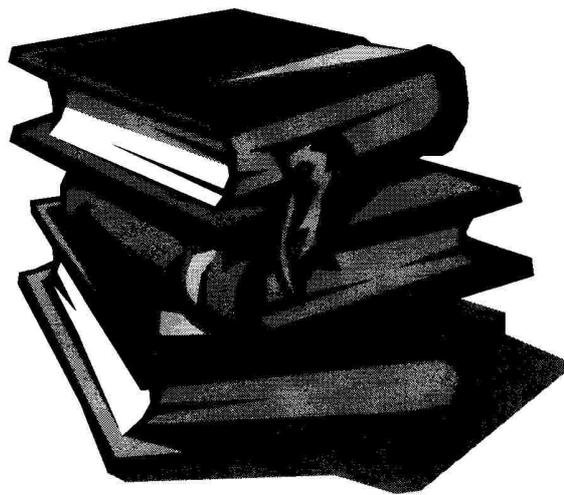


**JANUARY, 2014  
ASSESSOR'S CONFERENCE**

**PERSONAL PROPERTY  
RESOURCE MATERIALS  
PACKET**



**March 1, 2014**

**IC 6-1.1-3**

**Chapter 3. Procedures for Personal Property Assessment**

**IC 6-1.1-3-1**

**Residents and nonresidents; place of assessment; evidence of filing**

Sec. 1. (a) Except as provided in subsection (c), personal property which is owned by a person who is a resident of this state shall be assessed at the place where the owner resides on the assessment date of the year for which the assessment is made.

(b) Except as provided in subsection (c), personal property which is owned by a person who is not a resident of this state shall be assessed at the place where the owner's principal office within this state is located on the assessment date of the year for which the assessment is made.

(c) Personal property shall be assessed at the place where it is situated on the assessment date of the year for which the assessment is made if the property is:

- (1) regularly used or permanently located where it is situated; or
- (2) owned by a nonresident who does not have a principal office within this state.

(d) If a personal property return is filed pursuant to subsection (c), the owner of the property shall provide, within forty-five (45) days after the filing deadline, a copy or other written evidence of the filing of the return to the assessor of the township in which the owner resides or to the county assessor if there is no township assessor for the township. If such evidence is not filed within forty-five (45) days after the filing deadline, the township or county assessor for the area where the owner resides shall determine if the owner filed a personal property return in the township or county where the property is situated. If such a return was filed, the property shall be assessed where it is situated. If such a return was not filed, the township or county assessor for the area where the owner resides shall determine if the assessor of the township or county where the property is situated does not apply to a taxpayer who:

- (1) is required to file duplicate personal property returns pursuant to section 7(c) of this chapter and is not required to file a duplicate by the department of local government pursuant to that section; or
- (2) is required by the department of local government to file a summary of personal property returns.

*(Formerly: Act 1997-10, P.L.48, S.P. 1997-10, P.L.90)*

**Would you like to find the Indiana Codes concerning personal property? Here's how...**

- Go to: [www.in.gov/dlef](http://www.in.gov/dlef)
- Click on: Legislation & Policy Information
- Click on: Indiana Code & Administrative Code
- Click on: Indiana Code
- Click on: Title 6
- Click on: Article 1.1
- Click on: Chapter 3

**IC 6-1.1-1-10**

**"Person"**

Sec. 10. "Person" includes a sole proprietorship, partnership, association, corporation, limited liability company, fiduciary, or individual.

*(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.8-1993, SEC.74.*

**IC 6-1.1-1-11**

**"Personal property"**

Sec. 11. (a) Subject to the limitation contained in subsection (b), "personal property" means:

- (1) billboards and other advertising devices which are located on real property that is not owned by the owner of the devices;
- (2) foundations (other than foundations which support a building or structure) on which machinery or equipment:

(A) held for sale in the ordinary course of a trade or business;

(B) held, used, or consumed in connection with the production of income; or

(C) held as an investment;

is installed;

- (3) all other tangible property (other than real property) which:

(A) is being held as an investment; or

(B) is depreciable personal property; and

- (4) mobile homes that do not qualify as real property and are not described in subdivision (3).

(b) Personal property does not include the following:

(1) Commercially planted and growing crops while in the ground.

(2) Computer application software.

(3) Inventory.

*(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.41-1984, SEC.1; P.L.98-1989, SEC.3; P.L.214-2005, SEC.10; P.L.146-2008, SEC.48; P.L.131-2008, SEC.2; P.L.1-2009, SEC.26.*

**IC 6-1.1-1-12**

**"Political subdivision"**

Sec. 12. "Political subdivision" means a county, town, separate municipal corporation, special school corporation.

*(Formerly: Acts 1975, P.L.47, SEC.1.)*

**IC 6-1.1-1-13**

**Repealed**

*(Repealed by P.L.1-10)*

**IC 6-1.1-1-14**

**"Property tax"**

Sec. 1

**General definitions for property taxes can be found at:**

[www.in.gov/dlcf](http://www.in.gov/dlcf)

→ Legislation & Policy Information

→ Indiana Code & Administrative Code

→ Indiana Code

→ Title 6

→ Article 1.1

→ Chapter 1

## ARTICLE 4.2. ASSESSMENT OF TANGIBLE PERSONAL PROPERTY

NOTE: Reinstated by IC 6-1.1-3-22, effective July 1, 2003.

### Rule 1. Administration; Procedure

#### 50 IAC 4.2-1-1 Primary definitions (Repealed)

Sec. 1. (Repealed by Department of Local Government Finance; filed Feb 26, 2010, 2:43 p.m.: 20100324-IR-050090576FRA)

#### 50 IAC 4.2-1-1.1 Primary definitions

Authority: IC 6-1.1-31-1

Affected: IC 6-1.1-1-11

Sec. 1.1. (a) The definitions in this section apply throughout this article.

(b) "Assessed value" or "valuation" means an amount equal to the true tax value of property rounded to the nearest ten dollars (\$10).

(c) "Assessing official" means a:

- (1) township assessor, if any;
- (2) county assessor; or
- (3) member of a county property tax assessment board of appeals.

(d) "Assessment date" means March 1.

(e) "Construction in process" means tangible personal property not placed in service. The term includes tangible personal property that has not been depreciated and is not yet eligible for federal income tax depreciation under the Internal Revenue Code. The term does not include inventory, special tools, leased property, or returnable containers.

(f) "Critical spare parts" means parts that are maintained for possible future replacement of parts in use in operating equipment. Critical spare parts are maintained on-site, sometimes for a considerable period of time, to avoid a disruption of production if replacement of a failed part cannot otherwise be made immediately.

(g) "Depreciable personal property" means all personal property that is used in a trade or business, used for the production of income, or held as an investment that should be or is subject to depreciation for federal income tax purposes, except to the extent that property is treated otherwise in this article.

(h) "Filing date" means the May 15 date on which every person owning, holding, possessing, or controlling tangible personal property with a tax situs within the state of Indiana as of March 1 of any year is required to file a personal property tax return unless an extension of time to file is obtained. If the filing date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the next succeeding business day that is not a Saturday, Sunday, or federal or state holiday becomes the filing date.

(i) "Inventory" means:

- (1) materials held for processing or for use in production;
- (2) finished or partially finished goods of a manufacturer or processor;
- (3) property held for sale in the ordinary course of trade or business; and
- (4) items that qualify as inventory under 50 IAC 4.2-5-1.

The term excludes items that are or should be subject to federal tax depreciation and that property tax purposes at cost per 50 IAC 4.2-2-2 in Pool 1 (50 IAC 4.2-4-5) including games held for rent; and equipment held for rent that is fully expensed in its first year.

(j) "Nonsubstantial compliance" means a tax return that:

- (1) omits five percent (5%) or more of the cost per books of the tangible property for which a return is filed;
- (2) omits leased property and other nonowned personal property exceeds five percent (5%) of the total assessed value;
- (3) is filed with the intent to evade personal property tax.

(k) "Original personal property return" means a personal property return.

Indiana Administrative Code

The DLGF's "personal property manual" can be found at:  
[www.in.gov/dlgef](http://www.in.gov/dlgef)  
→ Legislation & Policy Information  
→ Indiana Code & Administrative Code  
→ Title 50  
→ Article 4.2 (PDF)

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058(B)  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 232-8779

**TO:** County Assessors and Assessing Officials  
**FROM:** Barry Wood, Assessment Division Director 3W  
**RE:** Assessment of Non-Automotive Equipment  
**DATE:** March 3, 2011

Under Indiana law "the annual license excise tax upon commercial vehicles" is "in lieu of the ad valorem property tax levied for state or local purposes." Ind. Code 6-6-5.5-3(a). The law makes clear that "[n]o commercial vehicle subject to taxation under [Ind. Code 6-6-5.5] shall be assessed as personal property for the purpose of assessment and levy of personal property taxes." Ind. Code 6-6-5.5-3(d).

The purpose of this memorandum is to assist in the determination of the assessment of non-automotive equipment, either to be assessed as tangible personal property or to be taxed as excise by the Bureau of Motor Vehicles (BMV). In the revised Personal Property Rule (50 IAC 4.2 – effective for the March 1, 2011 assessment date, see <http://www.in.gov/legislative/iac/T00500/A00042.PDF>? for the complete rule), the following definition is given (50 IAC 4.2-1-1.1 (l) – emphasis added):

- (l) "Personal property":
  - (1) has the meaning set forth in IC 6-1.1-1-11; and
  - (2) also includes nonautomotive equipment attached to excise vehicles.

IC 9-13-2-188 (see below) gives the following definition for a "truck," and IC 9-13-2-196 (a) - see below, gives the following definition for a "vehicle."

## IC 9-13-2-188

### Truck

Sec. 188. (a) "Truck" means a motor vehicle designed, used, or maintained primarily for the transportation of property.

(b) "Truck," for purposes of IC 9-21-8-3, includes the following:

- (1) A motor vehicle designed and used primarily for drawing another vehicle and constructed to carry a load other than a part of the weight of the vehicle and load drawn.
- (2) A motor vehicle designed and used primarily as a farm implement for drawing plows, mowing machines, and other implements of agriculture.

→Decisions

REPRESENTATIVE FOR PETITIONER:

Greg Myers, President

→October 2013

REPRESENTATIVE FOR RESPONDENT:

Richard R. Smith, Wells County Assessor

→Wayne Metals, LLC

**BEFORE THE  
INDIANA BOARD OF TAX REVIEW**

Wayne Metals, LLC,	)	Petition No.:	90-012-12-1-7-00002
	)		
Petitioner	)	Business Tangible Personal Property	
	)		
v.	)	County:	Wells
	)		
Wells County Assessor,	)	Township:	Rockcreek
	)		
Respondent.	)	Assessment Year:	2012

Appeal from the Final Determination of the  
Wells County Property Tax Assessment Board of Appeals

October 22, 2013

**FINAL DETERMINATION**

The Indiana Board of Tax Review ("Board"), having considered the issues, finds

28. With respect to Wayne's amended return, Wayne is not eligible to file an amended return in this case because its original return was not timely filed. In order to file an amended return, the initial return on which the amended return is based, must be timely filed. Specifically, Indiana Code section 6-1.1-3-7.5(a) provides that a taxpayer may amend its "original personal property return" up to 12 months after that return's due date, and 50 IAC 4.2-1-1.1(k) defines an "original personal property return" as a return filed with the proper assessing official by May 15 or, if an extension is granted, the extended filing date. Thus, the statute lacks any provision to amend a late-filed return.
- Wayne asks the Board to

Wayne Metals, LLC  
Findings & Conclusions  
Page 1 of 9

Excerpt taken from Page 8

→Decisions

REPRESENTATIVE FOR PETITIONER:  
Anthony L. Robbins, Certified Public Accountant

→December 2012

REPRESENTATIVE FOR RESPONDENT:  
Linda Phillips, Tippecanoe County Assessor

→Pattanam Srinivasan

---

**BEFORE THE  
INDIANA BOARD OF TAX REVIEW**

Pattanam D. Srinivasan	)	Petition No.:	79-162-10-3-7-00001
	)		
Petitioner,	)	Personal property:	79-131-28429-00
	)		
v.	)		
	)		
Tippecanoe County Assessor,	)	County:	Tippecanoe
	)		
Respondent.	)	Assessment Year:	2010

---

Appeal from the Final Determination of the  
Tippecanoe County Property Tax Assessment Board of Appeals

---

December 17, 2012

**Issue:** In this appeal, the taxpayer filed a timely 2010 personal property tax return but after receiving his tax bill challenged that no return should have been filed since his medical office was closed on the assessment date. Since the period to file an amended return had expired, the taxpayer filed a Form 133 to challenge the assessment.

**Determination:** The assessed value should not be changed since the remedy to correct the assessment is to file a timely amended return

Pattanam D. Srinivasan  
Findings & Conclusions  
Page 1 of 10

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058(B)  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 232-8779

**TO:** Assessing Officials  
**FROM:** Barry Wood, Assessment Division Director *BJW*  
**RE:** Outdoor Advertising  
**DATE:** May 11, 2012

On March 19, 2012, Governor Mitch Daniels signed House Enrolled Act 1072 (the Act). Section 13 of the Act adds IC 6-1.1-3-24, retroactive to the March 1, 2011 assessment date, regarding the assessment of outdoor advertisements. The following schedule must be used to determine the assessed value of various sizes of outdoor advertising signs for the 2011 through 2014 assessment dates, **without any adjustments:**

Single Pole Structure	
Type of Sign	Value Per Structure
At least 48 feet, illuminated	\$5,000
At least 48 feet, non-illuminated	\$4,000
At least 26 feet and under 48 feet, illuminated	\$4,000
At least 26 feet and under 48 feet, non-illuminated	\$3,300
Under 26 feet, illuminated	\$3,200
Under 26 feet, non-illuminated	\$2,600
Other Types of Outdoor Signs	
At least 50 feet, illuminated	\$2,500
At least 50 feet, non-illuminated	\$1,500
At least 40 feet and under 50 feet, illuminated	\$2,000
At least 40 feet and under 50 feet, non-illuminated	\$1,300
At least 30 feet and under 40 feet, illuminated	\$2,000
At least 30 feet and under 40 feet, non-illuminated	\$1,300
At least 20 feet and under 30 feet, illuminated	\$1,600
At least 20 feet and under 30 feet, non-illuminated	\$1,000
Under 20 feet, illuminated	\$1,600
Under 20 feet, non-illuminated	\$1,000

[www.in.gov/dlgf](http://www.in.gov/dlgf)

→ Memos & Presentations

→ 2012

→ Outdoor Advertising Memo 5/11/2012

Because the legislation is retroactive to the March 1, 2011 assessment date, taxpayers will have the opportunity to file an amended return for their March 1, 2011 personal property assessment (see <http://www.in.gov/dlgf/files/110601> - Amended Personal Property Tax Returns.pdf for more information on amending personal property tax returns). In determining the assessed value to be reported on the personal property return, the values listed above are the assessed values,

# STATE OF INDIANA

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## Continuing Education Article February, 2009

**Subject: Equipment Leased To Nonprofit Entities**

**A commonly asked question is, "There is a nonprofit entity (i.e. church or organization) in my taxing district who leases a copy machine in my taxing district. Do they have to pay taxes on it?"**

**The answer to this question is that the assessor does not possess enough information to make a determination yet.**

**50 IAC 4.2-8-2 defines leases as being either a capital lease or an operating lease. Basically, a capital lease is one where the lessee may obtain title at the end of the lease. An operating lease is a lease where the lessee does not have the opportunity to obtain the title to the leased equipment. Please refer to the administrative code for the exact language, if necessary.**

**50 IAC 4.2-8-3 states that an operating lease must be reported for assessment and taxation by the owner (lessor) while 50 IAC 4.2-8-4 states that a capital lease must be reported for assessment and taxation by the person holding, possessing or controlling (lessee). These code sites determine which party is responsible for reporting the leased equipment for taxation. A capital lease would be reported by the nonprofit entity on a personal property tax form. They would also file a Form 136 Application for Property Tax Exemption to request that the assessment be removed. Once the nonprofit entity files a personal property tax return and the application for exemption, the PTABOA can then review the application and determine the amount of the exemption that qualifies. An operating lease would be reported by the leasing company who is NOT a nonprofit entity and does not qualify for an exemption.**

**NOTE: The mere fact that the nonprofit entity signs a lease agreement and agrees to reimburse the owner (lessor) for this expense does not mean that the leasing company should receive the exemption on behalf of the nonprofit entity. The nonprofit entity has simply entered into a legal agreement between two parties where they agree to reimburse the other party for certain expenses.**

INDIANA BOARD OF TAX REVIEW

Small Claims

Final Determination

Findings and Conclusions

→AEL Financial, LLC

Petition Numbers: 47-009-06-1-7-00001  
47-009-07-1-7-00001  
47-009-08-1-7-00001  
Petitioner: AEL Financial, LLC  
Respondent: Lawrence County Assessor  
Parcel Number: 47-110-23747-00; 11-1408  
Assessment Years: 2006, 2007, 2008

The Indiana Board of Tax Review (the "Board") issues this determination in the above matter, finding and concluding as follows:

Procedural History

1. On January 28, 2010, the Petitioner mailed a letter to the Lawrence County Assessor and filed three Form 130 petitions seeking an abatement of personal property taxes for the years 2006, 2007, and 2008. According to the Petitioner, both it and another entity own personal property in those years. *Bd. Ex. A.* On March 1, 2010, the Board issued three Form 130 petitions making the same determination.
2. On April 26, 2010, the Lawrence County Assessor issued a "PTABOA" ("Petitioner Tax Abatement Board of Assessment") finding that the Petitioner's claims were "not applicable" and that the Return was correct.

**Claims of Double Assessment**

In this decision, it was determined that a double assessment that is not corrected in a timely manner cannot be corrected.

Below is an excerpt taken from the Will's Far-Go Coach Sales case which can be found at 847 N.E.2d 1074 (Page 5)

5. The Court notes that Will's Far-Go claims that it already paid personal property taxes on the trailers at issue in Fountain County. While the Court sympathizes with Will's Far-Go in that it may have to pay taxes on the trailers twice, Will's Far-Go cannot simply ignore the Elkhart County tax assessments. Will's Far-Go had ample notice and time to challenge the assessments; its failure to do so in a timely manner cannot be remedied now. See *Marhoefer Packing Co. v. Indiana Dep't of State Revenue*, 157 Ind.App. 505, 301 N.E.2d 209, 215 (1973) (where the court denied a taxpayer's request for relief finding that he slept on his rights).

# STATE OF INDIANA

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FAX (317) 232-8779

**To:** County Assessors, Township Assessors, & Assessing Officials  
**From:** J. Barry Wood, Director, Assessment Division *JBW*  
**Date:** August 21, 2009  
**Re:** Abnormal Obsolescence & Personal Property Assessments

The purpose of this memorandum is to address questions received by the Department of Local Government Finance ("Department") concerning abnormal obsolescence adjustments claimed on the March 1, 2009 personal property returns.

The Indiana Administrative Code defines "abnormal obsolescence" as:

...obsolescence which occurs as a result of factors over which the taxpayer has no control and is unanticipated, unexpected, and cannot reasonably be foreseen by a prudent businessman prior to the occurrence. It is of a nonrecurring nature and includes unforeseen changes in market values, exceptional technological obsolescence, or destruction by catastrophe that has a direct effect upon the value of the personal property of the taxpayer at the tax situs in question on a going concern basis. 50 IAC 4.2-9-3 (a).

When a taxpayer seeks an obsolescence adjustment, it must be able to pass a two-pronged test showing that it can: 1) identify the causes of the alleged obsolescence; and 2) quantify the amount of obsolescence to be applied to its asset(s).

On many of the personal property tax returns that claimed an abnormal obsolescence adjustment, taxpayers were able to establish the first prong by identifying the factors that caused the obsolescence. However, the second prong, quantification, has proven to be an issue. **This memorandum, therefore, will focus on quantification.**

Each prong requires a connection to an actual loss in property value. This means the quantification of obsolescence is tied to **the actual loss of value suffered by an asset**. For example, when identifying factors that cause obsolescence, a taxpayer must show the causes of obsolescence also caused an actual loss of value to the property.

[www.in.gov/dlcf](http://www.in.gov/dlcf)

→ **Memos & Presentations**

→ **2009**

→ **Abnormal Obsolescence Memo 8/21/2009**

ss of value usually means a decrease in the property's income  
ie taxpayer quantifies the amount of obsolescence to which he  
must convert the actual loss of value (shown in the first prong)  
ply it against the improvement's overall value. In addition,

# STATE OF INDIANA

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FAX (317) 232-8779

**TO:** Assessing Officials  
**FROM:** Barry Wood, Assessment Division Director *JBW*  
**RE:** Abnormal Obsolescence (Personal Property) Frequently Asked Questions  
**Date:** April 19, 2011

As a follow-up to the March 25, 2011 conference calls on abnormal obsolescence for personal property, listed below are some frequently asked questions:

**I am a new assessor. How is abnormal obsolescence claimed on the return?**

Abnormal obsolescence is claimed on Line 65 of the Form 103-Long or on Line 61 of the Form 102. A taxpayer calculates the true tax value and then claims this adjustment if he believes he is entitled to it.

**How is the adjustment calculated?**

50 IAC 4.2-9 provides the definitions of both "Normal Obsolescence" and "Abnormal Obsolescence" and addresses the allowance of the adjustment. 50 IAC 4.2-4-8 covers the calculation of the adjustment and includes two examples. Note that both examples require the establishment of the net realizable value (or market value) of the affected asset.

**What if the taxpayer never establishes what the "net realizable value" is but simply develops a factor to reduce the true tax value?**

An adjustment that does not establish a net realizable value should be scrutinized and consideration should be given on whether to approve or deny the claimed adjustment. See the Department's August 21, 2009 memorandum for examples of calculations that are not in compliance with the administrative rules <http://www.in.gov/dlgf/files/090821 - Wood Memo - Abnormal Obsolescence and Personal Property Assessments.pdf>.

**Should an assessor simply deny all adjustment claims for abnormal obsolescence since they are mostly likely incorrectly calculated?**

No. There are adjustments claimed by taxpayers in the State of Indiana that are in compliance with the administrative rule, therefore, a blanket denial of all claims cannot be supported by law. Assessors are in compliance issues on the

[www.in.gov/dlgf](http://www.in.gov/dlgf)

→Memos & Presentations

→2011

→Abnormal Obsolescence FAQ Memo 4/19/2011

**After the Department of Local Government Finance's memorandum was released on abnormal obsolescence, we have received questions on what is an inutility penalty. The following is a general explanation of it and how it is used to determine a loss in value for equipment.**

**An inutility penalty can be used by an appraiser to measure a loss in value for equipment that is being operated at less than its rated or design capability. It can be used to estimate one form of economic obsolescence within the cost approach (one of the three approaches to market value).**

**There are three types of appraisal depreciation that are traditionally recognized by appraisers. These types are physical deterioration, functional obsolescence, and economic obsolescence so calculating economic obsolescence with the inutility penalty is just one part of calculating all forms of appraisal depreciation.**

**When an appraiser begins an appraisal of equipment under the cost approach, he/she usually starts with the current replacement cost new and then deducts for the loss in value caused by the three types of depreciation. So replacement cost new less physical deterioration (from normal wear and tear); less functional obsolescence, if any; less economic obsolescence, if any; equals the fair market value of the equipment. (Note: Even though replacement cost new is the proper starting point in the cost approach, there are times when an appraiser can determine that reproduction cost new can be used.)**

**This is why many of the personal property returns, filed in Indiana, that include an abnormal obsolescence deduction based on an inutility penalty type calculation are not filed in compliance with our rules and regulations. It is because they are improperly using a very small portion of an appraisal technique used to determine a fair market value and a loss to that fair market value and applying it to Indiana's true tax value system. It is simply not an "apples to apples" comparison.**

**To correctly use the inutility penalty in the calculation of their personal property assessment, a fair market value would be determined based on all forms of depreciation (including economic obsolescence calculated with the inutility penalty or any other generally accepted appraisal method). If this fair market value is less than the true tax value, the abnormal obsolescence deduction would be the difference between the two. If the fair market value is greater than the true tax value, no abnormal obsolescence exists for ad valorem tax purposes. To simply calculate an inutility penalty factor and apply it to the true tax value of the equipment is not in compliance with our rules because it fails to establish the fair market value (a.k.a. documented net realizable value referred to 50 IAC 4.2-4-8); therefore the second prong of the test referred to in our memorandum, the quantification of the obsolescence, is never achieved. The taxpayer may have proven that abnormal obsolescence existed but failed to prove that it was substantial enough to decrease the fair market value to an amount that was lower than the true tax value of the equipment.**

**Many taxpayers who claim abnormal obsolescence deductions on their personal property returns refer to a single page from a book titled "Appraising Machinery and Equipment" which was published in 1989 by the American Society of Appraisers. This single page contains a formula for calculating the inutility penalty; however if the content of the book was used as a whole, assessors would be able to see the flaws in the taxpayer's methodology. These flaws are what have been addressed above.**

**Explanation offered by Steve McKinney, DLGF**

→Decisions

REPRESENTATIVES FOR PETITIONER:

Dale Armbruster, True Tax Management

→August 2009

REPRESENTATIVE FOR RESPONDENT:

Susan McCarty, Chief Deputy County Assessor

→Applied Extrusion Technologies

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**BEFORE THE  
INDIANA BOARD OF TAX REVIEW**

Applied Extrusion Technologies, Inc.,	)	
	)	Petition No.: 84-012-06-1-7-00001
	)	
Petitioner,	)	Vigo County
	)	Otter Creek Township
v.	)	
	)	
Vigo County Assessor,	)	Personal Property
	)	2006 Assessment
Respondent.	)	

---

Appeal from the Final Determination of the  
Vigo County Property Tax Assessment Board of Appeals

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August 17, 2009

**Highlights of the IBTR's Applied Extrusion's Decision:**

- **Page 11 #29 states that the unprofitable nature of a business is not a sufficient basis for allowing obsolescence. Page 12 #34 addresses how financial difficulties caused by the economy are not considered probative evidence for allowing abnormal obsolescence. (This is because it fails to tie to a loss in value...it doesn't establish a market value.)**
- **Pages 11 & 12 (#30 & #31) cover whether the equipment is obsolete and at the end of its useful life or if this equipment will continue to perform the function for which it was acquired (see also 50 IAC 4.2-9-3 c).**
- **Page 12 (#33) addresses how the market value was greater than the true tax value. Our administrative code (50 IAC 4.2-4-8 – page 21) and our memorandum discuss how the net realizable value (or market value) is the final value after all adjustments.**

→Decisions

REPRESENTATIVE FOR PETITIONER:

William S. Faulkner, Senior Tax Manager, DuCharme, McMillen

→June 2010

REPRESENTATIVE FOR RESPONDENT

Henry E. Bennett, Jr., Administrative Assistant, Calumet Township

→Koppers Inc.

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**BEFORE THE  
INDIANA BOARD OF TAX REVIEW**

Koppers, Inc.,	)	Petition No.:	45-001-05-1-7-00001
	)		
Petitioner,	)	Personal Property	
	)		
v.	)		
	)	County:	Lake
Calumet Township Assessor,	)	Township:	Calumet
	)		
Respondent.	)	Assessment Year:	2005

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Appeal from the Final Determination of the  
Lake County Property Tax Assessment Board of Appeals

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June 16, 2010

**Highlights of the IBTR's Kopper's Decision:**

- **Page 9 & 10 covers the unanticipated aspect.**
- **Page 10 refers to an appraisal book and a certain page explaining the inutility penalty. It explains how this single calculation is not enough.**
- **Page 11 or the footnote at the bottom of the page explains how the inutility penalty calculation has been accepted in past IBTR decisions; however the IBTR explains that those appeals were unsuccessfully challenged. (Our August 2009 memo did not exist at the time of those appeals. If they had, the outcome may have been different.)**

Feelings or years of experience do not constitute probative or substantial evidence. *Rinker Boat Co v. STB* 722 N.E. 2<sup>nd</sup> 919

Past assessments that granted obsolescence are not relevant and do not help make the petitioners' case. Each tax year stands on its own. (IBTR-Omer and Janet Brewer) *Barth, Inc. v STB* 699 N.E. 2<sup>nd</sup> 800

For a taxpayer to show that he is entitled to receive an adjustment for abnormal obsolescence, he must first identify the causes of obsolescence that he believes is present. Once he is able to prove that the obsolescence exists, he must quantify the amount of the obsolescence that he believes should be applied to the property. *Clark v. STB* 694 N.E. 2<sup>nd</sup> 1230

Using generally recognized appraisal methods for quantifying obsolescence is a permissible means of quantifying obsolescence under the true tax value system. *Canal Square v. STB* 694 N.E. 2<sup>nd</sup> 801

*Harbor Foods v STB* (638 NE 2<sup>nd</sup> 898) is the only court case on abnormal obsolescence for personal property depreciable assets. It reinforces that normal obsolescence adjustments are built into the true tax value percentages. It also addresses events that can be reasonably foreseen.

Under the cost approach to market value, an appraiser begins with the current replacement cost (current cost as if new) and deducts all forms of depreciation which includes physical deterioration, functional obsolescence, and economic obsolescence. An inutility penalty is one form of economic obsolescence and can be used when the operating level of a plant or an asset is significantly less than it's rated or design capability, and the condition is expected to exist for some time. The inutility penalty is a market value concept and should not be solely used in conjunction with Indiana's true tax value system.

REPRESENTATIVE FOR PETITIONER:  
Greg Myers, President

→Decisions

→October 2013

REPRESENTATIVE FOR RESPONDENT:  
Richard R. Smith, Wells County Assessor

→HJM, LLC

**BEFORE THE  
INDIANA BOARD OF TAX REVIEW**

HJM, LLC,	)	Petition No.: 90-017-12-1-7-00001
	)	
Petitioner	)	Business Tangible Personal Property
	)	
v.	)	County: Wells
	)	
Wells County Assessor,	)	Township: Rockcreek
	)	
Respondent.	)	Assessment Year: 2012

**The decision addresses the untimely filing of a personal property tax return which included a claim for a tax abatement deduction. After the assessor denied the deduction, the taxpayer should have requested a Waiver of Non-Compliance from the designating body as a possible remedy instead of challenging the assessor’s determination.**

**October 22, 2013**

**FINAL DETERMINATION**

The Indiana Board of Tax Review (“Board”), having reviewed the facts and evidence, and having considered the issues, finds and concludes the following:

1. HJM, LLC -
22. However, it appears the General Assembly has vested in the designating body, in this case the Town of Markle, the discretion to waive non-compliance through resolution. Specifically, Indiana Code section 6-1.1-12.1-11.3 states that a designating body may by resolution waive non-compliance, which includes the failure to timely file a deduction application pursuant to Indiana Code section 6-1.1-12.1-5.4. See also Ind. Code § 6-1.1-12.1-9.5; 50 IAC 4.2-11.1-7(a)(5). Thus, because the General Assembly specifically vested such authority in the Town of Markle, the Board does not have the authority to waive the late filing.

HJM, LLC  
Findings & Conclusions  
Page 1 of 8

*Excerpt taken from Page 6*



# NOTICE OF ASSESSMENT / CHANGE (By An Assessing Official)

State Form 21521 (R7 / 10-10)  
Prescribed by the Department of Local Government Finance

**FORM 113 / PP**

ASSESSMENT DATE  
MARCH 1, 20\_\_\_\_

Notice to the taxpayer of the Opportunity to Appeal (IC 6-1.1-15-1):  
If a taxpayer does not agree with the action of the assessing official giving this notice, the County Property Tax Assessment Board of Appeals will review that action if you file a notice in writing with the Township Assessor (if any) or the County Assessor within forty-five (45) days of the mailing of this notice. This written notice should include the name of the taxpayer, the address of the property, the key number or the parcel number of the property, the address of the taxpayer (if different from the property address), and the telephone number of the taxpayer. An appeal of this assessed value requires evidence relevant to the value of the taxpayer's property as of the assessment date.

Name of taxpayer
Address (number and street, city, state, and ZIP code)

**You are hereby notified that the undersigned assessing official has taken the action described below with regard to the following property:**

LOCATION OF PROPERTY		
County	Township	Taxing district
Address where property is located (number and street, city, and ZIP code)		

DESCRIPTION OF PROPERTY		
<input type="checkbox"/> Farmer's Personal Property (Form 102)	<input type="checkbox"/> Business Personal Property (Form 103)	<input type="checkbox"/> Public Utility Company (Form 1) (deductions only)

ACTION
<input type="checkbox"/> Assessed value before deductions has been changed from \$ _____ to \$ _____.
<input type="checkbox"/> Assessed value of a deduction was changed from \$ _____ to \$ _____.
<input type="checkbox"/> Failure to file required assessment return. Assessment has been estimated to be \$ _____.
<input type="checkbox"/> Other (explain) _____

REASON(S) FOR ACTION
<input type="checkbox"/> Failure to file required assessment return. You have the right to file an assessment return within 30 days of the first notice. (IC 6-1.1-3-15)
<input type="checkbox"/> Mathematical error (describe below) <input type="checkbox"/> Omitted property (describe below)
<input type="checkbox"/> Mandatory or allowable adjustment not properly computed or disallowed: (describe and state below)
<input type="checkbox"/> Abnormal obsolescence adjustment disallowed [be sure to specify reason(s)]
<input type="checkbox"/> Exemption disallowed (describe and give reasons): <input type="checkbox"/> In-whole <input type="checkbox"/> In-part
<input type="checkbox"/> Industrial waste control equipment not certified by Department of Environmental Management <input type="checkbox"/> Air pollution control equipment not qualified
<input type="checkbox"/> Other _____

Description or reasons (attach additional sheet if necessary)

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Date of this notice (month, day, year)		Name (please print)
Telephone number (    )	Title	Signature
Address (number and street, city, state, and ZIP code)		



# BUSINESS TANGIBLE PERSONAL PROPERTY ASSESSMENT RETURN

State Form 11405 (R34 / 11-13)

Prescribed by the Department of Local Government Finance

**FORM  
103 - LONG**

**MARCH 1, 2014**

For Assessor's Use Only

### INSTRUCTIONS: Please type or print.

- This form must be filed with the Township Assessor, if any, or the County Assessor of the county in which the property is located not later than May 15 unless an extension of up to thirty (30) days is granted in writing. Contact information for the Assessor is available at <http://www.in.gov/dlgf/2440.htm>.
- A Form 104 must be filed with the return.

**PRIVACY NOTICE:** The records in this series are confidential according to I. C. 6-1.1-35-9.

Name of taxpayer		Federal Identification Number **
Name under which business is conducted		DLGF Taxing district number
Address where property is located (number and street, city, state, and ZIP code)		DLGF Taxing district name
Nature of business	NAICS * - Code number	Township
Name and address to which Assessment and Tax Notice is to be mailed (if different than above)		County
		Retail Merchants Certification Number

1. Federal Income Tax Year ends \_\_\_\_\_ Name filed under \_\_\_\_\_
2. Location of accounting records \_\_\_\_\_
3. Form of business  Partnership or Joint Venture  Sole Proprietorship  Corporation  Estate or Trust  
 Other, describe: \_\_\_\_\_
4. Do you have other locations in Indiana?  Yes  No
5. Did you own, hold, possess or control any leased, rented or other depreciable personal property on March 1?  Yes  No (See 50 IAC 4.2-8)
6. Did you own, hold, possess or control any Special Tools on March 1?  Yes  No (See 50 IAC 4.2-6-2)
7. Did you own, hold, possess or control any returnable containers on March 1?  Yes  No (See 50 IAC 4.2-6-4)
8. Total sales for this location during the prior fiscal or calendar year. \$ \_\_\_\_\_

If taxpayer answers "yes" to question 5, the owner must file Form 103-O and the possessor must file Form 103-N. Failure to properly disclose lease information may result in a double assessment. (See 50 IAC 4.2-2 and 50 IAC 4.2-8).

Duplicate Return Requirement. Every taxpayer whose total combined assessed value of business personal property in a single taxing district that exceeds \$150,000 must file each return in duplicate including the confidential returns and schedules attached thereto. (IC 6-1.1-3-7 (c))

Failure to file a return on or before the due date as required by law will result in the imposition of a twenty-five dollar (\$25) penalty. In addition, if the return is not filed within thirty (30) days after such return is due, a penalty equal to twenty percent (20%) of the taxes finally determined to be due with respect to the property which should have been reported will be imposed. A personal property return is not due until the expiration of any extension period granted by the Township Assessor or County Assessor under IC 6-1.1-3-7 (b). If the total assessed value that a person reports on a personal property return is less than the total assessed value that the person is required by law to report and if the amount of the undervaluation exceeds five percent (5%) of the value that should have been reported on the return, then the County Auditor shall add a penalty of twenty percent (20%) of the additional taxes finally determined to be due as a result of the undervaluation.

In completing a personal property return for a year, a taxpayer must make a complete disclosure of all information relating to the value, nature, or location of personal property owned, held, possessed or controlled on the assessment date. (IC 6-1.1-3-9 (a)). This information would include, but not be limited to, completion of the heading and related information, answers to all questions on the face of the return, and entries on all of the appropriate lines of Schedule A. If such information is not provided, the taxpayer will be contacted and directed to provide that information. In addition, a penalty of \$25 shall be imposed. (IC 6-1.1-37-7(d))

\* NAICS - North American Industry Classification System - A complete list of codes may be found at [www.census.gov](http://www.census.gov). The Indiana Code (IC) and Indiana Administrative Code (IAC) may be found on-line at the DLGF website - [www.in.gov/dlgf](http://www.in.gov/dlgf). For further questions, contact the County Assessor (available on the DLGF website).

NOTE: The NAICS Code Number appears on your federal income tax return.

\*\* An individual using his Social Security Number as the Federal Identification Number is only required to provide the last four digits of that number. IC 4-1-10-3.

SUMMARY (Round all numbers to nearest ten dollars)	REPORTED BY TAXPAYER	CHANGE BY ASSESSOR	CHANGE BY THE COUNTY BOARD
Schedule A - Personal Property	+ \$	\$	\$
Deduction per Form 103 ERA or Form 103-CTP	- \$	\$	\$
Final Assessed Valuation	= \$	\$	\$

### SIGNATURE AND VERIFICATION

Under penalties of perjury, I hereby certify that this return (including accompanying schedules, deduction claims and statements), to the best of my knowledge and belief, is true, correct, and complete; reports all tangible personal property subject to taxation, owned, held, possessed or controlled by the named taxpayer, in the stated taxing district, on the assessment date, as required by law; and is prepared in accordance with IC 6-1.1 et seq., as amended, and regulations promulgated with respect thereto.

Signature of authorized person	Telephone number ( )	Date (month, day, year)
Name and title of authorized person (please type or print)	E-mail contact	
Signature of person preparing return, if different than authorized person	Name and contact information of preparer (please type or print)	

FORM 103 - LONG See 50 IAC 4.2-4		TANGIBLE PERSONAL PROPERTY CONFIDENTIAL			SCHEDULE A MARCH 1, 2014
Line	Report all personal property assessable to this taxpayer below. (Round all figures below to nearest dollar)				Federal Identification Number
1	Total cost of tangible depreciable personal property. (50 IAC 4.2-4-2)				\$
2	Adjustment to federal tax basis per Form 106. (50 IAC 4.2-4-4)				
3	Total cost and base year value of tangible depreciable personal property. (Line 1 plus 2)				\$
<b>Deduct Exempt Property (See 50 IAC 4.2-11)</b>				<b>COST</b>	
4	Stationary industrial air purification systems. (Attach Form 103-P)				\$
5	Industrial waste control facilities. (Attach Form 103-P)				
6	Enterprise information technology equipment. (Attach Form 103-IT)				
7	Vehicles / airplanes subject to excise tax.	Number of Units			\$
<b>Total cost of exempt property (Deduct from Line 3 and enter on Line 8)</b>					
8	<b>Subtotal</b>				\$
<b>Additions: See 50 IAC 4.2-1-1.1 and 50 IAC 4.2-4-3 (b) and 4</b>					
9	Cost of all depreciable personal property still in use but written off. (50 IAC 4.2-4-3(b))				\$
10	Cost of installation and foundations applicable to depreciable personal property. (50 IAC 4.2-4-2(d))				
11	Cost of interest incurred during construction and installation applicable to depreciable personal property. (50 IAC 4.2-4-3(j))				
12	<b>Total cost and base year value of assessable depreciable personal property. (add Lines 8, 9, 10 and 11. Line 12 must agree with Line 56 Column A)</b>				\$
<b>POOLING SUMMARY</b> (From Schedule A-1 or Form 103-P5)		<b>TOTAL COST</b> COLUMN A	<b>ADJUSTMENTS</b> COLUMN B	<b>ADJUSTED COST</b> COLUMN C	<b>TRUE TAX VALUE</b> COLUMN D
56	<b>Total All Pools</b>	\$	\$	\$	\$
57	30% of Adjusted Cost (Line 56, Column C) (enter zero (0) if filing 103-P5 and entity is a qualified steel mill or oil refinery per IC 6-1.1-3-23).				\$
58	Greater of Lines 56D or 57.				\$
<b>Adjustments to True Tax Value</b>					
59	Equipment not placed in service and/or critical spare parts (50 IAC 4.2-6-1 & 6) per Form 106.	Cost	\$	<b>X 10%</b>	\$
60	Tools, dies, jigs, fixtures, etc., per Form 103-T. (50 IAC 4.2-6-2)	Cost	\$		\$
61	Permanently retired equipment (50 IAC 4.2-4-3) and/or returnable containers (50 IAC 4.2-6-4) per Form 106.	Cost	\$		\$
62	Commercial aircraft and commercial bus line fleet, not subject to excise tax per Form 103-I. (50 IAC 4.2-10)	Cost	\$		\$
63	<b>Total additions to True Tax Value. (Lines 59, 60, 61 and 62)</b>				\$
64	<b>Total True Tax Value before adjustments for "Abnormal Obsolescence." (Line 58 plus Line 63)</b>				\$
65	Abnormal Obsolescence Adjustment per Form 106. (50 IAC 4.2-4-8)				\$
66	<b>Total True Tax Value of personal property. (To page 1, Form 103 Summary)</b>				\$

\*\* The total cost of special tools, dies, jigs, fixtures, etc., permanently retired equipment; commercial aircraft, and commercial bus line fleet, not subject to excise tax is to be deducted in full in Column B below. The true tax value of such property is to be computed on the proper Form(s) (103-T, 106 AND 103-I, respectively) and recorded on Line(s) 60, 61 and 62.

**ROUND ALL FIGURES BELOW TO THE NEAREST DOLLAR.**

YEAR OF ACQUISITION		COLUMN A	COLUMN B	COLUMN C		COLUMN D
POOL NUMBER 1: (1 TO 4 YEAR LIFE)		TOTAL COST OR BASE YEAR VALUE	ADJUSTMENTS ** (See Note Above)	ADJUSTED COST	T.T.V.%	TRUE TAX VALUE
13	From To 3-1-14*				65	
14	3-2-13 To 3-1-14				65	
15	3-2-12 To 3-1-13				50	
16	3-2-11 To 3-1-12				35	
17	Prior To 3-2-11	\$	\$	\$	20	\$
18	<b>TOTAL POOL NUMBER 1</b>					
<b>POOL NUMBER 2: (5 TO 8 YEAR LIFE)</b>						
19	From To 3-1-14*				40	
20	3-2-13 To 3-1-14				40	
21	3-2-12 To 3-1-13				56	
22	3-2-11 To 3-1-12				42	
23	3-2-10 To 3-1-11				32	
24	3-2-09 To 3-1-10				24	
25	3-2-08 To 3-1-09				18	
26	Prior To 3-2-08	\$	\$	\$	15	\$
27	<b>TOTAL POOL NUMBER 2</b>					
<b>POOL NUMBER 3: (9 TO 12 YEAR LIFE)</b>						
28	From To 3-1-14*				40	
29	3-2-13 To 3-1-14				40	
30	3-2-12 To 3-1-13				60	
31	3-2-11 To 3-1-12				55	
32	3-2-10 To 3-1-11				45	
33	3-2-09 To 3-1-10				37	
34	3-2-08 To 3-1-09				30	
35	3-2-07 To 3-1-08				25	
36	3-2-06 To 3-1-07				20	
37	3-2-05 To 3-1-06				16	
38	3-2-04 To 3-1-05				12	
39	Prior To 3-2-04	\$	\$	\$	10	\$
40	<b>TOTAL POOL NUMBER 3</b>					
<b>POOL NUMBER 4: (13 YEAR AND LONGER LIFE)</b>						
41	From To 3-1-14*				40	
42	3-2-13 To 3-1-14				40	
43	3-2-12 To 3-1-13				60	
44	3-2-11 To 3-1-12				63	
45	3-2-10 To 3-1-11				54	
46	3-2-09 To 3-1-10				46	
47	3-2-08 To 3-1-09				40	
48	3-2-07 To 3-1-08				34	
49	3-2-06 To 3-1-07				29	
50	3-2-05 To 3-1-06				25	
51	3-2-04 To 3-1-05				21	
52	3-2-03 To 3-1-04				15	
53	3-2-02 To 3-1-03				10	
54	Prior To 3-2-02	\$	\$	\$	5	\$
55	<b>TOTAL POOL NUMBER 4</b>					
56	<b>TOTAL ALL POOLS</b>					

Election to report cost of depreciable assets by federal tax year .....

Yes  No

Election available only when federal tax year ends December 31 or January 31. See 50 IAC 4.2-4-6 (c).

\* If taxpayer elects to report cost above on federal tax year basis, assets acquired from the prior federal tax year end to March 1 are to be reported on the first line of the appropriate pool.

NOTE: All Column B adjustments above must be supported on Form 106, Form 103-T, or Form 103-I.



**SCHEDULE OF DEDUCTION FROM ASSESSED VALUATION  
PERSONAL PROPERTY IN ECONOMIC REVITALIZATION AREA**

State Form 52503 (R10 / 11-13)

Prescribed by the Department of Local Government Finance

MARCH 1, 2014

FORM 103-ERA

PRIVACY NOTICE: The records in this series are confidential according to I. C. 6-1.1-35-9.

**INSTRUCTIONS:**

1. In order to receive a deduction, this schedule must be submitted with a timely filed Form 103-Long.
2. A separate schedule must be completed and attached to Form 103-Long for each approved Form SB-1/PP for that abatement.
3. Attach a copy of the applicable Form CF-1 to this schedule. First-time filings must also include the SB-1 and the Resolution from the designating body.
4. For any acquisitions included herein since the last assessment date, attach a list of the newly included equipment on Form 103-EL.

SECTION 1 TAXPAYER INFORMATION			
Name of taxpayer		Name of contact person	
Full address (number and street, city, state, and ZIP code)		E-mail address of contact person	Telephone number ( )
County	Township	Taxing District	Fax number ( )

SECTION 2 ECONOMIC REVITALIZATION AREA INFORMATION			
Name of body designating the Economic Revitalization Area		Resolution number	Length of abatement (years)
Date designation approved (month, day, year)	Date designation will terminate (month, day, year)	Does resolution limit dollar amount of deduction? <input type="checkbox"/> Yes, and limit is based on equipment <input type="checkbox"/> No <input type="checkbox"/> Cost or <input type="checkbox"/> Assessed value	

SECTION 3 ABATED EQUIPMENT POOLING SCHEDULE			
The total cost of depreciable assets is to be reported on Form 103-Long. This schedule includes only the values attributable to the new manufacturing, research and development, logistical distribution, and/or information technology equipment under abatement per the resolution and IC 6-1.1-12.1. Election to report cost of depreciable assets by federal tax year*** <input type="checkbox"/> Yes <input type="checkbox"/> No			
The Minimum Value Ratio applies if Line 57 is greater than Line 56D on page 2 of the Form 103-Long [IC 6-1.1-12.1-4.5(g)]	Box 1 - Enter amount shown on Line 57 of Form 103-Long	Box 2 - Enter amount shown on Line 56D of Form 103-Long	Box 3 - Divide Box 1 by Box 2 (carry ratio 5 decimal places)

POOL NUMBER 1 (1 TO 4 YEAR LIFE)									
13	From	to 3-1-14***	103 Schedule A, Column C, Adjusted Cost	TTV%	True Tax Value	Minimum Value Ratio (if applicable)	Abatement		Deduction Claimed
							Year	Percent	
14	3-2-13	to 3-1-14		65%			1	%	\$
15	3-2-12	to 3-1-13		50%			2		
16	3-2-11	to 3-1-12		35%			3		
17A	3-2-10	to 3-1-11		20%			4		
17B	3-2-09	to 3-1-10		20%			5		
17C	3-2-08	to 3-1-09		20%			6		
17D	3-2-07	to 3-1-08		20%			7		
17E	3-2-06	to 3-1-07		20%			8		
17F	3-2-05	to 3-1-06		20%			9		
17G	3-2-04	to 3-1-05		20%			10		
18	TOTAL POOL NUMBER 1		\$	--	\$	--	--	--	\$

POOL NUMBER 2 (5 TO 8 YEAR LIFE)									
19	From	to 3-1-14***	103 Schedule A, Column C, Adjusted Cost	TTV%	True Tax Value	Minimum Value Ratio (if applicable)	Abatement		Deduction Claimed
							Year	Percent	
20	3-2-13	to 3-1-14		40%			1	%	\$
21	3-2-12	to 3-1-13		56%			2		
22	3-2-11	to 3-1-12		42%			3		
23	3-2-10	to 3-1-11		32%			4		
24	3-2-09	to 3-1-10		24%			5		
25	3-2-08	to 3-1-09		18%			6		
26A	3-2-07	to 3-1-08		15%			7		
26B	3-2-06	to 3-1-07		15%			8		
26C	3-2-05	to 3-1-06		15%			9		
26D	3-2-04	to 3-1-05		15%			10		
27	TOTAL POOL NUMBER 2		\$	--	\$	--	--	--	\$

<b>SUB-TOTAL - POOLS 1 AND 2 (Total Lines 18 and 27. Enter to the right and on Page 2.)</b>	\$
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## SECTION 3 (continued)

ABATED EQUIPMENT POOLING SCHEDULE  
POOL NUMBER 3 (9 TO 12 YEAR LIFE)

28	From	to 3-1-14***	103 Schedule A, Column C, Adjusted Cost	TTV%	True Tax Value	Minimum Value Ratio (if applicable)	Abatement		Deduction Claimed
							Year	Percent	
29	3-2-13	to 3-1-14		40%	\$		1	%	\$
30	3-2-12	to 3-1-13		60%			2		
31	3-2-11	to 3-1-12		55%			3		
32	3-2-10	to 3-1-11		45%			4		
33	3-2-09	to 3-1-10		37%			5		
34	3-2-08	to 3-1-09		30%			6		
35	3-2-07	to 3-1-08		25%			7		
36	3-2-06	to 3-1-07		20%			8		
37	3-2-05	to 3-1-06		16%			9		
38	3-2-04	to 3-1-05		12%			10		
40	TOTAL POOL NUMBER 3		\$	--	\$	--	--	--	\$

## POOL NUMBER 4 (13 YEAR AND LONGER LIVES)

41	From	to 3-1-14***	103 Schedule A, Column C, Adjusted Cost	TTV%	True Tax Value	Minimum Value Ratio (if applicable)	Abatement		Deduction Claimed
							Year	Percent	
42	3-2-13	to 3-1-14		40%	\$		1	%	\$
43	3-2-12	to 3-1-13		60%			2		
44	3-2-11	to 3-1-12		63%			3		
45	3-2-10	to 3-1-11		54%			4		
46	3-2-09	to 3-1-10		46%			5		
47	3-2-08	to 3-1-09		40%			6		
48	3-2-07	to 3-1-08		34%			7		
49	3-2-06	to 3-1-07		29%			8		
50	3-2-05	to 3-1-06		25%			9		
51	3-2-04	to 3-1-05		21%			10		
55	TOTAL POOL NUMBER 4		\$	--	\$	--	--	--	\$

SUB-TOTAL - POOLS 3 AND 4 (Total Lines 40 and 55. Enter to the right and below.)

\$

## SPECIAL TOOLING

S1	From	to 3-1-14***	\$	True Tax Value (Included on Form 103-T)		Abatement	Deduction Claimed
				Year	Percent		
S2	3-2-13	to 3-1-14		30%		1	% \$
S3	3-2-12	to 3-1-13		30%		1	
S4	3-2-11	to 3-1-12		3%		2	
S5	3-2-10	to 3-1-11		3%		3	
S6	3-2-10	to 3-1-11		3%		4	
S7	3-2-09	to 3-1-10		3%		5	
S8	3-2-08	to 3-1-09		3%		6	
S9	3-2-07	to 3-1-08		3%		7	
S10	3-2-06	to 3-1-07		3%		8	
S11	3-2-05	to 3-1-06		3%		9	
S12	3-2-04	to 3-1-05		3%		10	
S12	TOTAL SPECIAL TOOLING		\$	--		--	\$

SUB-TOTAL POOLS 1 AND 2 (from Page 1)

SUB-TOTAL POOLS 3 AND 4 (from above)

SUB-TOTAL SPECIAL TOOLING (from above - Line S12)

TOTAL ALL POOLS AND SPECIAL TOOLING

LIMIT ON AMOUNT OF ABATEMENT STATED IN RESOLUTION

AMOUNT OF DEDUCTION CLAIMED - Lesser of resolution limit on abatement or total all pools.  
(Carry deduction forward to the Summary Section on Page 1 of the Form 103-Long.)Obsolescence claimed on Form 106?  Yes  No

NOTE: If obsolescence is claimed on depreciable assets, the applicable adjustment must be taken on the Abatement Deduction being claimed. Show calculations on Form 106.

Line numbers on this form match the line numbers on the Form 103-Long. Lines were added to Pools 1 &amp; 2 and deleted from Pools 3 &amp; 4 to reflect the ten (10) year abatement limitation.

\*\*\* If taxpayer elects to report cost on a federal tax year basis, assets acquired from the end of the prior federal tax year to March 1 are reported on the first line.





**STATEMENT OF BENEFITS  
PERSONAL PROPERTY**

State Form 51764 (R3 / 12-13)  
Prescribed by the Department of Local Government Finance

**FORM SB-1 / PP**

**PRIVACY NOTICE**

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

**INSTRUCTIONS**

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1 TAXPAYER INFORMATION												
Name of taxpayer					Name of contact person							
Address of taxpayer (number and street, city, state, and ZIP code)							Telephone number (     )					
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT												
Name of designating body							Resolution number (s)					
Location of property				County		DLGF taxing district number						
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.)					ESTIMATED							
										START DATE	COMPLETION DATE	
					Manufacturing Equipment							
					R & D Equipment							
					Logist Dist Equipment							
IT Equipment												
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT												
Current number		Salaries		Number retained		Salaries		Number additional		Salaries		
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT												
<b>NOTE:</b> Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.		MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT				
		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE			
Current values												
Plus estimated values of proposed project												
Less values of any property being replaced												
Net estimated values upon completion of project												
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER												
Estimated solid waste converted (pounds) _____					Estimated hazardous waste converted (pounds) _____							
Other benefits:												
SECTION 6 TAXPAYER CERTIFICATION												
I hereby certify that the representations in this statement are true.												
Signature of authorized representative							Date signed (month, day, year)					
Printed name of authorized representative					Title							

**FOR USE OF THE DESIGNATING BODY**

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed \_\_\_\_\_ calendar years \* (see below). The date this designation expires is \_\_\_\_\_.

B. The type of deduction that is allowed in the designated area is limited to:

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| 1. Installation of new manufacturing equipment;            | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment.  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Installation of new information technology equipment;   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.

D. The amount of deduction applicable to new research and development equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.

F. The amount of deduction applicable to new information technology equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.

G. Other limitations or conditions (specify) \_\_\_\_\_

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

- |                                 |                                 |                                 |                                 |                                  |               |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|---------------|
| <input type="checkbox"/> Year 1 | <input type="checkbox"/> Year 2 | <input type="checkbox"/> Year 3 | <input type="checkbox"/> Year 4 | <input type="checkbox"/> Year 5  | (see below *) |
| <input type="checkbox"/> Year 6 | <input type="checkbox"/> Year 7 | <input type="checkbox"/> Year 8 | <input type="checkbox"/> Year 9 | <input type="checkbox"/> Year 10 |               |

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?  Yes  No  
 If yes, attach a copy of the abatement schedule to this form.  
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body)	Telephone number (      )	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by: (signature and title of attester)	Printed name of attester	

\* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

**IC 6-1.1-12.1-17**

**Abatement schedules**

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.



**COMPLIANCE WITH STATEMENT OF BENEFITS  
PERSONAL PROPERTY**

State Form 51765 (R2 / 5-13)  
Prescribed by the Department of Local Government Finance

**FORM CF-1 / PP**

- INSTRUCTIONS:**
1. Property owners whose Statement of Benefits was approved must file this form with the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
  2. This form must be filed with the Form 103-ERA Schedule of Deduction from Assessed Value between March 1, and May 15, of each year, unless a filing extension under IC 6-1.1-3.7 has been granted. A person who obtains a filing extension must file between March 1, and the extended due date of each year.
  3. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance (CF-1).

SECTION 1 TAXPAYER INFORMATION	
Name of taxpayer	
Address of taxpayer (number and street, city, state, and ZIP code)	
Name of contact person	Telephone number ( )

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body	Resolution number
Location of property	County
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.	
DLGF taxing district number	
Estimated starting date (month, day, year)	
Estimated completion date (month, day, year)	

SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	Salaries		
Number of employees retained	Salaries		
Number of additional employees	Salaries		

SECTION 4 COST AND VALUES								
AS ESTIMATED ON SB-1	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project								
Less: Values of any property being replaced								
Net values upon completion of project								
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project								
Less: Values of any property being replaced								
Net values upon completion of project								

**NOTE:** The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6 (d).

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER		
WASTE CONVERTED AND OTHER BENEFITS		AS ESTIMATED ON SB-1
Amount of solid waste converted		
Amount of hazardous waste converted		
Other benefits:		

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative	Title	Date signed (month, day, year)

OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)  
 THAT WAS APPROVED AFTER JUNE 30, 1991.

INSTRUCTIONS: (IC 6-1.1-12.1-5.9)

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits.
3. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. If a notice is mailed to a property owner, a copy of the written notice will be sent to the Township Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the Township Assessor.

We have reviewed the CF-1 and find that:			
<input type="checkbox"/> the property owner <b>IS</b> in substantial compliance			
<input type="checkbox"/> the property owner <b>IS NOT</b> in substantial compliance			
<input type="checkbox"/> other (specify) _____			
Reasons for the determination (attach additional sheets if necessary)			
Signature of authorized member			Date signed (month, day, year)
Attested by:		Designating body	
If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance.			
Time of hearing	<input type="checkbox"/> AM <input type="checkbox"/> PM	Date of hearing (month, day, year)	Location of hearing
<b>HEARING RESULTS (to be completed after the hearing)</b>			
<input type="checkbox"/> Approved		<input type="checkbox"/> Denied (see instruction 5 above)	
Reasons for the determination (attach additional sheets if necessary)			
Signature of authorized member			Date signed (month, day, year)
Attested by:		Designating body	
<b>APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]</b>			
A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.			

**Abatement Deduction Schedule**

**Statement of Benefits (SB-1) approved after 06/30/2000**

**(Machinery or research and development equipment)**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
One (1) Year	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Two (2) Years	100%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Three (3) Years	100%	66%	33%	0%	0%	0%	0%	0%	0%	0%	0%
Four (4) Years	100%	75%	50%	25%	0%	0%	0%	0%	0%	0%	0%
Five (5) Years	100%	80%	60%	40%	20%	0%	0%	0%	0%	0%	0%
Six (6) Years	100%	85%	66%	50%	34%	25%	0%	0%	0%	0%	0%
Seven (7) Years	100%	85%	71%	57%	43%	29%	14%	0%	0%	0%	0%
Eight (8) Years	100%	88%	75%	63%	50%	38%	25%	13%	0%	0%	0%
Nine (9) Years	100%	88%	77%	66%	55%	44%	33%	22%	11%	0%	0%
Ten (10) Years	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%

**ERA Designated and SB-1 approved on or after 05/01/1991 and before 07/01/2000**

**(Machinery and equipment only)**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Five (5) Years	100%	95%	80%	65%	50%	0%	0%	0%	0%	0%	0%
Ten (10) Years	100%	95%	90%	85%	80%	70%	55%	40%	30%	25%	0%

**ERA Designated prior to 07/01/2000 and SB-1 filed on or after 07/01/2000**

**(Machinery and equipment only)**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Five (5) Years	100%	80%	60%	40%	20%	0%	0%	0%	0%	0%	0%
Ten (10) Years	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%

**ERA designated prior to 05/01/1991 and SB-1 filed before 05/01/1991**

**(Machinery and equipment only)**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Five (5) Years	100%	95%	80%	65%	50%	0%	0%	0%	0%	0%	0%