

Spring is Property Tax Exemption Filing Season: Don't Miss A Good Opportunity

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There are numerous opportunities for reducing Indiana property taxes for taxpayers who carefully monitor whether their property is eligible for an exemption, what must be done to claim it, and when it must be done. Indiana generally classifies property as either real or personal, and exemptions exist for both. The forms and filing deadlines vary based on the type of exemption claimed.

This article does not contain a complete list of exemptions, but rather a summary of some of the most common. Taxpayers should always take care to examine their property and determine those exemptions for which they may be eligible, and what must be done to claim them timely, in order to avoid losing a good opportunity to save money on property taxes.

Real Property Exemptions

Generally, real property must be owned, occupied and used for an exempt purpose in order to qualify for an exemption. Some of the more common exemptions for real property include the following:

- Property used for charitable purposes
- Property used for educational purposes
- Property used for religious purposes
- Property used for scientific purposes
- Property owned and used by fraternities and sororities
- Property used to provide early childhood education services to children ages 4 & 5;
- Property owned by an Indiana nonprofit corporation in the operation of a licensed hospital or health facility; and
- Property that is leased to certain types of tenants, such certain state agencies, political subdivisions, or state educational institutions.

Applications for real property exemptions must be filed with the local County Assessor's office by **April 1**. If granted, exemption claims timely filed in 2020 will apply to taxes due and payable in 2021. Exemptions may apply to only a portion of the property if the exempt use occurs in less than the whole property.

Although some exemptions don't need to be refiled annually once the initial application has been made, careful

attention to the legal requirements of each exemption is essential to be sure that an exemption is not inadvertently lost on property that would otherwise qualify as exempt.

Business Personal Property Exemptions

In general, business personal property (equipment, materials, furniture, fixtures, etc.) which is used on any real property described above for an exempt purpose can also be claimed as exempt on the same form used to claim a real property exemption, and these are also due by **April 1**.

Other business personal property exemptions may be claimed as part of the taxpayer's business personal property tax return, and are filed annually with such returns in the local Township Assessor's office or County Assessor's office (as applicable), generally by **May 15** each year, unless a formal extension has been obtained. Such exemptions include:

- Air pollution control equipment; and
- Water pollution control equipment

These two exemptions are governed by different statutes, so different requirements and procedures may apply. For example, one requirement for the air pollution control exemption is that the equipment not be "primarily" used for the production of property for sale. This allows for the possibility that equipment may qualify for the exemption even if that equipment plays a role in the production process.

To the extent the exemption claims are timely and successfully filed each year for eligible equipment, a 100% property tax exemption is available for the life of the asset used for such exempt purposes.

Although there may be limited circumstances under which exemptions can be claimed after the April 1 and May 15 deadlines, the best practice is to meet the stated deadlines to be sure that appropriate tax relief is obtained.

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