



INVENTORY VALUATION FOR INCENTIVE REINVESTMENT

(IC 5-28-15)

State Form 52608 (3-06)

INDIANA ECONOMIC DEVELOPMENT CORPORATION

Worksheet

If a taxpayer chooses to use inventory as their incentive reinvestment method, then a calculation will need to be made to document the increase in inventory from one year to the next. Rather than base this calculation on the inventory on hand as of March 1 of each year, the decision has been made that it should be based upon the calendar year average inventory method. **Note:** The calendar year average method will need to be used in this Enterprise Zone calculation even though a taxpayer elects to report inventory for personal property tax purposes on Form 103 using the March 1 method.

Attached below is a table to be used to calculate the average inventory. The inventory to be shown in the two columns referenced, as "Total Inventory" should be the total monthly book inventory as reflected on the taxpayer's balance sheet or general ledger. In the event that the taxpayer has inventory located both in and out of the enterprise zone boundary, then the columns titled "Enterprise Zone Inventory" should be completed to show only the inventory located within the enterprise zone boundary. **Note:** If the entire inventory is located within the EZ boundary, you only need to complete the "Total Inventory" section.

NAME and LOCATION of BUSINESS: _____

	Total Inventory		Enterprise Zone Inventory	
	Current Year	Prior Year	Current Year	Prior Year
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
TOTALS				
	/ 12 months	/ 12 months	/ 12 months	/ 12 months
12 month average				

If current year is greater than the prior years, enter amount of difference (use EZ inventory difference if these columns are used) on the following line _____. If the prior year is greater than the current year, a -0- should be entered on the line.

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INDIANA ENTERPRISE ZONE PROGRAM

INVENTORY PURCHASES FOR INCENTIVE REINVESTMENT POLICY

*The Indiana Enterprise Zone statute provides for the disqualification from incentive eligibility of an enterprise zone business if the business does not use all of its incentives, except for applicable registration fees, for its property or employees in the zone.
(IC 5-28-15-5(a)(4)(B).*

POLICY

Expenditures made by enterprise zone businesses for the purchase of inventory items shall be acceptable for purposes of the incentive reinvestment requirement stated in IC 5-28-15-5(a)(4)(B).

All inventory included for purposes of the reinvestment requirement must be:

- a). Physically located within the enterprise zone boundary in which the enterprise zone credit is claimed, and,
- b). Calculated based upon the Inventory Valuation For Incentive Reinvestment worksheet.

Incentive reinvestment amounts are to be reported on form EZB-R. A complete Inventory Valuation For Incentive Reinvestment worksheet shall be included with the EZB-R form as an attachment. All requirements, restrictions and provisions stated in the Enterprise Zone statute and its rules shall be applicable to incentive reinvestments in inventory.