

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) 974-1629

TO: County and Township Assessors

FROM: Courtney L. Schaafsma, Commissioner *CLS*

RE: Legislative Changes Affecting the Exemption for Business Personal Property with an Acquisition Cost of Less than \$20,000

DATE: March 24, 2016

On March 24, 2016, Governor Pence signed into law House Enrolled Act 1169-2016 (“HEA 1169”), which introduces legislative changes concerning the exemption for business personal property with an acquisition cost of less than \$20,000. This memorandum addresses these changes, which are effective upon passage of the bill and thus affect personal property assessment for 2016. Please note that this memorandum is intended to be an informative bulletin; it is not a substitute for reading the law.

Whereas the law previously required a taxpayer declaring this exemption to file a notarized certification with the county assessor, HEA 1169 provides that the taxpayer would declare the exemption by using a personal property form (specifically, Form 103-Short, Form 103-Long, or Form 102, as applicable). In other words, a taxpayer will no longer file a notarized certification to declare the exemption, but will instead use a personal property form to do so.

However, for purposes of the January 1, 2016 assessment date only, a taxpayer who has used or who will use a notarized certification to declare the exemption does NOT violate the law. In other words, taxpayers who have already filed a notarized certification do NOT need to file a personal property return to declare the exemption. Moreover, a taxpayer who files a notarized certification for 2016 despite this change in law does NOT need to file a personal property return to declare the exemption. Put differently, the notarized certification is grandfathered in for 2016 only. Either the notarized certification or the personal property form is acceptable for 2016.

The Department of Local Government Finance (“Department”) has updated Forms 103-Short, 103-Long, 102, and 104 to include a check box and corresponding instructions. The Department emphasizes that an eligible taxpayer does NOT need to complete the entire personal property return. In addition, a taxpayer declaring the exemption on a Form 103 or Form 102 does NOT need to attach a Form 104 or any other form or schedule. The Department reiterates that it has provided instructions in the forms directing eligible taxpayers to complete only certain sections of the forms.

Nothing else about the exemption, late fee, or optional service fee has changed. In sum, the deadline to file the notarized certification or personal property return remains May 16 for 2016 (because May 15 falls on a Sunday, the deadline moves to the next business day). A notarized certification or personal property return used to declare the exemption that is filed late triggers a \$25 late fee. A county council may still adopt an ordinance to impose a service on those declaring the exemption at an amount **up to** \$50 per taxpayer.

For more information about the exemption, please visit [http://in.gov/dlgf/files/160324 - FAQ -
_Personal_Property_Exemption.pdf](http://in.gov/dlgf/files/160324_-_FAQ_-_Personal_Property_Exemption.pdf). The Department will be updating the document at this link to reflect these legislative changes.

Contact Information

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