



TAX ABATEMENT IN MONROE COUNTY, INDIANA

What is Tax Abatement?

Companies locating or expanding in Monroe County may receive up to ten years of property tax benefits to substantially reduce the cost of new investments. Abatements may be on new real estate, equipment (including research and development equipment), or both, and usually last for ten years.

How does Tax Abatement work?

Companies pay no taxes on the abated investment in year one of the tax abatement. Benefits gradually decrease over the period of the abatement until the year after the tax abatement ends, at which point the company pays full taxes. For example, a tax abatement on a typical \$1 million investment would be as follows (assume tax rate = 2%):

	Taxes Owed	% Abated	Tax Savings
YEAR 1	\$20,000	100%	\$20,000
YEAR 2	\$20,000	90%	\$18,000
YEAR 3	\$20,000	80%	\$16,000
YEAR 4	\$20,000	70%	\$14,000
YEAR 5	\$20,000	60%	\$12,000
YEAR 6	\$20,000	50%	\$10,000
YEAR 7	\$20,000	40%	\$8,000
YEAR 8	\$20,000	30%	\$6,000
YEAR 9	\$20,000	20%	\$4,000
YEAR 10	\$20,000	10%	\$2,000
TOTAL TAX SAVINGS:			\$110,000

What is eligible for Tax Abatement?

Projects eligible for tax abatement satisfy the following requirements:

- At least 4 net new job positions will be created as a result of the expansion
- New employees are paid an average of at least \$12 per hour, including benefits
- The equipment was not previously owned within the borders of the State of Indiana
- The nature of the business is not statutorily prohibited - see IC 6-1.1-12.1-3(e)
- The project has not yet been built or installed

If you have questions or are unsure about eligibility, please contact me at (812) 349-2553

What is the process for receiving a Tax Abatement?

After submitting an application and a check for the **application fee of \$500** (made out to *Monroe County Treasurer*), an authorized company representative will describe the project at the next meetings of the County Economic Development Commission and County Council. Final approval typically occurs about 45 days from the time an application is submitted. Following final approval, the Economic Development Coordinator assists the company with filing for annual deductions.

How can I find out more about Tax Abatement in Monroe County?

My job is to help companies with every step of the tax abatement process. Contact me at:

*Monroe County Economic Development
 The Courthouse, Room 322
 Bloomington, IN 47404-5140
 Phone: (812) 349-2553
 Fax: (812) 349-2959*