

Property tax abatement in Indiana is authorized under Indiana Code 6-1.1-12.1 in the form of deductions from assessed valuation. Any property owner in a locally designated Economic Revitalization Area (ERA) who makes improvements to the real property or installs new manufacturing equipment, new research and development equipment, new logistical distribution equipment; or new information technology equipment is eligible for property tax abatement. Used equipment can also qualify as long as the equipment is new to the State of Indiana. Equipment not used in direct production, such as office equipment, does not qualify for abatement.

Real Property Abatement Schedule

Real property abatement is a declining percentage of the increase in assessed value of the improvement based on one of the following time periods and percentages as determined by a local governing body. Land does not qualify for abatement.

Year	Ten Year	Nine Year	Eight Year	Seven Year	Six Year	Five Year	Four Year	Three Year	Two Year	One Year
1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2	95%	88%	88%	85%	85%	80%	75%	66%	50%	0%
3	80%	77%	75%	71%	66%	60%	50%	33%	0%	0%
4	65%	66%	63%	57%	50%	40%	25%	0%	0%	0%
5	50%	55%	50%	43%	34%	20%	0%	0%	0%	0%
6	40%	44%	38%	29%	17%	0%	0%	0%	0%	0%
7	30%	33%	25%	14%	0%	0%	0%	0%	0%	0%
8	20%	22%	13%	0%	0%	0%	0%	0%	0%	0%
9	10%	11%	0%	0%	0%	0%	0%	0%	0%	0%
10	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Average	49.50%	49.60%	45.20%	39.90%	35.20%	30.00%	25.00%	19.90%	15.00%	10.00%

Personal Property Abatement Schedule

Personal property abatement is a declining percentage of the increase in assessed value of the newly installed manufacturing equipment based on one of the following time periods and percentages as determined by a local governing body.

Year	Ten Year	Nine Year	Eight Year	Seven Year	Six Year	Five Year	Four Year	Three Year	Two Year	One Year
1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2	90%	88%	88%	85%	85%	80%	75%	66%	50%	0%
3	80%	77%	75%	71%	66%	60%	50%	33%	0%	0%
4	70%	66%	63%	57%	50%	40%	25%	0%	0%	0%
5	60%	55%	50%	43%	34%	20%	0%	0%	0%	0%
6	50%	44%	38%	29%	25%	0%	0%	0%	0%	0%
7	40%	33%	25%	14%	0%	0%	0%	0%	0%	0%
8	30%	22%	13%	0%	0%	0%	0%	0%	0%	0%
9	20%	11%	0%	0%	0%	0%	0%	0%	0%	0%
10	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Average	55.00%	49.60%	45.20%	39.90%	36.00%	30.00%	25.00%	19.90%	15.00%	10.00%