

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: County Assessors, County Auditors, and Software Vendors

FROM: Geoffrey Kuester, Director of Data Analysis
Department of Local Government Finance

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Legislative Services Agency

SUBJECT: Data Tracking for Automatic \$20,000 Business Personal Property Exemption

DATE: November 23, 2015

The Department of Local Government Finance (“Department”) and Legislative Services Agency (“LSA”) are issuing this memorandum to county assessors and auditors to provide guidance on data tracking for the automatic \$20,000 Business Personal Property exemption established by Senate Enrolled Act (“SEA”) 436-2015. Section 3 of SEA 436 amended Indiana Code (“IC”) 6-1.1-3-7.2 to create an automatic exemption in all counties for property owners with less than \$20,000 in acquisition cost Business Personal Property in any county.

Statute requires a taxpayer that meets the requirements for this exemption to file an annual notarized certification signed under penalties of perjury stating that the taxpayer’s business personal property in the county is exempt from taxation for the applicable assessment date. While the Department has provided a sample certification (<http://in.gov/dlgf/7576.htm>), there is no statutory requirement that the taxpayer utilize this format or provide the requested information. (In addition, please note that the exemption is automatic regardless of whether the taxpayer files the required certification. Please refer to the Frequently Asked Questions on this exemption (<http://in.gov/dlgf/7576.htm>) for additional detail.) As such, it may be difficult to uniformly collect data on these taxpayers or on the exempt property.

Nevertheless, after conversations with property tax management system vendors and county officials, the Department believes it is both possible and important to track as much accurate data as possible on this exemption.

When a county assessor receives a certification indicating that a taxpayer is exempt under IC 6-1.1-3-7.2, the Department recommends that the assessor record in the Personal Property module of its property tax management system, at a minimum, the characteristics listed below. Some of the characteristics are county assessor-assigned.

The Department recommends recording the following characteristics if available:

- Personal Property Number

- Taxpayer Name
- Taxpayer Company
- Taxpayer Street Address
- Taxpayer City
- Taxpayer Postal Code
- Form Type

The Form Type field may be used to indicate that the taxpayer filed a certification indicating exemption under IC 6-1.1-3-7.2. When Personal Property data is submitted to the Department and LSA, the Form Type field should state “BPPE” for qualified taxpayers.

If the taxpayer provides additional information and the county’s property tax management system can accommodate this additional information, the county assessor is encouraged to record as much detail as possible about the taxpayer and/or exempt personal property. If a taxpayer does not provide the information recommended above, the county assessor should focus on collecting the minimum data that is necessary to allow the county to properly implement the automatic exemption. This may or may not include the items identified above.

Exempt taxpayer data should be rolled from the county assessor’s office to the county auditor’s office. When the data is rolled, the assessed value should be listed as \$0 for all qualified taxpayers.

The Department recommends that counties discuss this guidance with their property tax management system vendors to familiarize themselves with the capabilities of their particular software.

Questions related to deductions and exemptions may be directed to General Counsel Mike Duffy at mduffy@dlgf.in.gov or (317) 233-9219.

General questions related to personal property assessment and filings may be directed to Director of Assessment Barry Wood at bwood@dlgf.in.gov or by phone at (317) 232-3762.

Questions related to this memorandum and data compliance may be directed to Director of Data Analysis Geoffrey Kuester at gkuester@dlgf.in.gov or by phone at (317) 233-8347.