

HOUSE BILL No. 1082

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 8-22-3-25.

Synopsis: Property tax rates. Phases down the minimum valuation floor for depreciable personal property in a taxing district from 30% to 15% over a five year period beginning with the 2023 assessment date. Provides that, notwithstanding any increase in assessed value of property from the previous assessment date, the total amount of operating referendum tax that may be levied by a school corporation for taxes first due and payable in 2022 may not increase by more than 5% over the maximum operating referendum tax that could be levied by the school corporation in the previous year. Specifies that the statute requiring the adjustment of certain property tax rates does not apply to a local airport authority's cumulative building fund tax rate. Specifies that a political subdivision may increase the tax rate for its cumulative building fund without complying with procedures under the cumulative fund statute. Requires a political subdivision to give notice of the proposed increase and hold a public hearing on the proposal before increasing the tax rate. Makes technical corrections.

Effective: Upon passage; January 1, 2022 (retroactive); January 1, 2023.

Thompson

January 4, 2022, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 122nd General Assembly (2022)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2021 Regular Session of the General Assembly.

HOUSE BILL No. 1082

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-3-22, AS AMENDED BY P.L.159-2020,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2023]: Sec. 22. (a) Except to the extent that it conflicts
4 with a statute and subject to subsection (f), 50 IAC 4.2 (as in effect
5 January 1, 2001), which was formerly incorporated by reference into
6 this section, is reinstated as a rule.
7 (b) Tangible personal property within the scope of 50 IAC 4.2 (as
8 in effect January 1, 2001) shall be assessed on the assessment dates in
9 calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as
10 in effect January 1, 2001).
11 (c) The publisher of the Indiana Administrative Code shall publish
12 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative
13 Code.
14 (d) 50 IAC 4.3 and any other rule to the extent that it conflicts with
15 this section is void.
16 (e) A reference in 50 IAC 4.2 to a governmental entity that has been
17 terminated or a statute that has been repealed or amended shall be



1 treated as a reference to its successor.

2 (f) The department of local government finance may not amend or
3 repeal the following (all as in effect January 1, 2001):

4 (1) 50 IAC 4.2-4-3(f).

5 (2) 50 IAC 4.2-4-7.

6 ~~(3) 50 IAC 4.2-4-9.~~

7 ~~(4)~~ **(3)** 50 IAC 4.2-5-7.

8 ~~(5)~~ **(4)** 50 IAC 4.2-5-13.

9 ~~(6)~~ **(5)** 50 IAC 4.2-6-1.

10 ~~(7)~~ **(6)** 50 IAC 4.2-6-2.

11 ~~(8)~~ **(7)** 50 IAC 4.2-8-9.

12 However, the department of local government finance may amend
13 these rules to conform with statutory changes.

14 (g) Notwithstanding any other provision of this section, 50
15 IAC 4.2-4-6(c) is void effective July 1, 2015. The publisher of the
16 Indiana Administrative Code and the Indiana Register shall remove this
17 provision from the Indiana Administrative Code.

18 **(h) Notwithstanding any other provision of this section, 50**
19 **IAC 4.2-4-9 is void effective January 1, 2023. The publisher of the**
20 **Indiana Administrative Code and Indiana Register shall remove 50**
21 **IAC 4.2-4-9 from the Indiana Administrative Code.**
22 **Notwithstanding any other provision of this section, the**
23 **department of local government finance may adopt rules amending**
24 **50 IAC 4.2 to reflect the enactment of section 29 of this chapter.**

25 SECTION 2. IC 6-1.1-3-23, AS AMENDED BY P.L.220-2011,
26 SECTION 119, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE JANUARY 1, 2023]: Sec. 23. (a) In enacting this
28 section, the general assembly finds the following:

29 (1) The economy of northern Indiana has historically been heavily
30 dependent upon:

31 (A) the domestic steel industry, particularly the integrated steel
32 mill business, which produces steel from basic raw materials
33 through blast furnace and related operations; and

34 (B) the oil refining and petrochemical industry.

35 (2) Northern Indiana is the only area of Indiana with integrated
36 steelmaking facilities.

37 (3) During the last thirty (30) years, the domestic steel industry
38 has experienced significant financial difficulties. More than
39 one-half (1/2) of the integrated steel mills in the United States
40 were shut down or deintegrated, with the remainder requiring
41 significant investment and the addition of new processes to make
42 the facilities economically competitive with newer foreign and



- 1 domestic steelmaking facilities and processes.
- 2 (4) The United States needs to protect the capacity of the oil
3 refining and petrochemical industry. No oil refineries have been
4 built in the United States since 1976.
- 5 (5) Given the economic conditions affecting older integrated
6 steelmaking facilities, integrated steel mills claimed abnormal
7 obsolescence in reporting the assessed value of equipment located
8 at the integrated steelmaking facilities that began operations
9 before 1970, thereby reporting the equipment's assessed value at
10 far below thirty percent (30%) of the equipment's total cost (far
11 below the "thirty percent (30%) floor" value generally applicable
12 to equipment exhibiting only normal obsolescence under the
13 current department of local government finance rules).
- 14 (6) Current law existing before January 1, 2003, obligates the
15 taxpayers making abnormal obsolescence claims to pay personal
16 property taxes based only on, and permits communities to
17 determine property tax budgets and rates based only on, the
18 reported personal property assessed values until the personal
19 property appeals are resolved. Consequently, as a result of
20 abnormal obsolescence claims, the property tax base of
21 communities in northern Indiana is severely reduced for an
22 indeterminate period (if not permanently). The prospect of future
23 appeals and their attendant problems on an ongoing basis must be
24 addressed.
- 25 (7) A new, optional method for valuing the equipment of
26 integrated steel mills and entities that are at least fifty percent
27 (50%) owned by an affiliate of an integrated steel mill ("related
28 entities") and the oil refining and petrochemical industry in
29 northern Indiana is needed. That optional method:
- 30 (A) recognizes the loss of value and difficulty in valuing
31 equipment at integrated steelmaking facilities and facilities of
32 the oil refining and petrochemical industry that commenced
33 operations decades ago and at the facilities of related entities;
34 (B) recognizes that depreciable personal property used in
35 integrated steelmaking and in oil refinery or petrochemical
36 operations and by related entities is affected by different
37 economic and market forces than depreciable personal
38 property used in other industries and certain other segments of
39 the steel industry and therefore experiences different amounts
40 of obsolescence and depreciation; and
41 (C) can be used to simply and efficiently arrive at a value
42 commensurate with that property's age, use, obsolescence, and



- 1 market circumstances instead of the current method and its
 2 potentially contentious and lengthy appeals. Such an optional
 3 method would benefit the communities where these older
 4 facilities are located.
- 5 (8) Such an optional method would be to authorize a fifth pool in
 6 the depreciation schedule for valuing the equipment of integrated
 7 steel mills, related entities, and the oil refining and petrochemical
 8 industry that reflects all adjustments to the value of that
 9 equipment for depreciation and obsolescence, including abnormal
 10 obsolescence, which precludes any taxpayer electing such a
 11 method from taking any other obsolescence adjustment for the
 12 equipment, and which applies only at the election of the taxpayer.
- 13 (9) The purpose for authorizing the Pool 5 method is to provide
 14 a more simplified and efficient method for valuing the equipment
 15 of integrated steel mills and the oil refining and petrochemical
 16 industry that recognizes the loss of value and unusual problems
 17 associated with the valuation of the equipment or facilities that
 18 began operations before 1970 in those industries in northern
 19 Indiana, as well as for valuing the equipment of related entities,
 20 to stabilize local property tax revenue by eliminating the need for
 21 abnormal obsolescence claims, and to encourage those industries
 22 to continue to invest in northern Indiana, thereby contributing to
 23 the economic life and well-being of communities in northern
 24 Indiana, the residents of northern Indiana, and Indiana generally.
- 25 (10) The specific circumstances described in this section do not
 26 exist throughout the rest of Indiana.
- 27 (b) For purposes of this section:
- 28 (1) "adjusted cost" refers to the adjusted cost established in 50
 29 IAC 4.2-4-4 (as in effect on January 1, 2003);
- 30 (2) "depreciable personal property" has the meaning set forth in
 31 50 IAC 4.2-4-1 (as in effect on January 1, 2003);
- 32 (3) "integrated steel mill" means a person, including a subsidiary
 33 of a corporation, that produces steel by processing iron ore and
 34 other raw materials in a blast furnace in Indiana;
- 35 (4) "oil refinery/petrochemical company" means a person that
 36 produces a variety of petroleum products by processing an annual
 37 average of at least one hundred thousand (100,000) barrels of
 38 crude oil per day;
- 39 (5) "permanently retired depreciable personal property" has the
 40 meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1,
 41 2003);
- 42 (6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in



1 effect on January 1, 2003);

2 (7) "special integrated steel mill or oil refinery/petrochemical
3 equipment" means depreciable personal property, other than
4 special tools and permanently retired depreciable personal
5 property:

6 (A) that:

7 (i) is owned, leased, or used by an integrated steel mill or an
8 entity that is at least fifty percent (50%) owned by an
9 affiliate of an integrated steel mill; and

10 (ii) falls within Asset Class 33.4 as set forth in IRS Rev.
11 Proc. 87-56, 1987-2, C.B. 647; or

12 (B) that:

13 (i) is owned, leased, or used as an integrated part of an oil
14 refinery/petrochemical company or its affiliate; and

15 (ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS
16 Rev. Proc. 87-56, 1987-2, C.B. 647;

17 (8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as
18 in effect on January 1, 2003); and

19 (9) "year of acquisition" refers to the year of acquisition
20 determined under 50 IAC 4.2-4-6 (as in effect on January 1,
21 2003).

22 (c) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50
23 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the
24 taxpayer's special integrated steel mill or oil refinery/petrochemical
25 equipment by multiplying the adjusted cost of that equipment by the
26 percentage set forth in the following table:

27 Year of Acquisition	Percentage
28 1	40%
29 2	56%
30 3	42%
31 4	32%
32 5	24%
33 6	18%
34 7	15%
35 8 and older	10%

36 (d) The department of local government finance shall designate the
37 table under subsection (c) as "Pool No. 5" on the business personal
38 property tax return.

39 (e) The percentage factors in the table under subsection (c)
40 automatically reflect all adjustments for depreciation and obsolescence,
41 including abnormal obsolescence, for special integrated steel mill or oil
42 refinery/petrochemical equipment. The equipment is entitled to all



1 exemptions, credits, and deductions for which it qualifies.

2 (f) The minimum valuation limitations under ~~50 IAC 4.2-4-9~~
 3 **section 29 of this chapter** do not apply to special integrated steel mill
 4 or oil refinery/petrochemical equipment valued under this section. The
 5 value of the equipment is not included in the calculation of that
 6 minimum valuation limitation for the taxpayer's other assessable
 7 depreciable personal property in the taxing district.

8 (g) An election to value special integrated steel mill or oil
 9 refinery/petrochemical equipment under this section:

10 (1) must be made by reporting the equipment under this section
 11 on a business personal property tax return;

12 (2) applies to all of the taxpayer's special integrated steel mill or
 13 oil refinery/petrochemical equipment located in the state (whether
 14 owned or leased, or used as an integrated part of the equipment);
 15 and

16 (3) is binding on the taxpayer for the assessment date for which
 17 the election is made.

18 The department of local government finance shall prescribe the forms
 19 to make the election beginning with the March 1, 2003, assessment
 20 date. Any special integrated steel mill or oil refinery/petrochemical
 21 equipment acquired by a taxpayer that has made an election under this
 22 section is valued under this section.

23 (h) If fifty percent (50%) or more of the adjusted cost of a taxpayer's
 24 property that would, notwithstanding this section, be reported in a pool
 25 other than Pool No. 5 is attributable to special integrated steel mill or
 26 oil refinery/petrochemical equipment, the taxpayer may elect to
 27 calculate the true tax value of all of that property as special integrated
 28 steel mill or oil refinery/petrochemical equipment. The true tax value
 29 of property for which an election is made under this subsection is
 30 calculated under subsections (c) through (g).

31 SECTION 3. IC 6-1.1-3-25, AS ADDED BY P.L.238-2017,
 32 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 2023]: Sec. 25. (a) As used in this section, "district"
 34 refers to an entrepreneur and enterprise district designated under
 35 IC 5-28-15.5.

36 (b) Notwithstanding section 22(b) of this chapter and
 37 IC 6-1.1-8-44(b), assessable depreciable personal property that:

38 (1) is located in a district;

39 (2) is placed in service in the district by the owner of the property
 40 after the designation of the district under IC 5-28-15.5; and

41 (3) is used within the district by one (1) or more employees who
 42 perform the majority of their service within the district;



1 is not subject to the valuation limitations in ~~50 IAC 4.2-4-9~~ **section 29**
 2 **of this chapter** or ~~50 IAC 5.1-6-9~~ **IC 6-1.1-8-45**.

3 SECTION 4. IC 6-1.1-3-29 IS ADDED TO THE INDIANA CODE
 4 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 5 JANUARY 1, 2023]: **Sec. 29. (a) Except as provided in subsection**
 6 **(b), for each assessment date, the total valuation of a taxpayer's**
 7 **depreciable personal property in a single taxing district that is**
 8 **otherwise subject to assessment and taxation under this article may**
 9 **not be less than the following percentage of the adjusted cost of all**
 10 **the taxpayer's depreciable personal property in the taxing district**
 11 **that is otherwise subject to assessment and taxation under this**
 12 **article:**

- 13 (1) **twenty-seven percent (27%), for the 2023 assessment date;**
 14 (2) **twenty-four percent (24%), for the 2024 assessment date;**
 15 (3) **twenty-one percent (21%), for the 2025 assessment date;**
 16 (4) **eighteen percent (18%), for the 2026 assessment date; and**
 17 (5) **fifteen percent (15%), for the 2027 assessment date and**
 18 **each assessment date thereafter.**

19 (b) **The limitation set forth in subsection (a) is to be applied**
 20 **before any special adjustment for abnormal obsolescence. The**
 21 **limitation does not apply to equipment not placed in service,**
 22 **special tooling, and permanently retired depreciable personal**
 23 **property.**

24 SECTION 5. IC 6-1.1-8-44, AS AMENDED BY P.L.38-2021,
 25 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2023]: **Sec. 44. (a) Except to the extent that it conflicts**
 27 **with a statute and subject to subsection (f), 50 IAC 5.1 (as in effect**
 28 **January 1, 2001), which was formerly incorporated by reference into**
 29 **this section, is reinstated as a rule.**

30 (b) **Tangible personal property within the scope of 50 IAC 5.1 (as**
 31 **in effect January 1, 2001) shall be assessed on the assessment dates in**
 32 **calendar years 2003 and thereafter in conformity with 50 IAC 5.1 (as**
 33 **in effect January 1, 2001).**

34 (c) **The publisher of the Indiana Administrative Code shall publish**
 35 **50 IAC 5.1 (as in effect January 1, 2001) in the Indiana Administrative**
 36 **Code.**

37 (d) **50 IAC 5.2 and any other rule to the extent that it conflicts with**
 38 **this section is void.**

39 (e) **A reference in 50 IAC 5.1 to a governmental entity that has been**
 40 **terminated or a statute that has been repealed or amended shall be**
 41 **treated as a reference to its successor.**

42 (f) **The department of local government finance may not amend or**



1 repeal the following (all as in effect January 1, 2001):

- 2 (1) 50 IAC 5.1-6-6.
 3 (2) 50 IAC 5.1-6-7.
 4 (3) 50 IAC 5.1-6-8.
 5 ~~(4) 50 IAC 5.1-6-9.~~
 6 ~~(5) (4) 50 IAC 5.1-8-1.~~
 7 ~~(6) (5) 50 IAC 5.1-9-1.~~
 8 ~~(7) (6) 50 IAC 5.1-9-2.~~

9 However, the department of local government finance may amend
 10 these rules to reflect statutory changes.

11 **(g) Notwithstanding any other provision of this section, 50**
 12 **IAC 5.1-6-9 is void effective January 1, 2023. The publisher of the**
 13 **Indiana Administrative Code and Indiana Register shall remove 50**
 14 **IAC 5.1-6-9 from the Indiana Administrative Code.**
 15 **Notwithstanding any other provision of this section, the**
 16 **department of local government finance may adopt rules amending**
 17 **50 IAC 5.1 to reflect the enactment of section 45 of this chapter.**

18 SECTION 6. IC 6-1.1-8-45 IS ADDED TO THE INDIANA CODE
 19 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2023]: Sec. 45. (a) Except as provided in subsection
 21 (b), for each assessment date, the total valuation of a taxpayer's
 22 depreciable personal property in a single taxing district that is
 23 otherwise subject to assessment and taxation under this article may
 24 not be less than the following percentage of the adjusted cost of all
 25 the taxpayer's depreciable personal property in the taxing district
 26 that is otherwise subject to assessment and taxation under this
 27 article:

- 28 (1) twenty-seven percent (27%), for the 2023 assessment date;
 29 (2) twenty-four percent (24%), for the 2024 assessment date;
 30 (3) twenty-one percent (21%), for the 2025 assessment date;
 31 (4) eighteen percent (18%), for the 2026 assessment date; and
 32 (5) fifteen percent (15%), for the 2027 assessment date and
 33 each assessment date thereafter.

34 (b) The limitation set forth in subsection (a) is to be applied
 35 before any special adjustment for abnormal obsolescence. The
 36 limitation does not apply to equipment not placed in service,
 37 special tooling, and permanently retired depreciable personal
 38 property.

39 SECTION 7. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.80-2014,
 40 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2023]: Sec. 4.5. (a) An applicant must provide a
 42 statement of benefits to the designating body. The applicant must



1 provide the completed statement of benefits form to the designating
 2 body before the hearing specified in section 2.5(c) of this chapter or
 3 before the installation of the new manufacturing equipment, new
 4 research and development equipment, new logistical distribution
 5 equipment, or new information technology equipment for which the
 6 person desires to claim a deduction under this chapter. The department
 7 of local government finance shall prescribe a form for the statement of
 8 benefits. The statement of benefits must include the following
 9 information:

10 (1) A description of the new manufacturing equipment, new
 11 research and development equipment, new logistical distribution
 12 equipment, or new information technology equipment that the
 13 person proposes to acquire.

14 (2) With respect to:

15 (A) new manufacturing equipment not used to dispose of solid
 16 waste or hazardous waste by converting the solid waste or
 17 hazardous waste into energy or other useful products; and

18 (B) new research and development equipment, new logistical
 19 distribution equipment, or new information technology
 20 equipment;

21 an estimate of the number of individuals who will be employed or
 22 whose employment will be retained by the person as a result of
 23 the installation of the new manufacturing equipment, new
 24 research and development equipment, new logistical distribution
 25 equipment, or new information technology equipment and an
 26 estimate of the annual salaries of these individuals.

27 (3) An estimate of the cost of the new manufacturing equipment,
 28 new research and development equipment, new logistical
 29 distribution equipment, or new information technology
 30 equipment.

31 (4) With respect to new manufacturing equipment used to dispose
 32 of solid waste or hazardous waste by converting the solid waste
 33 or hazardous waste into energy or other useful products, an
 34 estimate of the amount of solid waste or hazardous waste that will
 35 be converted into energy or other useful products by the new
 36 manufacturing equipment.

37 The statement of benefits may be incorporated in a designation
 38 application. Notwithstanding any other law, a statement of benefits is
 39 a public record that may be inspected and copied under IC 5-14-3-3.

40 (b) The designating body must review the statement of benefits
 41 required under subsection (a). The designating body shall determine
 42 whether an area should be designated an economic revitalization area



1 or whether the deduction shall be allowed, based on (and after it has
2 made) the following findings:

3 (1) Whether the estimate of the cost of the new manufacturing
4 equipment, new research and development equipment, new
5 logistical distribution equipment, or new information technology
6 equipment is reasonable for equipment of that type.

7 (2) With respect to:

8 (A) new manufacturing equipment not used to dispose of solid
9 waste or hazardous waste by converting the solid waste or
10 hazardous waste into energy or other useful products; and

11 (B) new research and development equipment, new logistical
12 distribution equipment, or new information technology
13 equipment;

14 whether the estimate of the number of individuals who will be
15 employed or whose employment will be retained can be
16 reasonably expected to result from the installation of the new
17 manufacturing equipment, new research and development
18 equipment, new logistical distribution equipment, or new
19 information technology equipment.

20 (3) Whether the estimate of the annual salaries of those
21 individuals who will be employed or whose employment will be
22 retained can be reasonably expected to result from the proposed
23 installation of new manufacturing equipment, new research and
24 development equipment, new logistical distribution equipment, or
25 new information technology equipment.

26 (4) With respect to new manufacturing equipment used to dispose
27 of solid waste or hazardous waste by converting the solid waste
28 or hazardous waste into energy or other useful products, whether
29 the estimate of the amount of solid waste or hazardous waste that
30 will be converted into energy or other useful products can be
31 reasonably expected to result from the installation of the new
32 manufacturing equipment.

33 (5) Whether any other benefits about which information was
34 requested are benefits that can be reasonably expected to result
35 from the proposed installation of new manufacturing equipment,
36 new research and development equipment, new logistical
37 distribution equipment, or new information technology
38 equipment.

39 (6) Whether the totality of benefits is sufficient to justify the
40 deduction.

41 The designating body may not designate an area an economic
42 revitalization area or approve the deduction unless it makes the



1 findings required by this subsection in the affirmative.

2 (c) Except as provided in subsection (f), and subject to subsection
3 (g) and section 15 of this chapter, an owner of new manufacturing
4 equipment, new research and development equipment, new logistical
5 distribution equipment, or new information technology equipment
6 whose statement of benefits is approved is entitled to a deduction from
7 the assessed value of that equipment for the number of years
8 determined by the designating body under section 17 or 18 of this
9 chapter. Except as provided in subsection (d) and in section 2(i)(3) of
10 this chapter, and subject to subsection (g) and section 15 of this
11 chapter, the amount of the deduction that an owner is entitled to for a
12 particular year equals the product of:

- 13 (1) the assessed value of the new manufacturing equipment, new
14 research and development equipment, new logistical distribution
15 equipment, or new information technology equipment in the year
16 of deduction under the abatement schedule established under
17 section 17 or 18 of this chapter; multiplied by
18 (2) the percentage prescribed by the designating body under
19 section 17 or 18 of this chapter.

20 (d) With respect to new manufacturing equipment and new research
21 and development equipment installed before March 2, 2001, the
22 deduction under this section is the amount that causes the net assessed
23 value of the property after the application of the deduction under this
24 section to equal the net assessed value after the application of the
25 deduction under this section that results from computing:

- 26 (1) the deduction under this section as in effect on March 1, 2001;
27 and
28 (2) the assessed value of the property under 50 IAC 4.2, as in
29 effect on March 1, 2001, or, in the case of property subject to
30 IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

31 (e) The designating body shall determine the number of years the
32 deduction is allowed under section 17 or 18 of this chapter. Except as
33 provided by section 18 of this chapter, the deduction may not be
34 allowed for more than ten (10) years. This determination shall be made:

- 35 (1) as part of the resolution adopted under section 2.5 of this
36 chapter; or
37 (2) by resolution adopted within sixty (60) days after receiving a
38 copy of a property owner's certified deduction application from
39 the county auditor. A certified copy of the resolution shall be sent
40 to the county auditor.

41 A determination about the number of years the deduction is allowed
42 that is made under subdivision (1) is final and may not be changed by



- 1 following the procedure under subdivision (2).
- 2 (f) The owner of new manufacturing equipment that is directly used
3 to dispose of hazardous waste is not entitled to the deduction provided
4 by this section for a particular assessment year if during that
5 assessment year the owner:
- 6 (1) is convicted of a criminal violation under IC 13, including
7 IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or
8 (2) is subject to an order or a consent decree with respect to
9 property located in Indiana based on a violation of a federal or
10 state rule, regulation, or statute governing the treatment, storage,
11 or disposal of hazardous wastes that had a major or moderate
12 potential for harm.
- 13 (g) For purposes of subsection (c), the assessed value of new
14 manufacturing equipment, new research and development equipment,
15 new logistical distribution equipment, or new information technology
16 equipment that is part of an owner's assessable depreciable personal
17 property in a single taxing district subject to the valuation limitation in
18 ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9 IC 6-1.1-8-45~~ is the
19 product of:
- 20 (1) the assessed value of the equipment determined without
21 regard to the valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~
22 or ~~50 IAC 5.1-6-9 IC 6-1.1-8-45~~; multiplied by
23 (2) the quotient of:
- 24 (A) the amount of the valuation limitation determined under
25 ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9 IC 6-1.1-8-45~~
26 for all of the owner's depreciable personal property in the
27 taxing district; divided by
28 (B) the total true tax value of all of the owner's depreciable
29 personal property in the taxing district that is subject to the
30 valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50~~
31 ~~IAC 5.1-6-9 IC 6-1.1-8-45~~ determined:
- 32 (i) under the depreciation schedules in the rules of the
33 department of local government finance before any
34 adjustment for abnormal obsolescence; and
35 (ii) without regard to the valuation limitation in ~~50~~
36 ~~IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9~~
37 ~~IC 6-1.1-8-45~~.
- 38 SECTION 8. IC 6-1.1-17-3.1 IS ADDED TO THE INDIANA
39 CODE AS A NEW SECTION TO READ AS FOLLOWS
40 [EFFECTIVE JANUARY 1, 2022 (RETROACTIVE)]: **Sec. 3.1. (a)**
41 **This section applies only to an operating referendum tax levy**
42 **under IC 20-46-1 that is imposed by a school corporation for taxes**



1 first due and payable in 2022. This section does not apply to any
2 other tax year.

3 (b) Notwithstanding any increase in the assessed value of
4 property from the previous assessment date, the total amount of
5 operating referendum tax that may be levied by a school
6 corporation may not exceed:

7 (1) the maximum operating referendum tax that could be
8 levied by the school corporation for taxes first due and
9 payable 2021; multiplied by

10 (2) one and five hundredths (1.05).

11 The tax rate for an operating referendum tax levy shall be
12 decreased, if necessary, to comply with this limitation.

13 (c) This section expires July 1, 2023.

14 SECTION 9. IC 6-1.1-18-12, AS AMENDED BY P.L.86-2018,
15 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 UPON PASSAGE]: Sec. 12. (a) For purposes of this section,
17 "maximum rate" refers to the maximum:

18 (1) property tax rate or rates; or

19 (2) special benefits tax rate or rates;

20 referred to in the statutes listed in subsection (d).

21 (b) The maximum rate for taxes first due and payable after 2003 is
22 the maximum rate that would have been determined under subsection
23 (e) for taxes first due and payable in 2003 if subsection (e) had applied
24 for taxes first due and payable in 2003.

25 (c) The maximum rate must be adjusted each year to account for the
26 change in assessed value of real property that results from:

27 (1) an annual adjustment of the assessed value of real property
28 under IC 6-1.1-4-4.5; or

29 (2) a reassessment under a county's reassessment plan prepared
30 under IC 6-1.1-4-4.2.

31 (d) The statutes to which subsection (a) refers are:

32 (1) IC 8-10-5-17;

33 (2) IC 8-22-3-11;

34 ~~(3) IC 8-22-3-25;~~

35 ~~(4)~~ (3) IC 12-29-1-1;

36 ~~(5)~~ (4) IC 12-29-1-2;

37 ~~(6)~~ (5) IC 12-29-1-3;

38 ~~(7)~~ (6) IC 12-29-3-6;

39 ~~(8)~~ (7) IC 13-21-3-12;

40 ~~(9)~~ (8) IC 13-21-3-15;

41 ~~(10)~~ (9) IC 14-27-6-30;

42 ~~(11)~~ (10) IC 14-33-7-3;



1 ~~(12)~~ **(11)** IC 14-33-21-5;
 2 ~~(13)~~ **(12)** IC 15-14-7-4;
 3 ~~(14)~~ **(13)** IC 15-14-9-1;
 4 ~~(15)~~ **(14)** IC 15-14-9-2;
 5 ~~(16)~~ **(15)** IC 16-20-2-18;
 6 ~~(17)~~ **(16)** IC 16-20-4-27;
 7 ~~(18)~~ **(17)** IC 16-20-7-2;
 8 ~~(19)~~ **(18)** IC 16-22-14;
 9 ~~(20)~~ **(19)** IC 16-23-1-29;
 10 ~~(21)~~ **(20)** IC 16-23-3-6;
 11 ~~(22)~~ **(21)** IC 16-23-4-2;
 12 ~~(23)~~ **(22)** IC 16-23-5-6;
 13 ~~(24)~~ **(23)** IC 16-23-7-2;
 14 ~~(25)~~ **(24)** IC 16-23-8-2;
 15 ~~(26)~~ **(25)** IC 16-23-9-2;
 16 ~~(27)~~ **(26)** IC 16-41-15-5;
 17 ~~(28)~~ **(27)** IC 16-41-33-4;
 18 ~~(29)~~ **(28)** IC 20-46-2-3 (before its repeal on January 1, 2009);
 19 ~~(30)~~ **(29)** IC 20-46-6-5 (before its repeal on January 1, 2019);
 20 ~~(31)~~ **(30)** IC 20-49-2-10;
 21 ~~(32)~~ **(31)** IC 36-1-19-1;
 22 ~~(33)~~ **(32)** IC 23-14-66-2;
 23 ~~(34)~~ **(33)** IC 23-14-67-3;
 24 ~~(35)~~ **(34)** IC 36-7-13-4;
 25 ~~(36)~~ **(35)** IC 36-7-14-28;
 26 ~~(37)~~ **(36)** IC 36-7-15.1-16;
 27 ~~(38)~~ **(37)** IC 36-8-19-8.5;
 28 ~~(39)~~ **(38)** IC 36-9-6.1-2;
 29 ~~(40)~~ **(39)** IC 36-9-17.5-4;
 30 ~~(41)~~ **(40)** IC 36-9-27-73;
 31 ~~(42)~~ **(41)** IC 36-9-29-31;
 32 ~~(43)~~ **(42)** IC 36-9-29.1-15;
 33 ~~(44)~~ **(43)** IC 36-10-6-2;
 34 ~~(45)~~ **(44)** IC 36-10-7-7;
 35 ~~(46)~~ **(45)** IC 36-10-7-8;
 36 ~~(47)~~ **(46)** IC 36-10-7.5-19;
 37 ~~(48)~~ **(47)** IC 36-10-13-5 (before the power to impose a levy was
 38 removed on January 1, 2019);
 39 ~~(49)~~ **(48)** IC 36-10-13-7 (before the power to impose a levy was
 40 removed on January 1, 2019);
 41 ~~(50)~~ **(49)** IC 36-10-14-4 (before its repeal on January 1, 2019);
 42 ~~(51)~~ **(50)** IC 36-12-7-7;



- 1 ~~(52)~~ **(51)** IC 36-12-7-8;
 2 ~~(53)~~ **(52)** IC 36-12-12-10;
 3 ~~(54)~~ **(53)** a statute listed in IC 6-1.1-18.5-9.8; and
 4 ~~(55)~~ **(54)** any statute enacted after December 31, 2003, that:
 5 (A) establishes a maximum rate for any part of the:
 6 (i) property taxes; or
 7 (ii) special benefits taxes;
 8 imposed by a political subdivision; and
 9 (B) does not exempt the maximum rate from the adjustment
 10 under this section.
 11 (e) For property tax rates imposed for property taxes first due and
 12 payable after December 31, 2013, the new maximum rate under a
 13 statute listed in subsection (d) is the tax rate determined under STEP
 14 EIGHT of the following STEPS:
 15 STEP ONE: Determine the maximum rate for the political
 16 subdivision levying a property tax or special benefits tax under
 17 the statute for the previous calendar year.
 18 STEP TWO: Determine the actual percentage change (rounded to
 19 the nearest one-hundredth percent (0.01%)) in the assessed value
 20 of the taxable property from the previous calendar year to the year
 21 in which the affected property taxes will be imposed.
 22 STEP THREE: Determine the three (3) calendar years that
 23 immediately precede the year in which the affected property taxes
 24 will be imposed.
 25 STEP FOUR: Compute separately, for each of the calendar years
 26 determined in STEP THREE, the actual percentage change
 27 (rounded to the nearest one-hundredth percent (0.01%)) in the
 28 assessed value (before the adjustment, if any, under
 29 IC 6-1.1-4-4.5) of the taxable property from the preceding year.
 30 STEP FIVE: Divide the sum of the three (3) quotients computed
 31 in STEP FOUR by three (3).
 32 STEP SIX: Determine the greater of the following:
 33 (A) Zero (0).
 34 (B) The STEP FIVE result.
 35 STEP SEVEN: Determine the greater of the following:
 36 (A) Zero (0).
 37 (B) The result of the STEP TWO percentage minus the STEP
 38 SIX percentage, if any.
 39 STEP EIGHT: Determine the quotient of the STEP ONE tax rate
 40 divided by the sum of one (1) plus the STEP SEVEN percentage,
 41 if any.
 42 (f) The department of local government finance shall compute the



1 maximum rate allowed under subsection (e) and provide the rate to
 2 each political subdivision with authority to levy a tax under a statute
 3 listed in subsection (d).

4 SECTION 10. IC 6-1.1-40-10, AS AMENDED BY
 5 P.L.212-2018(ss), SECTION 16, IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2023]: Sec. 10. (a) The
 7 deduction under this section applies only to new manufacturing
 8 equipment installed before July 1, 2018.

9 (b) Subject to subsection (e), an owner of new manufacturing
 10 equipment whose statement of benefits is approved is entitled to a
 11 deduction from the assessed value of that equipment for a period of ten
 12 (10) years. Except as provided in subsections (c) and (d), and subject
 13 to subsection (e) and section 14 of this chapter, for the first five (5)
 14 years, the amount of the deduction for new manufacturing equipment
 15 that an owner is entitled to for a particular year equals the assessed
 16 value of the new manufacturing equipment. Subject to subsection (e)
 17 and section 14 of this chapter, for the sixth through the tenth year, the
 18 amount of the deduction equals the product of:

19 (1) the assessed value of the new manufacturing equipment;
 20 multiplied by

21 (2) the percentage prescribed in the following table:

22 YEAR OF DEDUCTION	PERCENTAGE
23 6th	100%
24 7th	95%
25 8th	80%
26 9th	65%
27 10th	50%
28 11th and thereafter	0%

29 (c) A deduction under this section is not allowed in the first year the
 30 deduction is claimed for new manufacturing equipment to the extent
 31 that it would cause the assessed value of all of the personal property of
 32 the owner in the taxing district in which the equipment is located to be
 33 less than the assessed value of all of the personal property of the owner
 34 in that taxing district in the immediately preceding year.

35 (d) If a deduction is not fully allowed under subsection (c) in the
 36 first year the deduction is claimed, then the percentages specified in
 37 subsection (b) apply in the subsequent years to the amount of deduction
 38 that was allowed in the first year.

39 (e) For purposes of subsection (b), the assessed value of new
 40 manufacturing equipment that is part of an owner's assessable
 41 depreciable personal property in a single taxing district subject to the
 42 valuation limitation in ~~50 IAC 4.2-4-9~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9~~



- 1 **IC 6-1.1-8-45** is the product of:
- 2 (1) the assessed value of the equipment (excluding equipment
- 3 installed after June 30, 2018) determined without regard to the
- 4 valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50~~
- 5 ~~IAC 5.1-6-9; IC 6-1.1-8-45~~; multiplied by
- 6 (2) the quotient of:
- 7 (A) the amount of the valuation limitation determined under
- 8 ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9 IC 6-1.1-8-45~~
- 9 for all of the owner's depreciable personal property in the
- 10 taxing district; divided by
- 11 (B) the total true tax value of all of the owner's depreciable
- 12 personal property in the taxing district that is subject to the
- 13 valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50~~
- 14 ~~IAC 5.1-6-9 IC 6-1.1-8-45~~ determined:
- 15 (i) under the depreciation schedules in the rules of the
- 16 department of local government finance before any
- 17 adjustment for abnormal obsolescence; and
- 18 (ii) without regard to the valuation limitation in ~~50~~
- 19 ~~IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9;~~
- 20 **IC 6-1.1-8-45.**
- 21 SECTION 11. IC 6-1.1-41-2, AS AMENDED BY P.L.38-2021,
- 22 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 23 UPON PASSAGE]: Sec. 2. (a) In addition to complying with the
- 24 budget, tax rate, and tax levy requirements applicable to other tax
- 25 levies, a political subdivision may:
- 26 (1) establish a cumulative fund and impose a property tax for the
- 27 cumulative fund; or
- 28 (2) **subject to section 18 of this chapter**, increase the tax rate for
- 29 a cumulative fund;
- 30 only after the proposal is adopted and approved in compliance with this
- 31 chapter.
- 32 (b) **Subject to section 18 of this chapter**, if a cumulative fund is
- 33 not established and the tax rate is not certified in conformity with this
- 34 chapter, the political subdivision may not levy a tax for the fund in the
- 35 ensuing year. If a cumulative fund that has been established in a prior
- 36 year is not reestablished and the tax rate is not certified in conformity
- 37 with this chapter, the political subdivision may not increase a tax rate
- 38 for the cumulative fund for the ensuing year.
- 39 SECTION 12. IC 6-1.1-41-13, AS AMENDED BY P.L.38-2021,
- 40 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 41 UPON PASSAGE]: Sec. 13. (a) After a political subdivision complies
- 42 with this chapter, a property tax may be levied annually at the tax rate



1 adopted by the political subdivision and certified by the department of
 2 local government finance under this chapter without further action
 3 under this chapter. The tax levy must be advertised annually as other
 4 tax levies are advertised.

5 **(b) This subsection does not apply to a tax rate imposed by an**
 6 **airport authority under IC 8-22-3-25 for a cumulative building**
 7 **fund.** If a political subdivision whose tax rate for a cumulative fund
 8 governed by this chapter is certified by the department of local
 9 government finance under IC 6-1.1-17-16 in an amount less than the
 10 political subdivision initially adopted for the cumulative fund under
 11 section 3 of this chapter and the political subdivision wishes to impose
 12 a greater tax rate for the cumulative fund in a subsequent year, the
 13 political subdivision must reestablish the cumulative fund as provided
 14 in this chapter.

15 SECTION 13. IC 6-1.1-41-18 IS ADDED TO THE INDIANA
 16 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE UPON PASSAGE]: **Sec. 18. The following apply to a**
 18 **proposal to increase a tax rate for a cumulative building fund:**

19 **(1) Except as provided in subdivision (2), a political**
 20 **subdivision may increase the tax rate without complying with**
 21 **the requirements of this chapter.**

22 **(2) The political subdivision must:**

23 **(A) give notice of the proposed increase to the affected**
 24 **taxpayers; and**

25 **(B) hold a public hearing on the proposal;**
 26 **before increasing the tax rate. Notice of the proposal and of**
 27 **the public hearing must be given by publication in accordance**
 28 **with IC 5-3-1.**

29 SECTION 14. IC 8-22-3-25, AS AMENDED BY P.L.166-2014,
 30 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 UPON PASSAGE]: Sec. 25. (a) Subject to subsection (c), the board
 32 may provide a cumulative building fund in compliance with
 33 IC 6-1.1-41 to provide for the acquisition of real property, and the
 34 construction, enlarging, improving, remodeling, repairing, or equipping
 35 of buildings, structures, runways, or other facilities for use in
 36 connection with the airport needed to carry out this chapter and to
 37 facilitate and support commercial air transportation.

38 (b) The board may levy in compliance with IC 6-1.1-41 a tax not to
 39 exceed:

40 (1) thirty-three hundredths of one cent (\$0.0033) on each one
 41 hundred dollars (\$100) of assessed value of taxable property
 42 within the district, if an eligible entity other than a city established



1 the district or if the district was established jointly with an eligible
2 entity that is not a city;

3 (2) one and thirty-three hundredths cents (\$0.0133) on each one
4 hundred dollars (\$100) of assessed value of taxable property
5 within the district, if the authority was established under
6 IC 19-6-3 (before its repeal on April 1, 1980); and

7 (3) for any other district not described in subdivision (1) or (2),
8 the tax rate specified in subsection (c).

9 As the tax is collected it may be invested in negotiable United States
10 bonds or other securities that the federal government has the direct
11 obligation to pay. Any of the funds collected that are not invested in
12 government obligations shall be deposited in accordance with
13 IC 5-13-6 and shall be withdrawn in the same manner as money is
14 regularly withdrawn from the general fund but without further or
15 additional appropriation. The levy authorized by this section is in
16 addition to the levies authorized by section 11 and section 23 of this
17 chapter.

18 (c) For any district not described in subsection (b)(1) or (b)(2), the
19 board may impose a tax rate that does not exceed the following:

20 (1) If the total assessed valuation is three hundred million dollars
21 (\$300,000,000) or less, a tax rate of one and sixty-seven
22 hundredths cents (\$0.0167) per one hundred dollars (\$100) of
23 assessed valuation.

24 (2) If the total assessed valuation is more than three hundred
25 million dollars (\$300,000,000) but not more than four hundred
26 fifty million dollars (\$450,000,000), the tax rate necessary to raise
27 property tax revenue equal to the sum of:

28 (A) fifty thousand one hundred dollars (\$50,100); plus

29 (B) the amount that would be raised by applying a tax rate of
30 one and thirty-three hundredths cents (\$0.0133) ~~(as adjusted~~
31 ~~under IC 6-1.1-18-12)~~ per one hundred dollars (\$100) of
32 assessed valuation that exceeds three hundred million dollars
33 (\$300,000,000).

34 (3) If the total assessed valuation is more than four hundred fifty
35 million dollars (\$450,000,000) but not more than six hundred
36 million dollars (\$600,000,000), the tax rate necessary to raise
37 property tax revenue equal to the sum of:

38 (A) fifty-nine thousand eight hundred fifty dollars (\$59,850);
39 plus

40 (B) the amount that would be raised by applying a tax rate of
41 one cent (\$0.01) ~~(as adjusted under IC 6-1.1-18-12)~~ per one
42 hundred dollars (\$100) of assessed valuation that exceeds four



- 1 hundred fifty million dollars (\$450,000,000).
- 2 (4) If the total assessed valuation is more than six hundred million
- 3 dollars (\$600,000,000) but not more than nine hundred million
- 4 dollars (\$900,000,000), the tax rate necessary to raise property tax
- 5 revenue equal to the sum of:
- 6 (A) sixty thousand dollars (\$60,000); plus
- 7 (B) the amount that would be raised by applying a tax rate of
- 8 sixty-seven hundredths of a cent (\$0.0067) ~~(as adjusted under~~
- 9 ~~IC 6-1.1-18-12)~~ per one hundred dollars (\$100) of assessed
- 10 valuation that exceeds six hundred million dollars
- 11 (\$600,000,000).
- 12 (5) If the total assessed valuation is more than nine hundred
- 13 million dollars (\$900,000,000), the tax rate necessary to raise
- 14 property tax revenue equal to the sum of:
- 15 (A) sixty thousand three hundred dollars (\$60,300); plus
- 16 (B) the amount that would be raised by applying a tax rate of
- 17 thirty-three hundredths of a cent (\$0.0033) ~~(as adjusted under~~
- 18 ~~IC 6-1.1-18-12)~~ per one hundred dollars (\$100) of assessed
- 19 valuation that exceeds nine hundred million dollars
- 20 (\$900,000,000).
- 21 (d) Spending under subsection (a) to facilitate and support
- 22 commercial intrastate air transportation is subject to a maximum of one
- 23 million dollars (\$1,000,000) cumulatively for all years in which money
- 24 is spent under that subsection.
- 25 **(e) IC 6-1.1-18-12 does not apply to a tax rate described in this**
- 26 **section.**
- 27 **SECTION 15. An emergency is declared for this act.**

