equipment & Schedule A-4 - Water Pollution Control Equipment

On the applicable Schedule, report property claimed to be exempt as either air or water pollution control equipment.

Schedule A-5 - REMC Schedule

Column A of this schedule is subject to the 30% floor. Column B of this schedule is not subject to the 30% floor.

Schedule A-6 - Pipelines - Pipe Valuation

Pipeline values are found on our website and are updated annually.

Schedule A-7 - Pipelines - Other Distributable Property

Schedule I should be used to report personal property that is subject to the 30% floor. Schedule II should be used to report personal property that is not subject to the 30% floor.

Schedule A-8 - Passenger Bus Schedule

Schedule I-A should be used to report personal property that is subject to the 30% floor. Schedule I-B should be used to report personal property that is not subject to the 30% floor.

Specific instructions will accompany these forms. REMC's, pipeline companies, and passenger bus companies should refer to the specific instructions for their respective companies before completing any Schedule on the Annual Report.

Schedule B - Balance Sheet

Enter the information from your company's December 31, the previous year, balance sheet at book basis. Include all property. Adjustments to bring the total value down to Indiana values at a federal tax basis should be reflected on Schedule C.

Schedule C – Reconciliation

Schedule C-1 should be used to report personal property that is subject to the 30% floor. Schedule C-2 should be used to report personal property that is not subject to the 30% floor.

Use this Schedule to reconcile the company's total cost of plant in service, accumulated depreciation, and accumulated amortization reserve as shown on the financial statements (Balance Sheet), with the tax basis of those items as reported in the Annual on Schedule A.

Explain all differences between what is reported on Schedule B and Schedule A, such as a book to tax adjustment, out of state property, or property that is not taxable by the state, like the service bundling of telecommunications, cable television, and/or internet. Do not remove intangibles on Schedule C and remove them again on Schedule A. Please be sure to check the appropriate box if the amount of federal tax depreciation on December 31, the previous year was estimated. You should use your actual numbers rather than an estimate. If you have some extenuating or unusual circumstances, there is a place for notes at the bottom of this Schedule.

Schedule D - Income Statement

Show applicable amounts for the last three years. If amounts are different than those shown in the company's annual statement to stockholders, attach a detailed explanation of the reasons for the differences. This Schedule is requested but not required.

Schedule E - Assessment Distribution

This is a summary of the assessments by the taxing district. Due to the reorganization of school corporations, annexation and/or incorporation of cities and towns, and newly created sanitation and conservancy districts in Indiana, the Department has experienced considerable difficulty in allocating the property of public utility companies. Therefore, it is specifically requested that if you have any doubt about what taxing jurisdiction your property may be located in, before completing Schedule E, please obtain the assistance of local assessing officials to determine the proper taxing districts in which your company's property was located on December 31, the previous year. Please include the Department Taxing District Number when completing Schedule E in the appropriate format XXXXX. Again, this year, a checkbox is included if your information for allocation has not changed from the prior year. You do not need to fill in the Schedule if you check the box indicating that no changes have occurred compared to the prior year's distribution information. If you check this box, the Department will use the information in its database as entered from the prior year UD-45 Schedule E. Please give only one total per taxing district to avoid processing errors. If possible, please submit your taxing districts in numerical order by the Department Taxing District Number. If you have more than 20 taxing districts, please use the format available on the Department's website under 9(e) at the bottom of the page. The Department encourages all companies to submit their distribution of assessments (Schedule E) via e-mail in Microsoft Excel format. Do not include any additional columns on the Schedule E template, as only columns A and D are required. The addition of extra columns makes it more difficult to transfer the data into the Department's database.

You may check the Department's website for taxing district information. The Department number is made up of the county number (first two digits) and the taxing district number (the last three digits). Example: for Adams County, North Blue Creek Township, the Department number would be 01001.

Computer-generated versions of the prescribed forms and Schedules may be used **after** the Department has approved the forms for use. No form can be approved if it has not been submitted for review. Due to the extremely short statutory deadline, the Department asks that you submit your completed Annual Report as early as possible.

If you have any questions, please contact Julie Waddell at (317) 232-3765 or and Allison Webb at (317) 232-3484 or email Utilities@dlgf.in.gov.

Special note to those taxpayers claiming an exemption under Ind. Code § 6-1.1-3-7.2: For a public utility subject to Ind. Code § 6-1.1-8 with less than $2,000,000 cost to report within a county, the public utility seeking to declare this exemption must check the box on page one of the UD-32 or UD-45, as applicable, and enter the total acquisition cost of the taxpayer's personal (state distributable) property in the named county or counties, and complete only Sections I, III, and IV of the UD-32 or only Sections I and III of the UD-45. If a taxpayer owns distributable property in multiple counties but not all of the property is eligible for the exemption, the taxpayer is responsible for backing out any exempt property from the overall sum they report to the Department. If the taxpayer owns distributable property in just one county (and in only one taxing district in that county) in Indiana and the total acquisition cost of that property is less than $2,000,000 and the taxpayer otherwise would have filed locally rather than with the Department, the taxpayer must file Form 103 with the applicable assessor and declare the exemption on Form 103.

NOTE: This exemption does NOT apply to distributable property that is assessed under Ind. Code § 6-1.1-8 and is owned by a public utility subject to regulation by the Indiana Utility Regulatory Commission. Also, a taxpayer who owns, holds, possesses or controls leased or rented personal/distributable property and who is filing a Form 103 locally 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 this exemption. The Department also reserves the right to request a taxpayer filing a UD-45 to disclose information concerning the leased property to ensure the proper taxpayer is claiming the exemption.

You may check the Department's website for more information regarding Senate Enrolled Act 1.