Indiana Farm Bureau®

# Landowner Toolkit

## Indiana Agricultural Property Tax Guide

*A Guide for Indiana Farmland Owners Reviewing their Property Tax Assessments*

# Indiana Agricultural Property Tax Guide

*A Guide for Indiana Farmland Owners Reviewing Their Property Tax Assessments*

Indiana farmland owners know their land, buildings, and farming operations better than anyone. But when a property tax assessment arrives in the mail, it can be difficult to know whether the assessment is correct, why the value changed, or what steps are available if the value seems too high.

This guide is intended to help Indiana farmland owners understand the agricultural property tax assessment process, identify common assessment issues, and navigate the appeal process if an assessment needs to be challenged.

## 1. I Received an Assessment Notice. What Should I Do First?

If you receive a Form 11 and believe the assessment may be too high, the first step is to identify what changed.

In most cases, the increase will come from one of two places:

a. Agricultural land; or
b. Farm buildings or other structures

The Form 11 usually shows the prior and new values for land, structures, and total assessed value. But it usually does not provide enough detail to explain exactly why the assessment changed.

To understand the assessment, you should request the full Property Record Card, often called the PRC, from the county assessor. Ideally, you should request both the current-year PRC and the prior-year PRC so you can compare them side by side.

The PRC should show the details behind the assessment, including land classifications, acreage allocations, soil productivity information, building types, building dimensions, grade, condition, depreciation, and other factors used to calculate value.

### Practical first steps

a. Review the assessment notice carefully.
b. Calendar the appeal deadline.
c. Compare the current assessment to the prior year.
d. Separate the land value from the structure/improvement value.
e. Request the current-year and prior-year PRCs.
f. Identify which land or building line items changed.
g. Contact the assessor to discuss the assessment.
h. File a Form 130 appeal by the June 15th deadline if the issue is not resolved.

The key question is:

> *"What changed, why did it change, and what evidence shows the assessment should be corrected?"*

## 2. Understanding the June 15th Appeal Deadline

Appeal deadlines are important. If you miss the deadline, you may lose the ability to challenge the assessment for that year.

A taxpayer may appeal a real property assessment by **June 15th** of the assessment. If the real property assessment notice is mailed before May 1 of the assessment year, the appeal deadline is June 15 of the assessment year. If the notice is mailed on or after May 1 of the assessment year, the appeal deadline is June 15 of the year taxes are due.

Assessment notices often include the appeal deadline. Do not assume you have extra time. If you are unsure, contact the county assessor or a property tax professional.

## 3. How Indiana Agricultural Land Is Assessed

Indiana agricultural land is assessed differently from residential or commercial property. Agricultural land is generally assessed based on its agricultural use.

Indiana law requires land to be classified as agricultural only if it is ***devoted to agricultural use***. Indiana uses tools such as soil maps, aerial photography, and plat maps to identify agricultural tracts and determine how agricultural land should be assessed.

The assessment begins with the statewide agricultural land base rate established by the Indiana Department of Local Government Finance. Each year, the DLGF certifies an agricultural land base rate, which serves as the starting point for agricultural land assessments.

But the final assessment is not simply "acres times the base rate." Once the base rate is established, local assessors apply property-specific adjustments, including soil productivity factors and land type influence factors. These may include classifications such as tillable land, non-tillable land, woodland, other farmland, and agricultural support land.

### Common agricultural land factors

a. Number of acres;
b. Soil productivity factors;
c. Whether land is tillable or non-tillable;
d. Woodland classification;
e. Pasture or other farmland classification;
f. Agricultural support land;
g. Homesite or residential use;
h. Conservation program enrollment;
i. Whether land is actually devoted to agricultural use.

### Practical takeaway

If your land assessment increased, do not look only at the total value. Review the land detail on the PRC and ask:

a. Are the acres correct?
b. Are the land types correct?
c. Was any agricultural land reclassified as residential or excess residential land?
d. Was woodland, pasture, or non-tillable land treated as higher-valued tillable land?
e. Was any part of the parcel removed from agricultural classification?

# 4. Common Agricultural Land Appeal Issues

Agricultural land appeals often involve classification or data issues. Common problems include the following.

## Agricultural land classified as residential or excess residential land

Sometimes land that is part of a farming operation is classified as residential excess land or another non-agricultural category. This can cause a significant increase. If land is actually devoted to agricultural use, the classification should be reviewed.

## Non-tillable land treated as tillable

Tillable land and non-tillable land may be valued differently. If wooded areas, waterways, ditches, farm lanes, wind breaks, or other non-tillable areas are treated as tillable, the assessment may be overstated.

## Woodland classification issues

Woodland may still be part of an agricultural property. If wooded acres support the farm operation, are part of the agricultural tract, are used for erosion control, or are otherwise connected to agricultural use, the taxpayer should be prepared to explain that use.

Evidence such as a timber management plan or enrollment in programs which assign a farm number may help support a Woodland classification.

## Incorrect acreage allocations

The total acreage may be correct, but the allocation among land types may be wrong. For example, too many acres may be placed in a higher-valued land classification.

## Homesite issues

A farmhouse and homesite may be assessed differently from agricultural land. Farmland owners should confirm that only the appropriate portion of the property is treated as homesite or residential land.

## Agricultural-use documentation

If agricultural use is questioned, useful documentation may include:

a. USDA/FSA records;
b. Farm number documentation;
c. Leases;
d. Crop history;
e. Livestock records;
f. Conservation program documents;
g. Farm income records;
h. Maps or aerial photographs;
i. Photos showing agricultural use;
j. Written explanation of how the land is used in the farm operation.

Assessors may send information requests asking landowners to confirm how land is used. These requests may ask for information about farming activities, conservation programs, livestock, and other agricultural uses. Although there may not be a specific statutory penalty for not responding to

such a request, failing to provide accurate information may lead the assessor to make incorrect assumptions about the property.

## 5. How Agricultural Structures Are Assessed

Many farms include more than land. Agricultural property may include barns, pole buildings, machine sheds, grain bins, silos, livestock facilities, manure structures, milk houses, poultry buildings, hog confinement buildings, and other farm-use improvements.

Farm buildings and agricultural improvements are generally valued using cost schedules. The cost schedule is a starting point, but the final value should still reflect the actual characteristics of the building.

Relevant factors may include:

a. Building type;
b. Size and dimensions;
c. Construction type;
d. Year built;
e. Effective age;
f. Grade;
g. Condition;
h. Physical depreciation;
i. Functional obsolescence;
j. Economic obsolescence;
k. Whether the structure remains suitable for modern agricultural use.

The cost schedule alone does not necessarily prove that the resulting assessment is correct. Older or specialized farm buildings may require additional depreciation or obsolescence adjustments.

### Specialized livestock buildings

Specialized livestock buildings may raise additional assessment issues. Hog confinement buildings, poultry barns, dairy barns, and similar facilities are not the same as general-purpose storage buildings. Their utility may be affected by:

a. Corrosion;
b. Ventilation systems;
c. Manure systems;
d. Concrete deterioration;
e. Slat condition;
f. Plumbing;
g. Electrical systems;
h. Water systems;
i. Biosecurity expectations;
j. Animal health requirements;
k. Changes in production practices;
l. Whether the building is fully used, partially used, idle, or obsolete.

For example, a hog confinement building may still be standing and in use, but its actual value may be affected by age, corrosion, ventilation limitations, manure system condition, or whether it remains suitable for modern pork production.

## 6. Special Issue: Annual Adjustment Factors for Agricultural Improvements

Indiana law treats agricultural improvements differently from residential, commercial, and industrial improvements for certain annual adjustment purposes.

For assessment dates after December 31, 2022, agricultural improvements such as barns, grain bins, or silos on land assessed as agricultural may not be adjusted using factors, such as neighborhood delineation, that are appropriate for residential, commercial, and industrial real property.

In practical terms, a county assessor may use the applicable agricultural cost schedules to assess farm structures. But the assessor should not simply apply residential, commercial, or industrial neighborhood trending factors to agricultural improvements.

A farmland owner reviewing an assessment should ask:

a. Was the structure priced under the correct agricultural cost schedule?
b. Was any neighborhood factor, market factor, annual adjustment factor, or location factor applied?
c. If a factor was applied, was it based on residential, commercial, or industrial data?
d. Was the agricultural improvement separated from the farmhouse or homesite?
e. Was the final value adjusted for age, condition, depreciation, and obsolescence?

## 7. What Documents Should Farmland Owners Request?

Before meeting with the assessor or filing an appeal, a taxpayer should request the documents needed to understand the assessment.

Helpful documents include:

a. Current-year Form 11;
b. Prior-year Form 11;
c. Current-year PRC;
d. Prior-year PRC;
e. Land detail pages;
f. Improvement detail pages;
g. Soil productivity information;
h. Land type classifications;
i. Assessor notes;
j. Inspection records;
k. Any worksheets used to calculate agricultural improvement values;
l. Any explanation of changed classification, dimensions, grade, condition, depreciation, or obsolescence.

## 8. What Evidence Should a Taxpayer Gather?

A taxpayer does not always need a formal appraisal to have a meaningful discussion with the assessor or to present an appeal. Practical, organized evidence can be very helpful.

Useful evidence may include:

a. Photos of the property;
b. Aerial maps;
c. Farm maps;
d. USDA/FSA records;
e. Leases;
f. Conservation program documents;
g. Crop or livestock records;
h. Year-built information;
i. Repair history;
j. Contractor estimates;
k. Photos of building condition;
l. Notes about unused or underutilized buildings;
m. Documentation of obsolete or nonfunctional structures;
n. Any information showing equipment or personal property was included in the real property assessment.

## 9. How to File a Form 130 Appeal

A taxpayer generally begins an assessment appeal by filing a Form 130 - Taxpayer's Notice to Initiate an Appeal with the assessing official.

The taxpayer must use the Form 130 for each parcel being appealed. Filing the appeal initiates a review and requires the assessing official to schedule a preliminary informal meeting with the taxpayer.

### Practical filing tips

When filing a Form 130:

a. File before the deadline.
b. File one Form 130 for each parcel being appealed.
c. Keep a copy of everything filed.
d. Get confirmation of filing.
e. Identify the issue clearly.
f. State whether the appeal involves land, improvements, or both.
g. Attach a brief explanation if helpful.
h. Continue gathering evidence after filing.

A Form 130 does not need to include every piece of evidence, but it should clearly preserve the taxpayer's right to challenge the assessment.

## 10. Preparing for the Informal Meeting with the Assessor

After a Form 130 is filed, the assessing official must hold a preliminary informal meeting with the taxpayer to resolve as many issues as possible.

Many appeals are resolved at the informal stage. A taxpayer should approach the informal meeting as a chance to understand the assessment and present practical evidence.

### Questions to ask at the informal meeting

For land issues, ask:

a. Which land classifications changed and why?
b. Were any acres moved from one land type to another?
c. Was agricultural land treated as residential or excess residential land?
d. Were soil productivity factors changed?
e. Was the property inspected?
f. What information did the assessor rely on?

For building issues, ask:

a. Which building line items changed?
b. Was any building type changed?
c. Were any dimensions changed?
d. Was the cost schedule updated?
e. Was grade changed?
f. Was condition changed?
g. Was effective age changed?
h. Was depreciation changed?
i. Was obsolescence considered?
j. Was the building inspected?
k. Was any personal property included in the real property assessment?

The goal is to leave the meeting knowing exactly why the assessment changed and whether the assessor is willing to correct it.

## 11. What Happens If You Reach an Agreement?

If the taxpayer and assessing official reach an agreement before the PTABOA hearing, the agreement is reported to the PTABOA using a Form 134. The PTABOA then votes to approve or deny the agreed resolution. If the PTABOA accepts the agreement, it issues a final determination adopting the agreement.

If an agreement is reached, the taxpayer should make sure the agreement is documented clearly and that the corrected value is reflected in the final determination.

## 12. Preparing for a PTABOA Hearing

If no agreement is reached the appeal proceeds to the county Property Tax Assessment Board of Appeals, commonly called the PTABOA. The PTABOA is the county-level board that hears property tax assessment appeals.

The PTABOA must generally hold a hearing within 180 days of the filing of the appeal and must give the taxpayer and assessing official at least 30 days' notice of the hearing date.

A PTABOA hearing is not simply a chance to say that taxes are too high or that the increase feels unfair. The most effective presentation will be focused on evidence.

Taxpayers should be prepared to explain:

a. What changed;
b. Which land or building line items caused the increase;
c. Why the current assessment is incorrect;
d. What reduction is being requested;
e. What evidence supports that reduction.

### Ask for a specific result

Do not simply ask the PTABOA to "look at it" or "lower it." Ask for a specific correction, such as:

a. Correcting land classification;
b. Correcting acreage allocation;
c. Correcting building type;
d. Correcting dimensions;
e. Applying additional depreciation;
f. Applying an obsolescence adjustment;
g. Removing personal property from the real property assessment.

If the exact value is difficult to calculate, request a reasonable adjustment based on the evidence presented.

## 13. The Burden of Proof

Indiana law includes a burden-of-proof rule that may help taxpayers in some appeals.

If the assessment for which an appeal is filed increased the assessed value of the property by more than 5% over the prior years' assessed value, the assessor has the burden of proving that the assessment is correct.

This can be helpful, but a taxpayer should not rely on the burden rule alone. They should still bring evidence showing why the assessment is wrong or why the assessor's value does not fully account for the property's actual characteristics, condition, depreciation, or obsolescence.

## 14. What Happens After the PTABOA Decision?

After the PTABOA acts, a taxpayer who disagrees with the PTABOA's determination may appeal to the Indiana Board of Tax Review, commonly called the IBTR.

The taxpayer initiates an appeal to the IBTR by filing a Form 131 within 45 days of the PTABOA Final Determination being given to the parties and mailing a copy of the petition to the other party, usually the assessing official.

Although an appraisal is not required, the taxpayer still needs evidence. IBTR proceedings are more formal than county-level appeals, and taxpayers should carefully consider whether attorney representation is needed.

## 15. Practical Takeaway

Do not assume an assessment is correct simply because it appears on a Form 11. Agricultural assessments depend on property-specific facts, including how the land is used, how the land is classified, how buildings are classified, and whether improvements have been properly adjusted for condition, depreciation, and obsolescence.

For many taxpayers, the best appeal begins with three questions:

a. What changed?
b. Why did it change?
c. What evidence shows the assessment should be corrected?

If the assessment appears incorrect, file a timely appeal, request the PRC, gather practical evidence, and be prepared to explain the issue clearly.

## Disclaimer

This guide is informational and general in nature. It is not legal advice and should not be relied upon without consulting a lawyer or tax professional regarding your specific circumstances. Property tax laws, deadlines, forms, and procedures may change, and taxpayers should confirm current requirements with the appropriate assessing official or legal advisor.