2013 Level I

Personal Property Basics

PERSONAL PROPERTY BASICS

- Following are some basic concepts, forms, and procedures that are connected with Personal Property

Assessor Duties

- Supply Forms
- Verify Accuracy
- Review Returns
- Notify Taxpayer of Changes in Assessment
- Omitted and Undervalued Assessments
- Filing Extensions
- Know Duties of Other Offices

County Assessors

- Forms 102, 103, and 104 are all filed with the Township Assessor, if any, otherwise they are filed with the County Assessor
- Filed by May 15th, unless an extension of time to file is granted
- Up to and including June 14th with an extension

Omitted & Undervalued Assessments

- County Assessor shall examine and verify the accuracy of each personal property return to ensure that no property has been omitted or undervalued
- Upon discovery, the assessing official shall assess the omitted or undervalued personal property to the person owning, holding, possessing, or controlling that property

Omitted & Undervalued Assessments

- The assessing official MUST also give the taxpayer written notice of change and statement of taxpayer's right to appeal by use of the Form 113/PP

Filing Extension

- The county assessor (Township Assessor if one exists) MAY grant up to a 30 day extension to file return (to June 14th)
- Taxpayer must provide a written request for the extension on or before May 15th to the County Assessor (Township Assessor if one exists)

Filing Extension

- The County Assessor (Township Assessor if one exists) must provide a written response granting or denying the request

Duties of Other Offices

- County and Township Assessors-- IC 6-1.1-5-14(real property) and IC 6-1.1-3-17(personal property). The table below summarizes:

	Real Property Deadlines	Personal Property Deadlines
Township to County Assessor	**May 15**	**June 1**
County Assessor To Auditor	**July 1**	**July 1**

Duties of Other Offices

- On or before June 1st – A Township Assessor, if any, shall deliver a list of timely filed personal property assessments to the County Assessor

- On or before July 1st – A County Assessor shall deliver a list of timely filed personal property assessments to the County Auditor

Duties of Other Offices

- On or before August 1st, the County Auditor shall provide assessed valuation information to the fiscal officer of each political subdivision of the county and to the Department of Local Government Finance.

Duties of Other Offices

- County Auditor Certifies to DLGF the values provided by the township and county assessors
- Necessary for inclusion in the tax base for setting tax rates
- Necessary for preparing and issuing tax bills

Duties of Other Offices

- Necessary for applying deductions, exemptions etc.
- Necessary for providing fair and equitable taxes to comply with the Constitution of the State of Indiana

General Concepts

- Self Assessment System
- Personal Property Defined
- Filing Requirements
- Assessed Value
- Real v. Personal
- Commonly Used Forms
- Amended Returns
- Penalties
- Lists and Reports

Self Assessment System

- Taxpayer is responsible for reporting assessment

- Taxpayer MUST Sign Return

Definition of Personal Property

- **Personal Property Defined**. As a result of the changes to IC 6-1.1-1-11 and the definition of "personal property" in HEA 1001, Section 48 and HEA 1125, Section 2, the new definition of "personal property," as of **January 1, 2008 (retroactive)**, means:
- (1) billboards and other advertising devices which are located on real property that is not owned by the owner of the devices;
- (2) motor vehicles, mobile houses, airplanes, boats not subject to the boat excise tax under IC 6-6-11, and trailers not subject to the trailer tax under IC 6-6-5 [paragraph **repealed** effective **January 1, 2009** by HEA 1125, Section 2];

Definition of Personal Property

- (3) foundations (other than foundations which support a building or structure) on which machinery or equipment is installed
- (4) all other tangible property (other than real property) which:
  (a) is being held as an investment; or
  (b) is depreciable personal property [addition in bold effective January 1, 2008 (retroactive) by HEA 1001, Section 48]; and
- (5) mobile homes that do not qualify as real property and are not described as "all other tangible property (other than real property)" above [addition in bold effective January 1, 2009 by HEA 1125, Section 2].

Filing Requirements

- Anyone who owns, holds, controls or possesses personal property, with a tax situs within the state, must file a return

- Tax Situs – the actual or assumed location of a property for assessment and taxation purposes*

*Property Assessment Valuation, 2nd edition, IAAO

Examples of Taxpayers

- Firms
- Companies
- Partnerships
- Associations
- Corporations
- Fiduciaries
- Individuals

Real vs. Personal

- Personal Property Manual, Rule 4 - Section 10 (50 IAC 4.2-4-10)

- Real Property Assessment Guideline

  Chapter 1 , Table 1-1

- Assessor's Operation Manual Appendix A starting on page 30

Common Forms

- Form 102 – Farmer's Tangible Personal Property Tax Return

- Is used by farmers to report their tangible depreciable personal property.

- This form is **CONFIDENTIAL**

Common Forms

- Two versions:
  - 103 Short
  - 103 Long

- Both versions are **Confidential**

Form 103 Short

- Form 103 - Business Tangible Personal Property Tax Return

- Can be used by a taxpayer to report their tangible business personal property if:
  - Taxpayer is not a manufacturer or processor
  - assessment does not exceed $150,000
  - Taxpayer is not claiming any exemptions or deductions and is not claiming any special adjustments.

Form 103 Long

- Used:
  - By any taxpayer including manufacturers or processors
  - Taxpayer is claiming exemptions or deductions
  - Taxpayer is claiming special adjustments
- Taxpayer must file in duplicate when assessed value is greater than $150,000

Form 104

- Form 104 – Business Tangible Personal Property Return
- Used as a summary form for taxpayer reporting on Forms 102 and 103
- Is **NOT** confidential

Economic Revitalization Area

- For March 1, 2006 and subsequent, the township and county assessors will be charged with determining the amount for the deduction for the ERA abatements claimed by a taxpayer.
- Form 103 ERA has been designed for attachment to the Form 103 to report this.

Supplemental Forms

- The supplemental forms are attached to the Forms 102 and 103 to explain any adjustments, additions or deductions.
- **Examples:**
  - Form 103 T – Return of Special Tools
  - Form 103 P – Claim for Exemption of Air or Water Pollution
  - Form 103 ERA

Supplemental Forms

- All supplemental forms are **Confidential**

- **IC 6-1.1-35-9, IC 6-1.1-35-11, and IC 6-1.1-35-12 describe the penalties for disclosing confidential information to non authorized persons.**

Disclosure of Confidential Information

- Results in immediate dismissal
- Subject to $500 fine **OR** the actual monetary damage done to taxpayer by the disclosure of confidential information
- If you have any questions on who can view the confidential information, refer to the code sites on the previous slide or call your field representative

Amended Returns

- IC 6-1.1-3-7.5
- Filed by Taxpayer
- Taxpayer files an amended return by writing ***AMENDED*** on top of original return.
- They are due November 15th if no extension is granted or
- December 14th or 6 months from date return due if extension granted

Amended Returns

IC 6-1.1-3-7.5 Amended returns; tax adjustments; credits

Sec. 7.5. (a) A taxpayer may file an amended personal property tax return, in conformity with the rules adopted by the department of local government finance, not more than six (6) months, if the filing date for the original personal property tax return is before May 15, 2011, or twelve (12) months, if the filing date for the original personal property tax return is after May 14, 2011, after the later of the following:

(1) The filing date for the original personal property tax return, if the taxpayer is not granted an extension in which to file under section 7 of this chapter.

(2) The extension date for the original personal property tax return, if the taxpayer is granted an extension under section 7 of this chapter.

Amended Returns Process

- Taxpayer may claim any deduction or exemption that he could have claimed on his original return
- Taxpayer may only amend the original return one time
- (IC 6-1.1-3-7.5)

Amended Returns

- Original Return-The taxpayer may only amend a return that was filed in compliance with the statutory filing procedures.
- This includes filing a timely return with the proper assessing official.
- Original personal property return means a personal property tax return filed with the proper assessing official by May 15th, or if an extension is granted, the extended filing date.

Amended Returns

- Waiver of Exemption 6-1.1-11-1
- Note : A timely filed amended return becomes the taxpayer's assessment of record. The assessor has four months from date amended return was filed to make a change. Assessor may change assessment and notify taxpayer on Form 113 - PP

Amended Returns Process

- When an assessing official receives an amended return, the assessing official needs to review the return for accuracy.
- **Accept:** Notify taxpayer of acceptance and provide County Auditor with necessary paperwork to put on books. This is done with a Form 122.

Amended Returns Process

- If the assessing official does not agree with the amended return, he/she can issue a Form 113 and return the assessment to the value reported prior to the amended return.

Penalties

- Return Not Filed by May 15th or up to June 14th with extension
  - Fine = $ 25

- Return over 30 days late
  - Fine = $25 + 20% of Taxes due

Personal Property Resources

- Assessor's Operations Manual
- Regulation 16
- Field Representative
- DLGF Web Page

Contact the Department

- **Web site: www.in.gov/dlgf**

  - **Joseph Lukomski, Jr.**
  - **317-519-1812 or**
  - **jlukomski@dlgf.in.gov**