

SENATE BILL No. 510

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-37-7.

Synopsis: Penalty for incomplete personal property returns. Imposes a penalty on a personal property taxpayer that fails to include on a return the information necessary for the township assessor to assign the appropriate assessed value to the return. The penalty is the lesser of 10% of the taxes on the assessed value determined by the township assessor or \$1,000.

Effective: July 1, 2005.

Young R Michael

January 18, 2005, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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SENATE BILL No. 510



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-37-7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) If a person fails
3 to file a required personal property return on or before the due date, the
4 county auditor shall add a penalty of twenty-five dollars (\$25) to the
5 person's next property tax installment. The county auditor shall also
6 add an additional penalty to the taxes payable by the person if ~~he~~ **the**
7 **person** fails to file the personal property return within thirty (30) days
8 after the due date. The amount of the additional penalty is twenty
9 percent (20%) of the taxes finally determined to be due with respect to
10 the personal property which should have been reported on the return.
11 (b) For purposes of this section, a personal property return is not due
12 until the expiration of any extension period granted by the township
13 assessor under IC 6-1.1-3-7(b).
14 (c) The penalties prescribed under this section do not apply to an
15 individual or ~~his~~ **the individual's** dependents if ~~he~~ **the individual:**
16 (1) is in the military or naval forces of the United States on the
17 assessment date; and



1 (2) is covered by the federal Soldiers' and Sailors' Civil Relief
 2 Act.
 3 (d) **Subject to subsection (h), if:**
 4 (1) a person ~~subject to IC 6-1.1-3-7(d)~~ fails to include on a
 5 personal property return the information, if any, that the
 6 department of local government finance requires under
 7 IC 6-1.1-3-9; ~~or IC 6-1.1-5-13~~; and
 8 (2) **the township assessor:**
 9 (A) **is unable as a result of the person's failure under**
 10 **subdivision (1) to:**
 11 (i) **identify which property reported on the return is**
 12 **subject to assessment; or**
 13 (ii) **otherwise determine the amount of personal property**
 14 **assessed value the person intends to report on the return;**
 15 **in the township assessor's township; and**
 16 (B) **corrects the deficiencies described in clause (A) and**
 17 **assigns a personal property assessed value to the return;**
 18 the county auditor shall add a penalty to the property tax installment
 19 next due for the return.
 20 (e) The amount of the penalty **under subsection (d)** is ~~twenty-five~~
 21 ~~dollars (\$25); the lesser of:~~
 22 (1) **ten percent (10%) of the taxes finally determined to be due**
 23 **with respect to the personal property assigned by the**
 24 **township assessor to the person's personal property return**
 25 **under subsection (d)(2)(B); or**
 26 (2) **one thousand dollars (\$1,000).**
 27 ~~(e)~~ (f) **Subject to subsection (h),** if the total assessed value that a
 28 person reports on a personal property return is less than the total
 29 assessed value that the person is required by law to report and if the
 30 amount of the undervaluation exceeds five percent (5%) of the value
 31 that should have been reported on the return, then the county auditor
 32 shall add a penalty of twenty percent (20%) of the additional taxes
 33 finally determined to be due as a result of the undervaluation. The
 34 penalty shall be added to the property tax installment next due for the
 35 return on which the property was undervalued. If a person has complied
 36 with all of the requirements for claiming a deduction, an exemption, or
 37 an adjustment for abnormal obsolescence, then the increase in assessed
 38 value that results from a denial of the deduction, exemption, or
 39 adjustment for abnormal obsolescence is not considered to result from
 40 an undervaluation for purposes of this subsection.
 41 (g) **If a person fails to include on a personal property return the**
 42 **information, if any, the department of local government finance**

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1 requires under IC 6-1.1-5-13, the county auditor shall add a
 2 penalty of twenty-five dollars (\$25) to the property tax installment
 3 next due for the return.
 4 (h) If a township assessor assigns personal property assessed
 5 value to a personal property return based on the failure of a person
 6 to provide information under subsection (d) or an undervaluation
 7 under subsection (f), the county auditor may not apply both:
 8 (1) the penalty under subsection (d); and
 9 (2) the penalty under subsection (f);
 10 based on that assignment.
 11 (†) (i) A penalty is due with an installment under subsection (a), (d),
 12 or (†) (f), or (g) whether or not an appeal is filed under IC 6-1.1-15-5
 13 with respect to the tax due on that installment.
 14 SECTION 2. [EFFECTIVE JULY 1, 2005] IC 6-1.1-37-7, as
 15 amended by this act, applies only to personal property returns filed
 16 after June 30, 2005.

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