

ARTICLE 10. ECONOMIC REVITALIZATION AREA DEDUCTION; MARITIME OPPORTUNITY DISTRICT DEDUCTION

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Rule 1. Definitions

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50 IAC 10-1-1 Applicability

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)
Affected: [IC 6-1.1-12.1-1](#); [IC 6-1.1-45](#)

Sec. 1. (a) The definitions in this rule apply throughout this article.

(b) Unless otherwise indicated, the definitions contained in 50 IAC 4.2 also apply to this article. However, if a definition in 50 IAC 4.2 conflicts with a definition contained in this article, the definition under this article controls.

(c) The definitions contained in [IC 6-1.1-12.1-1](#) and [IC 6-1.1-45](#) apply throughout this article. (*Department of Local Government Finance*; 50 IAC 10-1-1; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1294; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#))

50 IAC 10-1-1.5 "Department" defined

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)
Affected: [IC 6-1.1-12.1](#)

Sec. 1.5. "Department" means the department of local government finance. (*Department of Local Government Finance*; 50 IAC 10-1-1.5; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#))

50 IAC 10-1-2 "Installed" defined

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)
Affected: [IC 6-1.1-12.1-1](#)

Sec. 2. (a) "Installed" means that personal property:

- (1) has been completely assembled;
- (2) is completely functional for the purpose for which it was acquired; and
- (3) is placed in service.

(b) When different pieces of personal property are linked together as part of an integrated production process, personal property will not be considered installed until the integrated production process is completely functional and has been placed in service.

(c) Personal property that is subjected to a preliminary test period or testing process shall not be considered installed until the conclusion of the test period or testing process. However, a test period or testing process may not be longer than is reasonably necessary to complete the needed testing, and therefore personal property that has been placed in service and is in operation for a substantial period of time shall not be considered to be within a test period or testing process.

(d) For purposes of substantiating the date of completion of the installation of property, the owner may use production records or other records that reflect when the property was completely assembled, completely functional for the purpose for which it was acquired, fully operational, and placed in service. (*Department of Local Government Finance; 50 IAC 10-1-2; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1294; errata filed Feb 9, 1996, 11:05 a.m.: 19 IR 1372; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-1-2.5 "New eligible equipment" defined

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1-1](#)

Sec. 2.5. "New eligible equipment" means any of the following:

(1) New information technology equipment as defined in [IC 6-1.1-12.1-1](#).

(2) New logistical distribution equipment as defined in [IC 6-1.1-12.1-1](#).

(3) New manufacturing equipment as defined in [IC 6-1.1-12.1-1](#) and section 3 of this rule.

(4) New research and development equipment as defined in [IC 6-1.1-12.1-1](#).

(*Department of Local Government Finance; 50 IAC 10-1-2.5; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-1-3 "New manufacturing equipment" defined

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1-1](#)

Sec. 3. (a) "New manufacturing equipment" has the meaning set forth in [IC 6-1.1-12.1-1\(3\)](#). In order to be new manufacturing equipment, personal property must be qualifying machinery and equipment as defined in section 6 of this rule.

(b) New manufacturing equipment includes new equipment and used equipment brought into Indiana from outside of Indiana.

(c) Special tools, as defined in 50 IAC 4.2-1-1.1(p), qualifies as new manufacturing equipment if it satisfies the requirements of qualifying machinery and equipment under section 6 of this rule.

(d) The capitalized amount of expenditures for the major rebuilding or reworking of existing production equipment qualify as new manufacturing equipment, if those expenditures are capitalized for federal income tax purposes and substantially increase the productivity or capacity of existing manufacturing equipment, substantially prolong the useful life of the existing manufacturing equipment, or adapt the manufacturing equipment to a substantially different use. The expenditures first become eligible as new manufacturing equipment when those expenditures are capitalized. (*Department of Local Government Finance; 50 IAC 10-1-3; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1294; errata filed Feb 9, 1996, 11:05 a.m.: 19 IR 1372; filed Dec 21, 2000, 2:11 p.m.: 24 IR 1303; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-1-4 "Other tangible personal property" or "tangible personal property" defined

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-1-11](#); [IC 6-1.1-12.1](#)

Sec. 4. (a) "Other tangible personal property" or "tangible personal property" means goods or items of personal property that are the end product of the production process. A processed end product must be substantially different from the component materials used.

(b) Tangible personal property includes energy, if that energy results from the conversion of a solid waste or the conversion of a hazardous waste. (*Department of Local Government Finance; 50 IAC 10-1-4; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1295; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-1-5 "Personal property" defined

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-1-11](#); [IC 6-1.1-12.1](#)

Sec. 5. "Personal property" has the meaning set forth in [IC 6-1.1-1-11](#). This term does not include inventory as defined in 50 IAC 4.2-5-1. (*Department of Local Government Finance; 50 IAC 10-1-5; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1295; filed Nov 2, 2020, 9:34 a.m.: 20201202-IR-050190636FRA*)

50 IAC 10-1-6 "Qualifying machinery and equipment" defined

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1](#)

Sec. 6. (a) "Qualifying machinery and equipment" means tangible property used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property as follows:

(1) As used in this subsection, "production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing" is a comprehensive description of the various means of production and circumscribes all of the operations or processes by which a finished product is derived.

(2) As used in this subsection, "direct", within the phrase "used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property", means an essential or integral part of the operation or process that leads to the creation of other tangible personal property.

(3) The conversion of a solid waste or a hazardous waste into energy or other useful products constitutes use in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property.

(b) Personal property will be qualifying machinery and equipment when it is used within the process that chronologically begins with the material handling equipment that carries or moves the raw material from its on-site storage location to the first machine or production step and ends with the material handling equipment that carries or moves the finished product from its final machine or production step to the in-plant finished good storage site.

(c) Examples of personal property that may be considered qualifying machinery and equipment include, but are not limited to, the following:

(1) Computer equipment, if used directly to control equipment directly used in the manufacturing process.

(2) Laboratory equipment, if used directly to test the tangible personal property being produced.

(3) Testing and inspection equipment, including quality control equipment, used to ensure the specifications or quality of the tangible personal property being produced. However, the equipment must be used:

(A) as part of the production process; and

(B) to test or inspect the tangible personal property being produced.

(4) Shelves, racks, or other temporary storage facilities or containers used to transport or convey work-in-progress from one

(1) step in the production process to another step in the production process, or for the temporary storage of work-in-progress between one (1) step in the production process to another step in the production process.

(d) Examples of personal property that will not be considered qualifying machinery and equipment include, but are not limited to, the following:

(1) Computer equipment, if used for such functions as administration, payroll, bookkeeping, drafting, production scheduling, or inventory control.

(2) Furniture and fixtures, such as office furniture, telephones and telephone equipment, break room fixtures, and employee lockers.

(3) Maintenance equipment used to repair production equipment.

(4) Licensed transportation vehicles.

(5) Warehouse racks, shelving, or other equipment used to store either raw materials or finished goods.

(6) Equipment used in research and development, including computer equipment used in research and development.

(e) If computer equipment, or other personal property, is both used in direct production and is also used for purposes other than direct production, an allocation shall be made between its use in direct production and its use for purposes other than direct

production. (*Department of Local Government Finance; 50 IAC 10-1-6; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1295; errata filed Feb 9, 1996, 11:05 a.m.: 19 IR 1372; filed Dec 21, 2000, 2:11 p.m.: 24 IR 1303; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-1-6.5 "Qualifying research and development equipment" defined

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1-1](#); [IC 6-1.1-35-9](#)

Sec. 6.5. "Qualifying research and development equipment" means new research and development equipment as defined under [IC 6-1.1-12.1-1](#)(12), and properly documented as required by this section. Each item, or group of like items, must be individually identified and itemized as one (1) of the following:

- (1) Laboratory equipment.
- (2) Research and development equipment.
- (3) Computer and computer software.
- (4) Telecommunications equipment.
- (5) Testing equipment.

Each item or group of like items must be identified as being devoted to a specified research and development activity. As used in this subsection, "research and development activity" means an activity that can be demonstrated, under commonly recognized industry practices, as being related to the research and development, testing, or improvement of a new or existing product. The documentation required by this subsection may be supported by academic industry literature, internal company documents, or data (including confidential information submitted under [IC 6-1.1-35-9](#)), or any Indiana or United States statute, rule, or regulation that relates to research and development or the taxation of research and development equipment or activities. (*Department of Local Government Finance; 50 IAC 10-1-6.5; filed Dec 21, 2000, 2:11 p.m.: 24 IR 1304; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-1-7 "Retail facility" defined (*Repealed*)

Sec. 7. (*Repealed by Department of Local Government Finance; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-1-8 "State board" defined (*Repealed*)

Sec. 8. (*Repealed by Department of Local Government Finance; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-1-9 "Statement of benefits" defined

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1-4.5](#)

Sec. 9. (a) "Statement of benefits" means the document or form on which the property owner submits information to the designating body. The statement of benefits form is prescribed by the department. The department has prescribed SB-1 forms for taxpayers to use as the statement of benefits form. These forms are as follows:

- (1) Form SB-1/PP, Statement of Benefits – Personal Property (State Form 51764).
- (2) Form SB-1/Real Property, Statement of Benefits – Real Estate Improvements (State Form 51767).
- (3) Form SB-1/UD, Statement of Benefits – Utility Distributable Property (State Form 52446).
- (4) Form SB-1/VBD, Statement of Benefits – Vacant Building Deduction (State Form 55182).

(b) The statement of benefits may be incorporated into the designation application with approval of the department.

(c) The statement of benefits must contain information concerning the proposed redevelopment or rehabilitation of real property, the occupancy of an eligible vacant building, or the installation of new eligible equipment, including the following:

- (1) A description of the proposed project related to the redevelopment or rehabilitation of real property, the occupancy of an eligible vacant building, or the installation of new eligible equipment.

- (2) The location of the property within the proposed project.
- (3) An estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the project.
- (4) An estimate of the salaries of the individuals who will be employed or whose employment will be retained by the person as a result of the project.
- (5) An estimate of the cost and assessed value of the project.
- (6) With respect to new eligible equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new eligible equipment.
- (7) If required by the designating body, information concerning other benefits to be provided by the property owner as a result of the project.

(d) For statements of benefits approved after June 30, 2013, the designating body shall establish an abatement schedule for each deduction allowed under [IC 6-1.1-12.1](#). (*Department of Local Government Finance; 50 IAC 10-1-9; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1296; filed Dec 21, 2000, 2:11 p.m.: 24 IR 1304; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

Rule 2. Designation Procedures

50 IAC 10-2-1	Purpose
50 IAC 10-2-2	Preliminary designation
50 IAC 10-2-3	Limitations permitted upon designation
50 IAC 10-2-4	Final action; confirming resolution
50 IAC 10-2-5	Waiver of statement of benefits
50 IAC 10-2-6	Deductions in existing economic revitalization area

50 IAC 10-2-1 Purpose

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1](#)

Sec. 1. The purpose of this rule is to provide a general description of the procedures associated with the designation of an economic revitalization area. Designating bodies may tailor practices or procedures to fit their specific circumstances so long as the statutory procedures are observed. (*Department of Local Government Finance; 50 IAC 10-2-1; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1296; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-2-2 Preliminary designation

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1](#)

Sec. 2. (a) The designating body may designate a particular area to be an economic revitalization area on its own motion or upon application by a property owner.

(b) If the designating body designates a particular area to be an economic revitalization area on its own motion, no statement of benefits is required. For example, the designating body may declare an industrial park or former industrial site to be an economic revitalization area in order to spur economic development at that location. This subsection shall not be interpreted to exempt an applicant from filing a statement of benefits before the initiation of the redevelopment or rehabilitation of real property, the occupancy of an eligible vacant building, or the installation of new eligible equipment for which the applicant desires to claim the deduction.

(c) Where a property owner has applied for designation of an area, the property owner must provide a statement of benefits. The information contained in the statement of benefits will be evaluated by the designating body in making its decision whether to designate the area an economic revitalization area.

(d) The designating body shall determine whether an area should be designated an economic revitalization area and whether a deduction should be allowed. In doing so, the designating body shall make findings addressing the issues specified in [IC 6-1.1-12.1-4.8](#) as to an eligible vacant building or in [IC 6-1.1-12.1-3](#) as to property defined in [IC 6-1.1-12.1-1\(4\)](#) or [IC 6-1.1-12.1-4.5\(a\)](#) as to new eligible equipment. A designating body may not designate an area an economic revitalization area or approve a deduction unless

the findings required by statute are made in the affirmative.

(e) If the designating body finds the area should be an economic revitalization area, it shall either:

(1) prepare maps and plats that identify the area; or

(2) prepare a simplified description of the boundaries of the area by describing its location in relation to public ways, streams, or otherwise.

(f) If the designating body makes the findings required in subsection (d) and prepares the information required in subsection (e), the designating body shall pass a preliminary resolution declaring the area to be an economic revitalization area. The resolution must contain a description of the affected area and be filed with the county assessor. (*Department of Local Government Finance; 50 IAC 10-2-2; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1296; filed Dec 21, 2000, 2:11 p.m.: 24 IR 1304; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-2-3 Limitations permitted upon designation

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1-2](#); [IC 6-1.1-12.1-4.5](#)

Sec. 3. (a) In declaring an area to be an economic revitalization area, the designating body may place certain limitations or conditions on the economic revitalization area as outlined in [IC 6-1.1-12.1-2](#), including:

(1) a limitation on the length of time that the area shall be designated as an economic revitalization area;

(2) a limitation on the dollar amount of the allowable deduction; or

(3) a determination of what happens when a limitation or condition is not met.

The designating body must specify the limitation or condition in the preliminary resolution.

(b) However, the limitations or conditions imposed by the designating body may not be applied to the economic revitalization area retroactively.

(c) The preliminary resolution must contain the number of years the area is designated as an economic revitalization area and the percentage amount of the deduction for each year of the deduction. (*Department of Local Government Finance; 50 IAC 10-2-3; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1297; filed Dec 21, 2000, 2:11 p.m.: 24 IR 1305; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-2-4 Final action; confirming resolution

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 5-3-1](#); [IC 6-1.1-12.1-2.5](#)

Sec. 4. (a) After approval of a preliminary resolution, the designating body shall publish notice of the adoption and substance of the resolution as required under [IC 5-3-1](#). The notice must state that a description of the affected area is available and may be inspected in the county assessor's office. The notice must also specify the date on which the designating body will receive and hear all objections to the preliminary resolution.

(b) After considering the evidence, the designating body shall take final action by:

(1) determining whether the qualifications for an economic revitalization area have been met; and

(2) confirming, modifying and confirming, or rescinding the preliminary resolution.

This determination is final and may be appealed in the manner provided in [IC 6-1.1-12.1-2.5](#). (*Department of Local Government Finance; 50 IAC 10-2-4; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1297; errata filed Feb 9, 1996, 11:05 a.m.: 19 IR 1372; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-2-5 Waiver of statement of benefits

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1](#)

Sec. 5. In lieu of providing the statement of benefits and in lieu of providing information showing compliance with the statement of benefits, the designating body may adopt a resolution waiving the statement of benefits. To waive the statement of benefits, the designating body must find that the purposes of the economic revitalization area deduction will be served by allowing

the deduction and that the property owner has, during the thirty-six (36) months preceding the first assessment date to which the waiver would apply, occupied an eligible vacant building, installed new eligible equipment or developed or rehabilitated property at a cost of at least ten million dollars (\$10,000,000) as determined by the department. (*Department of Local Government Finance; 50 IAC 10-2-5; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1297; errata filed Feb 9, 1996, 11:05 a.m.: 19 IR 1372; filed Dec 21, 2000, 2:11 p.m.: 24 IR 1305; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-2-6 Deductions in existing economic revitalization area

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1](#)

Sec. 6. (a) When an economic revitalization area has previously been designated and such designation has not expired, a taxpayer must submit a statement of benefits to the local designating body prior to the initiation of the redevelopment or rehabilitation, the occupancy of an eligible vacant building, or the installation of new eligible equipment for which the person desires to claim a deduction.

(b) The designating body shall review the statement of benefits submitted under subsection (a) and shall determine under [IC 6-1.1-12.1-4.8](#) as to an eligible vacant building or under [IC 6-1.1-12.1-3](#)(b) as to property defined in [IC 6-1.1-12.1-1](#)(4) or [IC 6-1.1-12.1-4.5](#)(c) as to new eligible equipment whether the totality of the benefits justify the deduction. A designating body may not approve of the deduction unless it finds that the totality of the benefits justifies the deduction. (*Department of Local Government Finance; 50 IAC 10-2-6; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1297; filed Dec 21, 2000, 2:11 p.m.: 24 IR 1306; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

Rule 3. Filing Procedures

[50 IAC 10-3-1](#)

Filing procedures for the deduction for real property

[50 IAC 10-3-2](#)

Filing procedures for the deduction for new eligible equipment

[50 IAC 10-3-3](#)

Leased property

[50 IAC 10-3-4](#)

Compliance with statement of benefits

50 IAC 10-3-1 Filing procedures for the deduction for real property

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1](#)

Sec. 1. (a) A property owner who desires to obtain the economic revitalization area deduction for the rehabilitation or redevelopment of real property or the occupancy of an eligible vacant building must file a certified deduction application, on forms prescribed by the department, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (c) or (g), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) The department has prescribed Form 322/RE, Application for Deduction from Assessed Valuation of Structures in Economic Revitalization Areas (State Form 18379), as the form on which the economic revitalization area deduction for the rehabilitation or redevelopment of real property shall be claimed.

(c) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner on or before April 10 of that year, Form 322/RE (State Form 18379) may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the county or township assessor.

(d) The department has prescribed Form 322/VBD, Application for Deduction from Assessed Valuation – Real Property Vacant Building Deduction (State Form 53179), as the form on which the economic revitalization area deduction for the rehabilitation, redevelopment, or occupancy of a vacant building that has been unoccupied for at least one (1) year and zoned for commercial or industrial purposes shall be claimed.

(e) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, Form 322/VBD (State Form 53179) may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the county or township assessor.

(f) A deduction application filed under subsection (a), (c), or (e) is applicable for the year in which the occupancy of a vacant

building occurs or the addition to assessed value or assessment of a new structure or new improvement is made.

(g) A property owner who desires to obtain the economic revitalization area deduction for the rehabilitation or redevelopment of real property, the occupancy of an eligible vacant building, or the installation of new eligible equipment but who has failed to file a deduction application within the dates prescribed in subsection (a), (c), or (e) may file a deduction application between January 1 and May 10 of a subsequent year. The deduction application shall apply to the year in which it is filed and to subsequent years without the filing of any additional deduction application. (*Department of Local Government Finance; 50 IAC 10-3-1; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1298; filed Dec 21, 2000, 2:11 p.m.: 24 IR 1306; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-3-2 Filing procedures for the deduction for new eligible equipment

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-3-7](#); [IC 6-1.1-12.1](#)

Sec. 2. (a) A person who desires to obtain the economic revitalization area deduction for new eligible equipment must file a certified deduction application on forms prescribed by the department, in duplicate, with the auditor of the county in which the new eligible equipment is located. A person who timely files a personal property return under [IC 6-1.1-3-7\(a\)](#) for the year in which the new eligible equipment is installed must file the application between January 1 and May 15 of that year. A person who obtains a filing extension under [IC 6-1.1-3-7\(b\)](#) for the year in which the new eligible equipment is installed must file the application as an attachment to the person's personal property return not later than the extended due date.

(b) The department has prescribed Form 103-ERA, Schedule of Deduction from Assessed Valuation Personal Property in Economic Revitalization Area (State Form 52503), as the form on which the economic revitalization area deduction for the installation of new eligible equipment.

(c) A deduction application for new eligible equipment must be filed under this section in the year in which the new eligible equipment is installed. (*Department of Local Government Finance; 50 IAC 10-3-2; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1298; filed Dec 21, 2000, 2:11 p.m.: 24 IR 1306; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-3-3 Leased property

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1](#)

Sec. 3. (a) The claim for deduction for new eligible equipment subject to a capital lease, as defined in 50 IAC 4.2-8-2(b), shall be made by the lessee.

(b) The claim for deduction for new eligible equipment subject to an operating lease, as defined in 50 IAC 4.2-8-2(c), shall be made by the lessor. (*Department of Local Government Finance; 50 IAC 10-3-3; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1298; filed Dec 21, 2000, 2:11 p.m.: 24 IR 1307; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-3-4 Compliance with statement of benefits

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 5-14-3-3](#); [IC 6-1.1-12.1](#)

Sec. 4. (a) The department has prescribed the following CF-1 forms for taxpayers to submit information to show compliance with the statement of benefits:

(1) Form CF-1/PP, Compliance with Statement of Benefits – Personal Property (State Form 51765).

(2) Form CF-1/Real Property, Compliance with Statement of Benefits – Real Estate Improvements (State Form 51766).

(3) Form CF-1/UD, Compliance with Statement of Benefits – Utility Distributable Property (State Form 52448).

(4) Form CF-1/VBD, Compliance with Statement of Benefits – Vacant Building Deduction (State Form 55183).

(b) For the deduction for real property, the Form CF-1/Real Property or Form CF-1/VBD must be filed with the deduction application (Form 322/RE or Form 322/VBD), and it must be provided to the county auditor and the designating body before May 15. If a taxpayer has received a filing extension from the township or county assessor, Form CF-1/PP or Form CF-1/VBD must be filed no later than the extended due date.

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(c) For the deduction for new eligible equipment, the Form CF-1/PP must be filed with the deduction application (Form 103-ERA), and it must be provided to the county auditor and the designating body between January 1 and May 15 of each year in which the deduction is applicable. If a taxpayer has received a filing extension from the township or county assessor, the Form CF-1/PP must be filed no later than the extended due date.

(d) For the deduction for utility distributable property, the Form CF-1/UD must be filed with the deduction application (Form UD-ERA), and it must be provided to the county auditor and the designating body between January 1 and May 15 of each year in which the deduction is applicable. If a taxpayer has received a filing extension from the township or county assessor, the Form CF-1/UD must be filed no later than the extended due date.

(e) With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance form (Form CF-1).

(f) Except for information concerning the salaries paid to individual employees and the cost of new eligible equipment, the information contained on the applicable Form CF-1 is public information, and a Form CF-1 may be inspected and copied under [IC 5-14-3-3](#).

(g) The designating body shall approve or deny a statement of benefits within forty-five (45) days after its submission for review. If the designating body does not issue a determination within forty-five (45) days after submission, the statement of benefits is considered to be in compliance.

(h) In the event of noncompliance with the requirements set forth in [IC 6-1.1-12.1-11.3](#)(a) for a taxpayer to receive the deduction, a designating body may by resolution waive noncompliance described under [IC 6-1.1-12.1-11.3](#)(a) under the terms and conditions specified in the resolution. Before adopting a waiver, the designating body shall conduct a public hearing on the waiver. (*Department of Local Government Finance; 50 IAC 10-3-4; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1299; filed Dec 21, 2000, 2:11 p.m.: 24 IR 1307; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

Rule 4. Miscellaneous Provisions

[50 IAC 10-4-1](#)

Correcting procedural problems (Repealed)

[50 IAC 10-4-2](#)

Late-filed applications; factors to be considered for noncompliance

50 IAC 10-4-1 Correcting procedural problems (*Repealed*)

Sec. 1. (*Repealed by Department of Local Government Finance; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

50 IAC 10-4-2 Late-filed applications; factors to be considered for noncompliance

Authority: [IC 6-1.1-12.1-13](#); [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-12.1-11.3](#)

Sec. 2. The factors to be considered for noncompliance are outlined under [IC 6-1.1-12.1-11.3](#). (*Department of Local Government Finance; 50 IAC 10-4-2; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1299; errata filed Feb 9, 1996, 11:05 a.m.: 19 IR 1372; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

Rule 5. Maritime Opportunity District Deduction

[50 IAC 10-5-1](#)

Maritime opportunity district deduction

50 IAC 10-5-1 Maritime opportunity district deduction

Authority: [IC 6-1.1-31-1](#)

Affected: [IC 6-1.1-40](#)

Sec. 1. (a) Applications for the maritime opportunity district deduction shall be filed in the same manner as applications for the economic revitalization area deduction as prescribed in 50 IAC 10-3. Applications for maritime opportunity district deductions shall also comply with the requirements of [IC 6-1.1-40](#), and, to the extent there is any conflict between the provisions of 50 IAC 10-3 and [IC 6-1.1-40](#), the provisions of [IC 6-1.1-40](#) shall govern.

(b) The department has prescribed Form MOD-1, Application for Deduction from Assessed Valuation--Maritime Opportunity District (State Form 42963), as the form on which the maritime opportunity district deduction shall be claimed.

(c) In order to receive the maritime opportunity district deduction, eligible new manufacturing equipment (as defined by [IC 6-1.1-40-4](#)) must have been installed on or before June 30, 2018. (*Department of Local Government Finance; 50 IAC 10-5-1; filed Feb 8, 1996, 5:30 p.m.: 19 IR 1300; errata, 19 IR 1567; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

Rule 6. Enterprise Zone Investment Deduction

[50 IAC 10-6-1](#)

Enterprise zone investment deduction filing requirements; extension of time to file; late filings

50 IAC 10-6-1 Enterprise zone investment deduction filing requirements; extension of time to file; late filings

Authority: [IC 6-1.1-31-1](#)

Affected: [IC 5-28-15-13](#); [IC 6-1.1-45](#)

Sec. 1. (a) A taxpayer that desires to claim the deduction for a particular year shall file the Form EZ-2 with the county auditor before May 15 of the assessment year to obtain the deduction. A copy of the taxpayer's business personal property tax return for the same assessment date must be attached to the Form EZ-2.

(b) The county auditor may grant a taxpayer an extension of not more than thirty (30) days to file the Form EZ-2 if the taxpayer submits a written application before May 15 and provides a sufficient reason for the request.

(c) If a taxpayer fails to file a timely or complete deduction application, the deduction shall not be granted for the subject year unless an urban enterprise association created under [IC 5-28-15-13](#) conducts a public hearing and adopts a resolution to waive the failure to timely file or complete the deduction application. (*Department of Local Government Finance; 50 IAC 10-6-1; filed Nov 2, 2020, 9:34 a.m.: [20201202-IR-050190636FRA](#)*)

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