

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: Assessing Officials
FROM: Barry Wood, Director, Assessment Division *gBW*
RE: Legislative Changes – Form 1 Elimination
DATE: August 5, 2009

The purpose of this memorandum is to inform assessing officials of the changes made during the 2009 special session of the Indiana legislature to the assessment of utility owned personal property. Specifically, utilities will no longer file the Form 1 (State Form 1882 – Tax Return – Fixed Personal Property of Public Utilities) or Form 1-N (State Form 46062) with the Township Assessor (if any) or the County Assessor.

Assessment Practices

Because public utilities often cross township and county lines, the Department of Local Government Finance (“Department”) is charged with assessing the value of public utilities in Indiana. The Department values a public utility’s entire enterprise statewide and then distributes the assessed value to each county in which the company operates. The distribution is allocated based on a percentage of the company’s total operation in the county by township/taxing district.

The Department assesses only the property that is directly used to deliver the service (state distributable). Local assessing officials were responsible for assessing all personal property not directly used to provide the utility service, as well as all land, buildings, and building improvements associated with the public utility, with the exception of railroad operating improvements.

All companies engaged in public utility business in Indiana were required to file Form 1 (Tax Return-Fixed Personal Property of Public Utilities) with the local assessing official for each taxing unit where fixed personal property is located. If the public utility company owned, held, possessed, or controlled any leased or other not-owned locally assessed personal property, a Form 1-N was to be filed with the local assessing official of each taxing unit where the leased personal property is located.

Effective with the March 1, 2010 assessment date, all companies engaged in public utility business in Indiana will no longer file the Form 1 with the local assessing official. The property previously reported on the Form 1 will now be reported with the company’s filing with the Department on its Utility Ad Valorem Tax Return (Annual Report - Form UD-45).

The Department will review and audit the company's filing, and the assessed value previously reported on Form 1 will be included in the distribution by township/taxing district.

In essence, the reporting requirements will allow a public utility to file one return instead of possibly multiple returns with local assessing officials throughout the state. In turn, the local assessing official's duties related to the Form 1 will now be handled by the Department. There will be no change in assessed value reported to the taxing district, except for those changes that would occur with the annual filing of the Form 1.

Finally, the six (6) month deadline for appeal of personal property assessments has been eliminated for public utilities.

If you have any questions, please contact Assessment Division Director, Barry Wood at bwood@dlgf.in.gov or 317.232.3762 or Utility Specialist, Keilah Heffington at kheffington@dlgf.in.gov or 317.232.3756.