

## SENATE BILL No. 304

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12-14; IC 6-1.1-22.

**Synopsis:** Property tax matters. Increases the assessed value cap (from \$143,160 to \$155,000) that applies to the property tax deduction for a veteran who: (1) has a total disability; or (2) has at least a 10% disability and is at least 62 years of age. Provides that if the property tax liability due on a homestead for a particular year is less than \$100, before application of the circuit breaker credits, the property tax liability on the homestead is increased to \$100. Specifies that certain homesteads are exempt from this minimum property tax liability.

**Effective:** January 1, 2016 (retroactive); July 1, 2016.

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January 6, 2016, read first time and referred to Committee on Tax & Fiscal Policy.

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Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

# SENATE BILL No. 304



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-12-14, AS AMENDED BY P.L.293-2013(ts),  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2016 (RETROACTIVE)]: Sec. 14. (a) Except as  
4 provided in subsection (c) and except as provided in section 40.5 of  
5 this chapter, an individual may have the sum of twelve thousand four  
6 hundred eighty dollars (\$12,480) deducted from the assessed value of  
7 the tangible property that the individual owns (or the real property,  
8 mobile home not assessed as real property, or manufactured home not  
9 assessed as real property that the individual is buying under a contract  
10 that provides that the individual is to pay property taxes on the real  
11 property, mobile home, or manufactured home if the contract or a  
12 memorandum of the contract is recorded in the county recorder's office)  
13 if:  
14 (1) the individual served in the military or naval forces of the  
15 United States for at least ninety (90) days;  
16 (2) the individual received an honorable discharge;  
17 (3) the individual either:



- 1 (A) has a total disability; or  
 2 (B) is at least sixty-two (62) years old and has a disability of at  
 3 least ten percent (10%);  
 4 (4) the individual's disability is evidenced by:  
 5 (A) a pension certificate or an award of compensation issued  
 6 by the United States Department of Veterans Affairs; or  
 7 (B) a certificate of eligibility issued to the individual by the  
 8 Indiana department of veterans' affairs after the Indiana  
 9 department of veterans' affairs has determined that the  
 10 individual's disability qualifies the individual to receive a  
 11 deduction under this section; and  
 12 (5) the individual:  
 13 (A) owns the real property, mobile home, or manufactured  
 14 home; or  
 15 (B) is buying the real property, mobile home, or manufactured  
 16 home under contract;  
 17 on the date the statement required by section 15 of this chapter is  
 18 filed.

19 (b) Except as provided in subsection (c), the surviving spouse of an  
 20 individual may receive the deduction provided by this section if the  
 21 individual satisfied the requirements of subsection (a)(1) through (a)(4)  
 22 at the time of death and the surviving spouse satisfies the requirement  
 23 of subsection (a)(5) at the time the deduction statement is filed. The  
 24 surviving spouse is entitled to the deduction regardless of whether the  
 25 property for which the deduction is claimed was owned by the  
 26 deceased veteran or the surviving spouse before the deceased veteran's  
 27 death.

28 (c) No one is entitled to the deduction provided by this section if the  
 29 assessed value of the individual's tangible property, as shown by the tax  
 30 duplicate, exceeds one hundred ~~forty-three~~ **fifty-five** thousand ~~one~~  
 31 ~~hundred sixty~~ dollars (~~\$143,160~~): **(\$155,000)**.

32 (d) An individual who has sold real property, a mobile home not  
 33 assessed as real property, or a manufactured home not assessed as real  
 34 property to another person under a contract that provides that the  
 35 contract buyer is to pay the property taxes on the real property, mobile  
 36 home, or manufactured home may not claim the deduction provided  
 37 under this section against that real property, mobile home, or  
 38 manufactured home.

39 SECTION 2. IC 6-1.1-22-9, AS AMENDED BY P.L.218-2013,  
 40 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2016]: Sec. 9. (a) Except as provided in subsection (b), the  
 42 property taxes assessed for a year under this article are due in two (2)



1 equal installments on May 10 and November 10 of the following year.

2 (b) Subsection (a) does not apply if any of the following apply to the  
3 property taxes assessed for the year under this article:

- 4 (1) Subsection (c).  
5 (2) Subsection (d).  
6 (3) IC 6-1.1-7-7.  
7 (4) Section 9.5 of this chapter.  
8 (5) Section 9.7 of this chapter.  
9 (6) Section 9.9 of this chapter.

10 (c) A county council may adopt an ordinance to require a person to  
11 pay the person's property tax liability in one (1) installment, if the tax  
12 liability for a particular year is less than twenty-five dollars (\$25). If the  
13 county council has adopted such an ordinance, then whenever a tax  
14 statement mailed under section 8.1 of this chapter shows that the  
15 person's property tax liability for a year is less than twenty-five dollars  
16 (\$25) for the property covered by that statement, the tax liability for  
17 that year is due in one (1) installment on May 10 of that year.

18 (d) If the county treasurer receives a copy of an appeal petition  
19 under IC 6-1.1-18.5-12(d) before the county treasurer mails or  
20 transmits statements under section 8.1 of this chapter, the county  
21 treasurer may:

22 (1) mail or transmit the statements without regard to the pendency  
23 of the appeal and, if the resolution of the appeal by the department  
24 of local government finance results in changes in levies, mail or  
25 transmit reconciling statements under subsection (e); or

26 (2) delay the mailing or transmission of statements under section  
27 8.1 of this chapter so that:

28 (A) the due date of the first installment that would otherwise  
29 be due under subsection (a) is delayed by not more than sixty  
30 (60) days; and

31 (B) all statements reflect any changes in levies that result from  
32 the resolution of the appeal by the department of local  
33 government finance.

34 (e) A reconciling statement under subsection (d)(1) must indicate:

35 (1) the total amount due for the year;

36 (2) the total amount of the installments paid that did not reflect  
37 the resolution of the appeal under IC 6-1.1-18.5-12(d) by the  
38 department of local government finance;

39 (3) if the amount under subdivision (1) exceeds the amount under  
40 subdivision (2), the adjusted amount that is payable by the  
41 taxpayer:

42 (A) as a final reconciliation of all amounts due for the year;



- 1 and  
 2 (B) not later than:  
 3 (i) November 10; or  
 4 (ii) the date or dates established under section 9.5 of this  
 5 chapter; and  
 6 (4) if the amount under subdivision (2) exceeds the amount under  
 7 subdivision (1), that the taxpayer may claim a refund of the excess  
 8 under IC 6-1.1-26.
- 9 (f) If property taxes are not paid on or before the due date, the  
 10 penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent  
 11 taxes.
- 12 (g) **This subsection does not apply to a homestead to which the**  
 13 **minimum property tax liability under section 9.3 of this chapter**  
 14 **applies.** Notwithstanding any other law, a property tax liability of less  
 15 than five dollars (\$5) is increased to five dollars (\$5). The difference  
 16 between the actual liability and the five dollar (\$5) amount that appears  
 17 on the statement is a statement processing charge. The statement  
 18 processing charge is considered a part of the tax liability.
- 19 (h) This subsection applies only if a statement for payment of  
 20 property taxes and special assessments by electronic mail is transmitted  
 21 to a person under section 8.1(h) of this chapter. If a response to the  
 22 transmission of electronic mail to a person indicates that the electronic  
 23 mail was not received, the county treasurer shall mail to the person a  
 24 hard copy of the statement in the manner required by section 8.1(a) of  
 25 this chapter for persons who do not opt to receive statements by  
 26 electronic mail. The due date for the property taxes and special  
 27 assessments under a statement mailed to a person under this subsection  
 28 is the due date indicated in the statement transmitted to the person by  
 29 electronic mail.
- 30 (i) In a county in which an authorizing ordinance is adopted under  
 31 section 8.1(h) of this chapter, a person may direct the county treasurer  
 32 to transmit a reconciling statement under subsection (d)(1) by  
 33 electronic mail under section 8.1(h) of this chapter.
- 34 SECTION 3. IC 6-1.1-22-9.3 IS ADDED TO THE INDIANA  
 35 CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
 36 [EFFECTIVE JULY 1, 2016]: **Sec. 9.3. (a) This section applies to**  
 37 **property taxes first due and payable after December 31, 2016.**  
 38 **(b) Notwithstanding any other law and except as provided in**  
 39 **subsection (c), if the property tax liability due and payable on a**  
 40 **homestead for a particular year is less than one hundred dollars**  
 41 **(\$100), before application of credits under IC 6-1.1-20.6, the**  
 42 **property tax liability on the homestead is increased to one hundred**



1       dollars (\$100).

2       (c) The minimum property tax liability under this section does  
3       not apply to the following:

4           (1) A homestead for which the assessed value is reduced by a  
5           deduction under IC 6-1.1-12-9, IC 6-1.1-12-11, IC 6-1.1-12-13,  
6           IC 6-1.1-12-14, or IC 6-1.1-12-16.

7           (2) A homestead for which the combined adjusted gross  
8           income (as defined in Section 62 of the Internal Revenue  
9           Code), for the calendar year preceding the year in which the  
10          assessment date occurs, of all individuals who share  
11          ownership of the homestead or who are purchasing the  
12          homestead under a contract does not exceed an amount equal  
13          to:

14           (A) twelve (12); multiplied by

15           (B) the maximum monthly income level that applied for  
16           purposes of determining whether a family consisting of two  
17           (2) parents and one (1) child was eligible to receive  
18           assistance under the Temporary Assistance for Needy  
19           Families program (TANF) under IC 12-14, as in effect on  
20           the last day of the calendar year preceding the year in  
21           which the assessment date occurs.

22          The department of local government finance, with the  
23          assistance of the division of family resources, shall certify the  
24          income amount that applies under this subdivision for a  
25          particular year to each county auditor.

26          (d) An individual who desires to claim the exemption under  
27          subsection (c)(2) from the minimum property tax liability under  
28          this section must file a sworn statement, on a form prescribed by  
29          the department of local government finance, with the auditor of the  
30          county in which the homestead is located. The statement must be  
31          completed and dated in the calendar year in which the assessment  
32          date occurs and must be filed with the county auditor on or before  
33          January 5 of the immediately succeeding calendar year. The  
34          statement may be filed in person or by mail. If mailed, the mailing  
35          must be postmarked on or before the last day for filing. The  
36          statement must be in affidavit form or require verification under  
37          penalties of perjury. The individual must include on the statement  
38          the combined adjusted gross income (as defined in Section 62 of the  
39          Internal Revenue Code), for the calendar year preceding the year  
40          in which the assessment date occurs, of all individuals who share  
41          ownership of the homestead or who are purchasing the homestead  
42          under a contract.



1        **SECTION 4. An emergency is declared for this act.**

