New buildings constructed are eligible for real property tax abatement. Substantial improvements to existing buildings may be eligible, but it is important to note that only the value of the improvement to the existing building qualifies. It is not permissible to abate property that is already being taxed in Indiana. Land does not qualify for phase-in.

Real property tax phase-in is a declining percentage of the increase in assessed value of the improvement based on one of the following ten time periods. For example, for a five-year phase-in, the tax payer pays no tax in year one, 20% of the total tax in year two, 30% of the total tax in year three, etc. The local governing body determines the time period for the phase-in.

	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
Year 1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Year 2		50%	66%	75%	80%	85%	85%	88%	88%	95%
Year 3			33%	50%	60%	66%	71%	75%	77%	80%
Year 4				25%	40%	50%	57%	63%	66%	65%
Year 5					20%	34%	43%	50%	55%	50%
Year 6						17%	29%	38%	44%	40%
Year 7							14%	25%	33%	30%
Year 8								13%	22%	20%
Year 9									11%	10%
Year 10										5%

Personal Property Tax Phase-In **Manufacturing and research & development equipment that is new to Indiana is eligible for personal property tax phase-in. It is not permissible to abate property that is already being taxed in Indiana.**

Personal property tax phase-in is a declining percentage of the assessed value of the newly installed manufacturing and / or research and development equipment. Taxes are phased in as described below.

	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
Year 1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Year 2		50%	66%	75%	80%	85%	85%	88%	88%	90%
Year 3			33%	50%	60%	66%	71%	75%	77%	80%
Year 4				25%	40%	50%	57%	63%	66%	70%
Year 5					20%	34%	43%	50%	55%	60%
Year 6						17%	29%	38%	44%	50%
Year 7							14%	25%	33%	40%
Year 8								13%	22%	30%
Year 9									11%	20%
Year 10										10%