

ASSESSOR'S OFFICE

## Stacey O'Day Allen County Assessor - Business Personal Property

Edwin J. Rousseau Centre 1 E Main St. Ste 415, Fort Wayne, IN 46802

PH: 260-449-7325

E-mail: personalproperty@co.allen.in.us Website: www.allencounty.us/personal-property

Below is a list of taxable personal property (equipment/machinery) typically used in a farming operation. If any of these items are in your possession, they **must be** claimed on your Farm Form 102.

Assessment Date: January 1, 2023

□ Aerator         □ Milking Pipeline           □ Backhoe         □ Mower           □ Bins (Portable)         □ Mulching Machine           □ Bobcat         □ Planter           □ Bobcat Attachments         □ Plow           □ Bulk Tank         □ Post Driver           □ Bush Hog         □ Power Cart           □ Combine or Harvester         □ Pumps           □ Conveyor Belt         □ Rake           □ Corn Head         □ Refrigeration Equip
□ Bins (Portable) □ Mulching Machine   □ Bobcat □ Planter   □ Bobcat Attachments □ Plow   □ Bulk Tank □ Post Driver   □ Bush Hog □ Power Cart   □ Combine or Harvester □ Pumps   □ Conveyor Belt □ Rake   □ Corn Head □ Refrigeration Equip
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□ Bulk Tank         □ Post Driver           □ Bush Hog         □ Power Cart           □ Combine or Harvester         □ Pumps           □ Conveyor Belt         □ Rake           □ Corn Head         □ Refrigeration Equip
□ Bush Hog         □ Power Cart           □ Combine or Harvester         □ Pumps           □ Conveyor Belt         □ Rake           □ Corn Head         □ Refrigeration Equip
□ Combine or Harvester     □ Pumps       □ Conveyor Belt     □ Rake       □ Corn Head     □ Refrigeration Equip
□ Conveyor Belt     □ Rake       □ Corn Head     □ Refrigeration Equip
☐ Corn Head ☐ Refrigeration Equip
☐ Cultivator ☐ Roller
☐ Feed Grinder ☐ Scales (Truck or Trailer)
☐ Front Loader ☐ Seed Drill
☐ Generator ☐ Seeder
☐ Grain Auger ☐ Shear Grab
☐ Grain Cart ☐ Silage Chopper
☐ Grain Dryer & Equip ☐ Silo Equip
☐ Grain Elevator & Equip ☐ Skid Steer Loader
☐ Grain Head ☐ Solar Panels
☐ Grain Legs ☐ Soybean Head
☐ Grain Storage Tent ☐ Spinkler System
☐ Hand Tools ☐ Sprayer ☐ Control ☐ Sprayer ☐ Description
☐ Harrow (Disc, Drag, Spike) ☐ Spreader
☐ Hay Bale Splitter ☐ Storage Tanks (Portable)
☐ Hay Bale Wrapper ☐ Subsoiler ☐ Subsoiler
☐ Hay Baler ☐ Swather ☐ Swather
☐ Hay Elevator ☐ Tiller ☐ Tiller
☐ Hay Loader ☐ Tractor
☐ Hay Rake ☐ Trailer (No Plate)
☐ Hay Tedder ☐ Truck (No Plate)
☐ Hydroponics ☐ Utility Vehicle
☐ Irrigation System & Equip ☐ Wells
☐ Liquid Fertilizer System ☐ Work Horse Harness
☐ Milking Machine ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

<sup>\*\*\*</sup> Please use the extra spaces located on page 2 to account for multiple pieces of equipment that is of the same type and use. Be sure to list the equipment name, the acquired date, and the full acquisition cost using the same format as above.

In addition to the list of equipment/machinery provided, and to ensure that the cost of any of the equipment/machinery is reported uniformly and accurately pursuant to 50 IAC 4.2, below is additional information as well as an example regarding a trade. The acquisition cost of business personal property is to include any trade costs associated with the purchase of the reported item(s).

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## **Book Cost Determinative**

Sec. 2 (b)

Per the provisions of this article and the Internal Revenue Code, the cost of depreciable personal property must include, but not limited to, direct costs and an appropriate portion of indirect costs attributable to its production or acquisition and preparation for use. The cost of machinery, furniture, tools, computers (excluding application software), and other plant assets include all costs necessary to place the asset in condition and in place, ready for use. These costs include, but are not limited to, the purchase price, transportation costs to the place of use, and installation costs, foundations and electrical wiring, interest incurred during construction and installation, and sales tax.

50 IAC 4.2-4-3 (e)

Fully Depreciated, Retired, or Nominally Valued Property

Sec. 3 (e)

Depreciable personal property recorded on the books and records at a nominal or no value must be recorded at its actual acquisition cost determined by reference to the insurable value in the year of acquisition for Indiana property tax assessment purposes. This category of property includes, but is not limited to, bulk purchase or the acquisition of a going business concern.

50 IAC 4.2-4-4 (a)

Adjustments to Cost

Sec. 4 (a)

The adjusted costs of the assessable depreciable personal property as computed in subsection (d) must be reported at the tax basis of such property as defined in the Internal Revenue Code unadjusted by Sections 167 (depreciation) and 179 (expense deduction) of that Code or any credits (such as investment tax credit) that diminished the cost basis of the property. Therefore, if the tax basis of the taxpayer's assessable depreciable personal property is different than the cost per books of such property, except for the depreciable personal property defined and required to be reported by Section 3 of this rule, an adjustment must be made to the cost per books of the assessable depreciable personal property reported on the Indiana property tax return.

## Example\*

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Equipment purchased for \$60,000. Three years later, the equipment is traded for a more expensive piece that serves the same purpose. The net book value of the trade is \$5,000 and an additional \$110,000 was paid in cash. The bill of sale shows that a significant discount was given on the list price. The MSRP for the new piece of equipment is \$160,000. \$10,000 discount was given and a trade value of \$40,000 was allowed. Balance remaining due is \$110,000.

For personal property tax purposes in the State of Indiana, the new piece of equipment has a tax basis of \$150,000 (trade value plus cash boot). Any trade that has a lower or nominal value on the federal income tax return (net book value) should be calculated to reflect an adjusted cost. On the personal property return, the taxpayer should report the basis of the new equipment at \$150,000 (the cost of the new equipment as if there was no trade).

Original Purchase Price Net Book Value of Original	\$60,000 \$5,000
New Purchase Price	\$160,000
New Equip Discount	\$10,000
New Equip Trade	\$40,000*
Cash Boot	\$110,000*
New Purchase Price	\$160,000
Value of Trade	\$40,000
Cash Boot	\$110,000
Reported Cost	\$150,000

## \*Example only. Each valuation is to be determined individually.

\*\*\* Please use the extra spaces below to account for multiple pieces of equipment that is of the same type and use. Be sure to list the equipment name, the acquired date, and the full acquisition cost using the same format as above.

Equipment	Date	Cost	Equipment	Date	Cost
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