

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: Assessing Officials

FROM: Wesley R. Bennett, Commissioner

RE: Legislative Changes Regarding the Sales Disclosure Form

DATE: May 26, 2021

The Department of Local Government Finance (“Department”) issues this memorandum to inform the public of legislative changes in matters related to the Sales Disclosure Form. Please note that this memorandum is for informational purposes only, and it is not a substitute for reading the law.

I. Sales Disclosure Form Filing Fee

On April 8, 2021, Governor Holcomb signed into law House Enrolled Act 1271-2021 (“HEA 1271”). Section 7 of HEA 1271 amends Ind. Code § 6-1.1-5.5-4 regarding the Sales Disclosure Form (“SDF”) filing fee. Beginning July 1, 2021, the SDF filing fee will be increased from \$10 to \$20, with fifty percent (50%) of the revenue being deposited into the state Assessment Training Fund and fifty percent (50%) of the revenue being deposited into the county sales disclosure fund. In other words, any SDF filed with the county on or after July 1, 2021, will need to include the new \$20 filing fee.

The Department would also like to remind county personnel in both the assessor’s office and the auditor’s office to work in tandem with each other throughout the year on the process for marking a SDF as eligible to receive the filing fee and verifying that the fee has actually been collected. Discrepancies between a form being marked as requiring the SDF filing fee and the fee actually being collected may result in a delay with the Department’s ability to complete its compliance review process of a county’s submitted sales disclosure data.

Examples Regarding the New SDF Filing Fee

- 1. A property is sold on June 1, 2021. The buyer fills out and signs the SDF on June 10, 2021. The seller signs and submits the SDF on June 15, 2021. The SDF is not formally accepted by the county until July 1, 2021.**

While each county may have a different SDF processing protocol, with this example the SDF filing fee would be \$10. If the SDF is submitted before the legislation goes into effect, the \$10 filing fee would apply regardless of whether the filing fee is collected at the time of submission or the filing fee is collected later during the form review process.

2. **A property is sold on June 1, 2021. The buyer fills out and signs the SDF on June 10, 2021. The seller signs and submits the SDF on June 25, 2021. On July 1, 2021, the county assessor reviews the SDF and notices that the form is missing the description information for Section D, Question 1.**

If the county needs a minor clarification or correction for a form that is submitted before July 1, 2021, the filing fee would be \$10. However, this does not mean that SDF preparers should submit incomplete forms to avoid being subject to the increased SDF filing fee, and county officials should work with SDF filers that unintentionally omit portions of the form.

3. **A property is sold on June 1, 2021. The buyer fills out and signs the SDF on June 10, 2021. The seller signs the SDF on June 15, 2021. The SDF is submitted to the county on July 1, 2021.**

For this example, the SDF filing fee would be \$20. Although both the property conveyance and the completion of the form took place before July 1, 2021, the SDF was submitted after the legislation went into effect and therefore, the filing would be subject to the new \$20 fee.

II. Religious Use Property Tax Exemption & Sales Disclosure Forms

On April 29, 2021, Governor Holcomb signed into law House Enrolled Act 1353-2021 (“HEA 1353”). Section 1 of HEA 1353 specifies that for transactions occurring after December 31, 2021, the SDF must include a field for an attestation that property transferred under Ind. Code § 6-1.1-10-21 will continue to be used by a church or religious society for the same tax-exempt purpose. A county assessor that reasonably believes that the transferred property is no longer being used by a church or religious society for the same exempt purpose may request the entity’s articles of incorporation or bylaws to confirm the attestation. If a county assessor requests the articles of incorporation or bylaws to confirm an attestation, the request must:

- (1) Be made in writing; and
- (2) Include a written explanation of the assessor’s reasonable suspicion describing why the assessor believes that the property transferred is no longer being used by the church or religious society for the same tax-exempt purpose.

As with the recent modifications to the SDF, any revisions to the form must be accompanied by an administrative rule action revising 50 IAC 26. The Department will work to initiate this administrative rule as soon as possible to accommodate the new field requirement under HEA 1353.

Contact Information

Questions may be directed to Emily Crisler, General Counsel, at (317) 234-8624 or emcrisler@dlgf.in.gov.