

IC 6-1.1-3-7.2

County option exemption for certain business personal property with acquisition cost less than \$20,000; exemption ordinance; certification

*Effective 7-1-2015.*

Sec. 7.2. (a) This section applies in a county in which an exemption ordinance adopted under this section is in effect in the county for those assessment dates occurring:

(1) after the later of:

(A) December 31, 2015; or

(B) the date on which the ordinance is adopted; and

(2) before the ordinance is rescinded.

(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.

(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.

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) As used in this section, "county income tax council" refers to the county income tax council established by IC 6-3.5-6-2 for a county.

(e) As used in this section, "exemption ordinance" refers to an ordinance adopted under subsection (f) by a county income tax council.

(f) The county income tax council may by a majority vote of the total votes allocated to the county income tax council adopt an ordinance to have the exemption under this section apply throughout the county.

(g) For purposes of adopting an exemption ordinance under this section, a county income tax council is comprised of the same members as the county income tax council that is established by IC 6-3.5-6-2 for the county, regardless of whether a county income tax is in effect in the county and regardless of which county income tax is in effect in the county. Except as otherwise provided in this section, the county income tax council shall use the same procedures that apply under IC 6-3.5-6 when acting under this section.

(h) Before adopting an exemption ordinance under this section, a county income tax council must conduct a public hearing on the proposed exemption ordinance. The county income tax council must publish notice of the public hearing in accordance with IC 5-3-1.

(i) The county income tax council shall provide a certified copy of an adopted exemption ordinance to the department of local government finance and the county auditor.

(j) Notwithstanding section 7 of this chapter, if:

(1) a county income tax council has adopted an exemption ordinance and this section applies to a county for a particular assessment date; and

(2) the acquisition cost of a taxpayer's business personal property in a county is less than twenty thousand dollars (\$20,000) for that assessment date;

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

(k) A taxpayer that is eligible for the exemption under this section is not required to file a personal property return for the taxpayer's business personal property in the county for that assessment date. However, the taxpayer must, before May 15 of the calendar year in which the assessment date occurs, file with the county assessor an annual certification stating that the taxpayer's business personal property in the county is exempt from taxation under this section for that assessment date.

*As added by P.L.80-2014, SEC.1.*



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## BUSINESS PERSONAL PROPERTY EXEMPTION

Beginning in 2016, Indiana state code IC 6-1.1-3-7.2 provides an automatic exemption for a taxpayer's business personal property in a county if your acquisition cost (Total Assets listed in column A on form 102, 103 short or 103 long) of that taxpayer's total business personal property in the county is less than \$20,000 for the current assessment date.

For purpose of this exemption, "acquisition cost" means the cost of the business personal property:

Business personal property in your possession acquired either by an arms-length transaction or an out-right purchase. IC 6-1.1-3-7.2(c)(3).

A taxpayer that is eligible for the exemption is not required to file a personal property return in the county for that assessment date. However, the taxpayer must, before May 15 of the calendar year in which the assessment date occurs, file annually with the county assessor a notarized certification signed under penalties for perjury stating that the taxpayer's business personal property in the county is exempt from taxation for that assessment date.

If you believe you qualify for this exemption we encourage you to review IC 6-1.1-3-7.2 in consultation with your legal counsel and/or financial advisor before signing this certification. Only one annual certification is required for each county (accumulation of all assets located in multiple townships within said county) where the taxpayer is eligible. If a person fails to timely file the annual certification, the county auditor must impose a penalty of \$25 that must be paid by the person with the next property tax installment that is collected.

PLEASE NOTE: A taxpayer who owns, holds, possesses or controls leased or rented personal property may, as deemed necessary by the county assessor, need to file Form 103-O or 103-N, as applicable, to verify that he is the appropriate taxpayer to claim this exemption.

**TURN PAGE OVER FOR CERTIFICATION STATEMENT**

**TAXPAYER INFORMATION (TO BE COMPLETED BY TAXPAYER)**

Full name of taxpayer: \_\_\_\_\_

Doing business as (DBA): \_\_\_\_\_

Federal ID Number: \_\_\_\_\_

Mailing address of taxpayer: \_\_\_\_\_

Daytime phone number of taxpayer: \_\_\_\_\_

Parcel or Property ID Number (if known): \_\_\_\_\_

Property address (es) where assets are located: \_\_\_\_\_

Estimated total acquisition cost of taxpayer's Personal Property in this county: \_\_\_\_\_

List new purchases (item & purchase price) within the past tax year: \_\_\_\_\_

(ATTACH ADDITIONAL PAGES AS NEEDED)

Check the blank if taxpayer is a public utility subject to IC 6-1.1-3 \_\_\_\_ If checked, indicate if taxpayer would ordinarily file 1, \_\_\_\_ Form 103 with the county or 2, \_\_\_\_ UD-32 or UD-45 with the Department of Local Government Finance, respectively. If box 2 is checked, taxpayer should file a copy of this certification with the county assessor and the DLGP.

**CERTIFICATION STATEMENT**

I, \_\_\_\_\_, under penalties of perjury, certify that the business personal property owned by \_\_\_\_\_ (insert name of taxpayer), acquired and placed in service in \_\_\_\_\_ County, Indiana, is exempt from taxation for the January 1, 20\_\_\_\_ assessment date pursuant to IC 6-1.1-3-7.2.

Signature of the authorized person: \_\_\_\_\_ Date (month, day, year): \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

Notary Public

My commission expires: \_\_\_\_\_

(Name of Notary Public)

Resident of \_\_\_\_\_ County \_\_\_\_\_

**PREPARER INFORMATION (TO BE COMPLETED BY PREPARER)**

Full name of person signing certification statement above: \_\_\_\_\_

Relationship of person signing certification statement to taxpayer (e.g., "self", "agent", "attorney") (attach Power of Attorney, if applicable): \_\_\_\_\_

Mailing address of person signing certification statement, if different from address above (number and street, city, state, zip): \_\_\_\_\_

Phone number of person signing certification statement, if different from phone number above: \_\_\_\_\_