



MELODY KIKKERT
St. John Township Assessor

~Notice to taxpayers and accounting firms~

Recently we have had many inquiries about using a “threshold” amount when reporting assets. Indiana does not recognize a minimum “threshold” amount or a policy for expensing assets; therefore all assets must be reported on Form 103. We have provided the Indiana Administrative Code for your convenience.

In an effort to assist Lake County taxpayers; we have compiled some answers to frequently asked questions and concerns. It is our intent to hopefully share information which may clarify frequently recurring issues between the filings prepared by accountants and submitted by the taxpayer to our offices. These issues can affect accuracy, fairness, and sometimes compliance that could lead to costly penalties. Feel free to contact us:

St. John Township Assessor – Debbie Walters, Personal Property Supervisor
(219) 365-2777; melodykikkert@gmail.com

Thresholds for reporting – We have had several conversations with tax preparers regarding the use of a “threshold” in reporting of assets. Indiana Code does not recognize a minimum amount or a policy of expensing assets. (See 50 IAC 4.2-4-3) Although this practice may be referred to as “generally accepted accounting practices”, it does not conform to Indiana Code.

Zero filings – Every year numerous zero returns are received in our office. Some are taxpayer prepared but many are accountant prepared. In spite of no assets reported, many forms have a significant dollar amount for sales for the previous year.

To achieve that level of sales, most businesses would have some equipment (computer, furniture, or copier for example). Those assets should be reported. Some taxpayers report to us that they were told their assets are of a “negligible amount” and that they are not required to file. In order to comply with the Indiana Code which is based on reporting income producing assets, even assets of lesser amounts should be reported. (50 IAC 4.2-1.1)

St. John Township Assessor
9157 Wicker Ave
St. John, IN 46373

Phone: 219-365-2777 Fax: 219-365-1075

[HTTP://MELODYKIKKERT.WEEBLY.COM](http://melodykikkert.weebly.com)

[EMAIL: MELODYKIKKERT@YMAIL.COM](mailto:MELODYKIKKERT@YMAIL.COM)

NAICS Codes – We are required to include NAICS codes in our submissions to the State. Some forms may not include this code and the description provided for the nature of business may simply read “services”. Often the name of the business provides no additional information as to what code to use. It would be helpful to have more specific information as to the nature of the business and the corresponding NAICS provided. Must be from the 2007 version of NAICS Codes, these websites are available www.naics.com/search.htm or www.census.gov/naics/2007

Leased Equipment – Our verification of proper filing of leased equipment is a lengthy and tedious process. Often leases continue to be reported as in effect after the lease has terminated. Many times the Forms 103 N or 103 O are lacking adequate descriptions of the equipment, a lease date, lessee contact information or cost.

Sometimes the leased equipment is leased to one entity but is located and/or filed on at another location. Some reporting can lead to double assessments of the same equipment. If the equipment is to be filed on by the lessee, they need to know in which taxing jurisdiction to file. It would be greatly appreciated if preparers would verify with the taxpayer the current status of any leases.

50 IAC 4.2-4-3 Fully depreciated, retired, or nominally valued property; computer equipment; report and valuation

Authority: IC 6-1.1-31-1

Affected: IC 6-1.1-1-11

Sec. 3. (a) Depreciable personal property that has not been retired from use must be reported for personal property assessment purposes whether or not the cost of the property has been:

- (1) removed from;
 - (2) recorded on; or
 - (3) recorded at a nominal value on;
- the taxpayer's books and records.
- (b) Any fully depreciated personal property that:
 - (1) has been written off the taxpayer's books and records; and
 - (2) is:

(A) on hand at the tax situs; and

(B) **not permanently retired; on the assessment date; must be reported in the return.** The cost of the property must be clearly shown as an adjustment in the space provided on the tax return as provided in section 4 of this rule.

- (c) "Permanently retired depreciable personal property" means depreciable personal property that has been removed from the manufacturing process on the assessment date, or has been removed from services other than manufacturing on the assessment date, and is awaiting disposition and must be scheduled to be scrapped, removed, or disposed of and will be considered to be permanently retired providing the taxpayer actually scraps or sells such property.