Health Care Facilities, Nursing Homes and Exempt Properties

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Today’s class will cover

- Definitions: Long Term Care; Health Care Facilities; Nursing Homes = Assisted Living Facilities?
- Medicare; Medicaid; Long Term Insurance
- Exemptions
- Circuit Breakers
- Questions
What’s the difference between a deduction, an exemption, and a credit?

A deduction reduces the assessed value being taxed, an exemption excludes property from assessment and/or taxation, and a credit reduces the tax bill.
Health Care Facilities, Nursing Homes and Exempt Properties

- **Exemption** → property that is not taxable (to whatever extent).
  - E.g., churches, charitable organizations
  - IC 6-1.1-10; IC 6-1.1-11
- **Deduction** → reduces the taxable AV of a property by a fixed dollar amount.
  - E.g., Homestead, Mortgage, Over 65, Disabled Veteran
  - IC 6-1.1-12
- **Credit** → reduces the net tax bill by a designated percentage or prevents a tax bill from exceeding a certain percentage.
  - Circuit Breaker, Over 65, Local Homestead
IC 6-1.1-20.6-2.3 "Long term care property"
Sec. 2.3. As used in this chapter, "long term care property" means property that:

(1) is used for the long term care of an impaired individual; and
(2) is one (1) of the following:
   (A) A health facility licensed under IC 16-28.
   (B) A housing with services establishment (as defined in IC 12-10-15-3) that is allowed to use the term "assisted living" to describe the housing with services establishment's services and operations to the public.
   (C) An independent living home that, under contractual agreement, serves not more than eight (8) individuals who:
      (i) have a mental illness or developmental disability;
      (ii) require regular but limited supervision; and
      (iii) reside independently of their families.

• As added by P.L.146-2008, SEC. 216.
IC 12-10-15-3 "Housing with services establishment" defined
Sec. 3. (a) As used in this chapter, "housing with services establishment" means an establishment providing sleeping accommodations to at least five (5) residents and offering or providing for a fee:

(1) at least one (1) regularly scheduled health related service; or
(2) at least two (2) regularly scheduled supportive services; whether offered or provided directly by the establishment or by another person arranged for by the establishment.
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IC 12-10-15-3 cont’d.
(b) The term does not include the following:
   (1) A comprehensive care facility licensed under IC 16-28-2.
   (2) A hospital licensed under IC 16-21.
   (3) A group home licensed under IC 31-27 or IC 12-28-4.
   (4) An establishment that serves as a shelter for battered women or other similar purpose.
   (5) Private homes in which the residents are related by kinship, law, or affinity with the person offering the services.
   (6) An organized condominium, cooperative, common interest community, or owner’s association where at least eighty percent (80%) of the units that comprise the condominium, cooperative, or common interest community are occupied by individuals who are the owners, members, or shareholders of the units.

IC 16-18-2-52.5 "Charity care"; "financially indigent"; "medically indigent"

Sec. 52.5. (a) "Charity care", for purposes of IC 16-21-6 and IC 16-21-9, means the unreimbursed cost to a hospital of providing, funding, or otherwise financially supporting health care services:

1. to a person classified by the hospital as financially indigent or medically indigent on an inpatient or outpatient basis; and

2. to financially indigent patients through other nonprofit or public outpatient clinics, hospitals, or health care organizations.
(b) As used in this section, "financially indigent" means an uninsured or underinsured person who is accepted for care with no obligation or a discounted obligation to pay for the services rendered based on the hospital's financial criteria and procedure used to determine if a patient is eligible for charity care. The criteria and procedure must include income levels and means testing indexed to the federal poverty guidelines. A hospital may determine that a person is financially or medically indigent under the hospital's eligibility system after health care services are provided.
(c) As used in this section, "medically indigent" means a person whose medical or hospital bills after payment by third party payors exceed a specified percentage of the patient's annual gross income as determined in accordance with the hospital's eligibility system, and who is financially unable to pay the remaining bill.

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Health Care Facilities:

IC 16-21-9-1 "Community benefits" defined

Sec. 1. As used in this chapter, "community benefits" means the unreimbursed cost to a hospital of providing charity care, government sponsored indigent health care, donations, education, government sponsored program services, research, and subsidized health services.

The term does not include the cost to the hospital of paying any taxes or other governmental assessments.

• As added by P.L. 94-1994, SEC. 17.
IC 16-21-9-2 "Government sponsored indigent health care" defined
Sec. 2. As used in this chapter, “government sponsored indigent health care" means the unreimbursed cost to a hospital of Medicare, providing health care services to recipients of Medicaid, and other federal, state, or local indigent health care programs, eligibility for which is based on financial need.
• As added by P.L.94-1994, SEC.17.
IC 16-21-9-3 "Nonprofit hospital" defined

Sec. 3. As used in this chapter, "nonprofit hospital" means a hospital that is organized as a nonprofit corporation or a charitable trust under Indiana law or the laws of any other state or country and that is:

(1) eligible for tax exempt bond financing; or

(2) exempt from state or local taxes.

• As added by P.L.94-1994, SEC.17.
IC 16-21-10-4 "Hospital"
Sec. 4. (a) As used in this chapter, "hospital" means either of the following:

1. A hospital (as defined in IC 16-18-2-179(b)) licensed under this article.
2. A private psychiatric hospital licensed under IC 12-25.
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(b) The term does not include the following:

(1) A state mental health institution operated under IC 12-24-1-3.

(2) A hospital:
   (A) designated by the Medicaid program as a long term care hospital;
   (B) that has an average inpatient length of stay that is greater than twenty-five (25) days, as determined by the office of Medicaid policy and planning under the Medicaid program;
   (C) that is a Medicare certified, freestanding rehabilitation hospital; or
   (D) that is a hospital operated by the federal government.

• As added by P.L.205-2013, SEC.214.
IC 16-28-2.5-4 "Replacement facility"
Sec. 4. As used in this chapter, "replacement facility" means a new comprehensive care health facility licensed under or subject to this article after July 1, 2015, that:

(1) is constructed to take the place of an existing comprehensive care health facility that is licensed before July 2, 2015;

(2) is constructed within the same county as the existing comprehensive care health facility licensed before July 2, 2015; and

(3) contains no more comprehensive care beds than the existing comprehensive care health facility licensed before July 2, 2015.

• As added by P.L.257-2015, SEC.4.
Nursing Home = Assisted Living?

- Although there may be similarities, assisted living facilities do not offer the same comprehensive services that a nursing home provides.
- Assisted living facilities could also be called “Adult Foster Care” or “Senior Living Communities.”
- Whereas, nursing homes are also known as “Skilled Nursing Facilities.”
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Assisted Living – Care & Non-Care

• Assistance with daily activities.
• Medication distribution and management (if properly certified).
• Community based recreation.
• Transportation for recreation or daily tasks.
• Provides meal service and maintenance for living quarters.
• Supervision for tenants.
Nursing Home – Care & Non-Care

- Assistance with daily activities.
- Medication distribution and management.
- Provides nursing care for all patients.
- Minor or limited medical procedures.
- Limited recreation.
- Provides meal service and maintenance for living quarters.
- Comprehensive supervision for all patients.
Assisted Living – Living Space

• Condominiums, apartments, townhouses, or other shared wall improvements.
• Can be private, shared, or cohabitation.
• Kitchenettes or full size kitchens are common.
• Large amounts of common areas for residents.
Nursing Home – Living Space

- Private or shared rooms.
- Some common areas, however, they are limited.
Assisted Living – Kind of Resident

- Resident can walk (with some assistance).
- Able to understand directions and can converse coherently.
- Willing to receive assistance.
- Require some personal care for themselves and are somewhat capable of normal daily activities.
- Early stage Alzheimer’s patients.
Health Care Facilities, Nursing Homes and Exempt Properties

Nursing Home – Kind of Patient

• Mobility is virtually non-existent and help is required for all transportation.
• Patients require daily medical care from nurses.
• Cognitive functions are minimal as are communication skills.
• Are resistant to assistance and are not easily supervised.
• Require near around-the-clock personal care.
Cost of Membership or Residency

- Nursing Home – Upwards of $60,000 a year.
- Assisted Living – Between $30,000 and $40,000 a year.
You can find each type of facility (by county) through the Indiana State Department of Health’s Long Term (Nursing Home) and Residential Care Facility Directories (Assisted Living)

- Long Term Care Facility – [http://www.in.gov/isdh/reports/QAMIS/Ltcdir/index.htm](http://www.in.gov/isdh/reports/QAMIS/Ltcdir/index.htm)
- Residential Care Facility - [http://www.in.gov/isdh/reports/QAMIS/resdir/index.htm](http://www.in.gov/isdh/reports/QAMIS/resdir/index.htm)
Medicare:

- More narrow than Medicaid when it comes to assisted living and nursing homes.
- Medicare *does not* allow any funds to be used for assisted living.
- Medicare only allows funding to be used on nursing homes if the patient had just previously been in the hospital; however, Medicare will only cover 100 days maximum of care in the nursing home.
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Medicaid:

- Can be used for assisted living and, to a lesser extent, nursing homes but must be Medicaid approved.
- Assets must be minimal to use Medicaid (as low as $2,500 for a couple.).
- Indiana offers the Aged and Disabled Waiver which allows for significantly more assets for qualification; however, this waiver only covers a transition from a nursing home to assisted living.
Long Term Insurance

• Indiana also has a partnership with private companies regarding long term insurance plans.

• An individual may purchase a plan in case of having to stay at an assisted living facility or nursing home.

• More information can be found here: http://www.in.gov/idoi/files/What_You_Should_Know_7-2011.pdf
Health Care Facilities, Nursing Homes and Exempt Properties

**Exemptions:**

- Article 10, Section 1 of the Indiana Constitution permits the Legislature to exempt certain classes of property from property taxation.
- IC 6-1.1-10 contains most of the exemptions available, but exemptions may be found throughout the Code.

Exemption procedures are found in IC 6-1.1-11. The procedures include application requirements, deadlines, et cetera.
Health Care Facilities, Nursing Homes and Exempt Properties

• An exemption is a privilege which may be waived by a person who owns tangible property that would qualify for the exemption. IC 6-1.1-11-1.

• The burden is on the applicant to show that the predominant part of the property claimed to be exempt is substantially related to the exercise or performance of the applicant’s exempt purpose. IC 6-1.1-11-3(d).
In order to grant an application for an exemption, in whole or in part, the county PTABOA must find that the statutory prerequisites for an exemption have been met. If any of the statutory prerequisites have not been met, the exemption cannot be granted.

If the application is denied in whole or in part, notice of that action will be given on Form 120 (https://forms.in.gov/Download.aspx?id=5600).

An applicant may appeal to the Indiana Board of Tax Review ("IBTR") within forty-five (45) days from the date the notice of rejection is given by the county PTABOA.
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• An exemption may include real property, personal property, or both.

• An exemption amount may be up to 100%, or a certain percentage, depending on the circumstances.

• The taxpayer must submit evidence that the property qualifies for exemption under a specific statute.

• Failure to provide documentation such as Articles of Incorporation, By-laws, and Income and Expense Statements, may result in the denial of the exemption sought.
Starting January 1, 2016, if an exemption is validly in place on the assessment date, it will remain in place for that assessment date even if the property's use or ownership changes following the assessment date (IC 6-1.1-11-1.5, as introduced by SEA 420-2014).

Through 2015, state law requires the exemption to be removed for an assessment date when the property’s use or ownership changed following that assessment date in such a way that it no longer qualifies for an exemption. If the property remains eligible for an exemption following the change in use or ownership, the exemption can be left in place (IC 6-1.1-11-4).
Health Care Facilities, Nursing Homes and Exempt Properties

• In all cases, the person that obtained the exemption or the current owner of the property shall notify the county assessor for the county where the tangible property is located of the change in ownership or use in the year that the change occurs. This is via the Form 136-CO/U.

• Starting in 2016, because IC 6-1.1-11-1.5 requires the exemption to be left in place for an assessment date despite a change in use or ownership following the assessment date, the 136-CO/U will be more about helping the assessor know whether or not to pull the exemption in the original owner’s name for the following assessment date. The new owner would have to apply for the exemption in its own name for the following assessment date.
Section 10 of HEA 1450 – 2017 creates an exemption for certain medical providers

**IC 6-1.1-10-47**

- For assessment dates starting in 2018, tangible property owned by a nonprofit corporation is exempt if the following apply:
  - The owner is a 501(c)(3) organization.
  - The owner is a federally-qualified health center and a primary medical provider that:
    - accepts all patients and provides care regardless of a patient’s ability to pay;
    - is located in a geographically underserved area; and
    - has received a grant at any time from the Indiana health care trust account under IC 4-12-5.
IC 6-1.1-10-47 (cont’d)

- The owner has granted an exemption under IC 6-1.1-10-16 for a comparable facility in a contiguous county.
- The owner applied for an exemption under IC 6-1.1-10-16 for a previous assessment date and was denied.
- The exempt property includes the following:
  - Storage or parking property.
  - Any part of the property that is leased or rented by the owner to another nonprofit corporation providing services or assistance to participants in the Special Supplemental Nutrition Program for the Women, Infants, and Children Nutrition Program under IC 16-35-1.5.
- The exemption must be reduced proportionately if part of the exempt property is used by a for-profit enterprise.
- Effective upon passage.
Exemptions

• Question: Is it possible for an assisted living facility or a nursing home to receive a real property and personal property exemption?

• Answer: Yes, it is possible. One such example is an IBTR case from 2010. Greencroft Goshen, Inc. and Greencroft Middlebury, Inc. v. Elkhart County Assessor.
In this case, the petitioners (Greencroft) argued that they qualified for an exemption under IC 6-1.1-10-16 however the local PTABOA denied the request. The property is predominately duplexes with a large senior center near the duplexes. The petitioners contended that the property was 100% tax exempt due to the numerous services they provide without necessarily having a total regard for an individual’s ability to pay, in the fact the petitioners alleged that “...no resident had ever been evicted due to their availability to pay”.
Continued:

- The petitioners also showed that they are a non-profit corporation with an affiliation to the Mennonite Church. The petitioners also showed that many services they provided were discounted to members and even had residents testify on the activities and services the residents received. Finally, the petitioner also argued that they were tax exempt in the past and there was no change in the use of the property since the original tax exemption.
The respondent (assessor) argued that the property itself did meet the definition of “charitable” because the actual nursing home and assisted living facility was separate from the property at hand. The respondent contended that the property was merely an “off-campus” community with a “carefree lifestyle” and that since no one under the age of 55 could join, that a property that discriminates on the basis of age could not be found as charitable.
Continued:

- The respondent also argued that merely providing services to the elderly, it may not meet the specific intent to serve the needs of the elderly as evidenced in the *Brothers of Holy Cross v. St. Joseph County Property Tax Board of Appeals* in 2007 and that the services may not be as comprehensive as needed as evidenced in *State Board of Tax Commissioners v. Methodist Home for the Aged of the Indiana Conference of the Methodist Church, Inc.* in 1968 because the facility is not completely integrated with the main facility over twenty minutes away (“continuum of care”).
Continued:

- The respondent further argued that the record is incomplete about the health services being provided at a discount which do not translate to a charitable purpose. Also, the senior center is used by third parties and not entirely by the petitioner.
Continued:

- The IBTR sided with the petitioner due to the following reasons:
- The petitioner’s organization derived no profit from services rendered in the operation of the facility and all income sources are devoted to the further operation of the facility.
- The petitioner’s organization provided activities (see Wittenberg Lutheran Village Tax Court case) and access to health facilities needed for the elderly.
- Through this, the petitioner made a prima facie case.
Health Care Facilities, Nursing Homes and Exempt Properties

Continued:

• The Board further rejected some of the respondent’s claims:
  • The respondent did not dispute the services provided by the petitioner but just compared the subject property to previous cases that were not necessarily identical to the subject property.
  • Also, the Board determined that mere distance between the main campus and the subject property did not violate the “continuum of care”.
The issue in this case from 2003 (2000 assessment year) was whether the real and personal property owned by Hoosier Care II, Inc. d/b/a Randolph Nursing Home (Hoosier Care II) is entitled to 100% exemption from property taxation under Indiana Code § 6-1.1-10-16 and Ind. Code § 6-1.1-10-18.5.

In their decision, the Indiana Board of Tax Review stated: “Indiana courts broadly construe the term ‘charitable’ as the relief of human want and suffering in a manner different from the everyday purposes and activities of man in general.”
“Charity” is not defined by statute, and the Tax Court looked to Black’s Law Dictionary to fine the plain, ordinary, and usual meaning of “charity”; namely:

- a gift for, or institution engaged in, public benevolent purposes. [It is a]n attempt in good faith, spiritually, physically, intellectually, socially, and economically to advance and benefit mankind in general, or those in need of advancement and benefit in particular, without regard to their ability to supply that need from other sources and without hope or expectation, if not with positive abnegation, of gain or profit by donor or by instrumentality of charity.
Health Care Facilities, Nursing Homes and Exempt Properties

- The IBTR further stated: It is equally clear that “charity” must confer benefit upon the public at large or relieve the government of some of an obligation that it would otherwise be required to fill.

- Caring for the aged is a recognized benefit to the community at large and to society as a whole.

- Facilities that care for the aged qualify as “charitable” because they provide the relief of loneliness, boredom, decent housing that has safety and convenience and is adapted to their age, security, well-being, emotional stability, [and] attention to problems of health.
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- The Petitioner demonstrated that it is an extended care facility tending to the needs of the aged and, thus, qualifies for the charitable purpose exemption.

- The Respondent did not present any testimony or evidence in regard to the Petitioner’s claim for exemption pursuant to Ind. Code § 6-1.1-10-16.
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- http://www.in.gov/ibtr/files/Tipton_Co_Health_Care_80-001-08-2-8-00001_et_al.pdf
- Tipton County Memorial Hospital Foundation, Inc., filed a Form 136, Application for Property Tax Exemption for 2008 and 2009, seeking an exemption for the Autumnwood Village Senior Living Community (Autumnwood Village or the Village).

- The Petitioner’s witness testified that in 1998 the Tipton County Memorial Hospital Board of Trustees constructed Autumnwood Village as an assisted living facility.
The Tipton County Memorial Hospital Board of Trustees transferred the property to the Tipton County Hospital Foundation, Inc., on December 20, 2007.

The Foundation operated under the name of Tipton Memorial Hospital Foundation, Inc., from August 26, 1987, to December 30, 2008, when it changed its name to Tipton County Health Care Foundation, Inc.

The Foundation is an Indiana not-for-profit corporation affiliated with Tipton Hospital.
Health Care Facilities, Nursing Homes and Exempt Properties

- The Foundation promotes and supports “the health and well-being” of individuals in Tipton County.

- The mission of the Foundation is to operate exclusively for charitable, educational or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

- The Petitioner stated Autumnwood Village is a forty unit assisted living facility owned by the Foundation to promote a continuum of care within Tipton County for elderly persons.
• On January 1, 2008, the Petitioner entered into a triple net lease with Miller’s Health Systems, Inc., (Miller’s) to lease 1.94 acres of land and the assisted living community, which presently operates as Autumnwood Village.

• The Petitioner testified that the lease holds that “nothing in this lease shall be deemed or be construed to render or constitute landlord and tenant actually or constructively and in any or for any purpose, as being partners, joint venturers, or associates, or as having any relationship whatsoever other than that of landlord and tenant under this lease...”
The Petitioner contended that the Indiana Tax Court found that a property’s exempt status is tied to its use not its owner.

He also stated that the Tax Court has found that senior citizen’s needs are not exclusively financial or health-related.

The Petitioner further argued that Indiana case law also recognizes that an Indiana not-for-profit which owns an assisted living facility that is operated by a for-profit entity is tax-exempt.
The Respondent contends the Petitioner is not entitled to an exemption on its real property because the Petitioner’s property is leased to a for-profit commercial business enterprise.

The Respondent stated that the Tax Court specifically found that the very definition of the word charity meant a benevolent gift with no hope or expectation of profit.

Further, although the operation of Autumnwood Village may be seen as the fulfillment of a charitable purpose, in reality it operates under a typical lease between the Foundation as landlord and Miller’s as a private for-profit business.
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- The IBTR found while Miller’s operation of Autumnwood Village may “look” like the for-profit management company in *Grandview Care* or like the for-profit limited partner in *College Corner* on its surface, the circumstances in those cases are quite distinguishable. Ultimately, it is like the difference between a Goodwill store and a Walmart. Both stores sell clothing and housewares, but the profits from the Goodwill store go to support the programs and charitable works of the Goodwill organization. Whereas the profits from the Walmart go to its owners and shareholders. The stores may look alike and may serve the same commercial functions, but their purposes and intents are far different.
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• The Tax Court has found that “the intent of the legislature is not to force a single... charitable entity to achieve a unity of ownership, occupation, and use, but to ensure that the particular arrangement involved is not driven by a profit motive.”

• The Petitioner presented no explanation or evidence to show that the activities conducted by Miller’s were not without hope or expectation of earning or gaining a profit.

• The Board is not aware of, nor has the Petitioner presented, any statute or case law holding that a lease arrangement that is driven by a profit motive is an exempt purpose. The Board therefore finds that the Petitioner failed to raise a prima facie case that its property was predominately used for charitable purposes in 2008 and 2009.
Circuit Breakers:

**IC 6-1.1-20.6-2.3 "Long term care property"**

Sec. 2.3. As used in this chapter, "long term care property" means property that:

1. is used for the long term care of an impaired individual; and
2. is one (1) of the following:
   - A health facility licensed under IC 16-28.
   - A housing with services establishment (as defined in IC 12-10-15-3) that is allowed to use the term "assisted living" to describe the housing with services establishment's services and operations to the public.
   - An independent living home that, under contractual agreement, serves not more than eight (8) individuals who:
     i. have a mental illness or developmental disability;
     ii. require regular but limited supervision; and
     iii. reside independently of their families.

- As added by P.L.146-2008, SEC.216.
IC 6-1.1-20.6-7.5 Calculation of credit

Sec. 7.5. (a) A person is entitled to a credit against the person's property tax liability for property taxes first due and payable after 2009. The amount of the credit is the amount by which the person's property tax liability attributable to the person's:

1. homestead exceeds one percent (1%);
2. residential property exceeds two percent (2%);
3. long term care property exceeds two percent (2%);
4. agricultural land exceeds two percent (2%);
5. nonresidential real property exceeds three percent (3%); or
6. personal property exceeds three percent (3%); of the gross assessed value of the property that is the basis for determination of property taxes for that calendar year.
IC 6-1.1-20.6-7.5 Calculation of credit con’t.
(b) This subsection applies to property taxes first due and payable after 2009. Property taxes imposed after being approved by the voters in a referendum or local public question shall not be considered for purposes of calculating a person's credit under this section.
(c) This subsection applies to property taxes first due and payable after 2009. As used in this subsection, "eligible county" means only a county for which the general assembly determines in 2008 that limits to property tax liability under this chapter are expected to reduce in 2010 the aggregate property tax revenue that would otherwise be collected by all units of local government and school corporations in the county by at least twenty percent (20%).
IC 6-1.1-20.6-7.5 Calculation of credit con’t.

• Property taxes imposed in an eligible county:
  (1) to pay debt service:
    (A) on bonds issued before July 1, 2008; or
    (B) on bonds that:
      (i) are issued to refund bonds originally issued before July 1, 2008; and
      (ii) have a maturity date that is not later than the maturity date of the bonds refunded;
  (2) to make lease payments on leases entered into before July 1, 2008, to secure bonds;
  (3) to make lease payments on leases:
IC 6-1.1-20.6-7.5 Calculation of credit con’t.

(A) that are amended to refund bonds secured by leases entered into before July 1, 2008; and

(B) that have a term that is not longer than the term of the leases amended; or

(4) to make lease payments on leases:

(A) that secure bonds:

(i) issued to refund bonds originally issued before July 1, 2008; and

(ii) that have a maturity date that is not later than the maturity date of the bonds refunded; and

(B) that have a term that ends not later than the maturity date of the bonds refunded; shall not be considered for purposes of calculating a person's credit under this section.

• Question: For Long Term Care Facilities, what is the cap breakdown for the land? We have #133's to change the land to all 2% & from what I can find the only thing that has all in 2% for land is Mobile Home Parks & Apartments.

• Answer: Our previous memo from 2013 (http://www.in.gov/dlgf/files/pdf/130614_-_Vincent_Memo_-_Implementation_of_Credit_Determinations_for_Common_Areas.pdf) recommended the treatment of common areas at the 2% cap be applied beginning with the ‘13 pay ‘14 tax cycle. Of course, we give great deference to local control, and if the county/PTABOA denies the appeal, the taxpayer could appeal the determination to the IBTR.
Question: I looked at those but I guess my question is....Is long term care the same as the apartment in regards to common area? The interpretation from the state of the caps when we first started said long term care improvements were cap 2 & only the footprint of the building is cap 2. That is what I am stuck on. A person in our office says he feels it is like Apartments as they are "renting" the room. I say it is commercial like every other building and is different from apartments in that the residents don't have amenities that are in the common area such as pools & tennis courts.
Answer: The definition of a “long term care property” (see Indiana Code 6-1.1-20.6-2.3) does not specifically address other features (e.g. pools or tennis courts, or the common area). It also references Indiana Code 12-10-15-3 and Indiana Code 16-28; however, those definitions are general in nature.

Hence, as you indicated, I would defer to local control in making the decision. However, if it were me, I would probably give the benefit of the doubt to the taxpayer and treat those other features/common areas like I would for a residential property (i.e. I would give it a 2% cap).
Questions
Contact Us

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