

SENATE BILL No. 116

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-26.

Synopsis: Property tax refunds. Requires a county auditor to pay a property tax refund on February 1 of the calendar year following the calendar year in which the refund is allowed. Requires the county auditor to provide notice to the fiscal officer of each taxing unit that will be affected by a refund that the refund will be paid in the following calendar year. Removes obsolete provisions and gender specific terms from the property tax refund law.

Effective: July 1, 2015.

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January 6, 2015, read first time and referred to Committee on Local Government.



First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 116



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 6-1.1-26-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. A person, or ~~his the~~
3 **person's** heirs, personal representative, or successors, may file a claim
4 for the refund of all or a portion of a tax installment which ~~he the~~
5 **person** has paid. However, the claim must be:
6 (1) filed with the auditor of the county in which the taxes were
7 originally paid;
8 (2) filed within three (3) years after the taxes were first due;
9 (3) filed on the form prescribed by the state board of accounts and
10 approved by the department of local government finance; and
11 (4) based upon one (1) of the following grounds:
12 (A) Taxes on the same property have been assessed and paid
13 more than once for the same year.
14 (B) The taxes, as a matter of law, were illegal.
15 (C) There was a mathematical error either in the computation
16 of the assessment upon which the taxes were based or in the



1 computation of the taxes.

2 SECTION 2. IC 6-1.1-26-5, AS AMENDED BY P.L.288-2013,
 3 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2015]: Sec. 5. (a) When a claim for refund filed under section
 5 1 of this chapter is allowed either by the county board of
 6 commissioners, the department of local government finance, the
 7 Indiana board, or the Indiana tax court on appeal, the claimant is
 8 entitled to a refund. **The county auditor shall pay the refund on**
 9 **February 1 of the calendar year following the calendar year in**
 10 **which the refund is allowed. The county auditor shall provide**
 11 **notice to the fiscal officer of each taxing unit that will be affected**
 12 **by the refund that the refund will be paid in the following calendar**
 13 **year.**

14 (b) The amount of the refund shall equal the amount of the claim so
 15 allowed plus with respect to claims for refund filed after December 31,
 16 2001, any interest allowed under this subsection. However, a
 17 taxpayer is not entitled to interest unless the county auditor fails to
 18 pay the refund on the date specified in subsection (a). If interest is
 19 allowed under this subsection, the county auditor shall pay interest
 20 at the rate established for excess tax payments by the commissioner of
 21 the department of state revenue under IC 6-8.1-10-1 from the date on
 22 which the taxes were paid or payable, whichever is later, refund was
 23 due under subsection (a) to the date of the refund is paid. The interest
 24 shall be computed using the rate in effect for each particular year
 25 covered by the refund. The county auditor shall, without an
 26 appropriation being required, issue a warrant to the claimant payable
 27 from the county general fund for the amount due the claimant under
 28 this section.

29 (b) (c) In the June or December settlement and apportionment of
 30 taxes, or both the June and December settlement and apportionment of
 31 taxes, immediately following a refund made under this section the
 32 county auditor shall deduct the amount refunded from the gross tax
 33 collections of the taxing units for which the refunded taxes were
 34 originally paid and shall pay the amount so deducted into the general
 35 fund of the county. However, the county auditor shall make the
 36 deductions and payments required by this subsection not later than the
 37 December settlement and apportionment.

38 SECTION 3. IC 6-1.1-26-6 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) Notwithstanding
 40 the other provisions of this chapter, each county treasurer shall place
 41 the portion of a tax or special assessment payment which exceeds the
 42 amount actually due, as shown by the tax duplicate or special



1 assessment records, in a special fund to be known as the "surplus tax
2 fund". Amounts placed in the fund shall first be applied to the
3 taxpayer's delinquent taxes in the manner provided in IC 6-1.1-23-5(b).
4 The taxpayer may then file a verified claim for money remaining in the
5 surplus tax fund. The county treasurer or county auditor shall require
6 reasonable proof of payment by the person making the claim. If the
7 claim is approved by the county auditor and the county treasurer, the
8 county auditor shall issue a warrant to the taxpayer for the amount due
9 the taxpayer.

10 (b) Not less frequently than at the time of each semiannual
11 settlement, the county treasurer shall prepare duplicate schedules of all
12 excess payments received. The schedules shall contain the name on the
13 tax duplicate, the amount of excess paid, and the taxing district. The
14 county treasurer shall deliver one (1) copy of the schedule to the county
15 auditor. Within fifteen (15) days after receiving the schedule, the
16 county auditor shall review the schedule, and if the county auditor
17 concurs with the schedule, the county auditor shall notify the county
18 treasurer that the notice required under subsection (d) may be sent. The
19 county auditor shall preserve the schedule, and if a refund is
20 subsequently made, ~~he~~ **the county auditor** shall note on the schedule
21 and notify the county treasurer of the date and amount of the refund. In
22 addition, when money is transferred from the surplus tax fund to the
23 county general fund under subsection (c), the county auditor shall note
24 the date and amount of the transfer on the schedule.

25 (c) If an excess payment is not claimed within the three (3) year
26 period after November 10 of the year in which the payment was made
27 and the county treasurer has given the written notice required under
28 subsection (d), the county auditor shall transfer the excess from the
29 surplus tax fund into the general fund of the county. If the county
30 treasurer has given written notice concerning the excess under
31 subsection (d), the excess may not be refunded under subsection (a)
32 after the expiration of that three (3) year time period.

33 (d) This subsection applies only if the amount of an excess payment
34 is more than five dollars (\$5) and exceeds the amount applied under
35 subsection (a) to property taxes that are delinquent at the time that the
36 excess payment is transferred to the surplus tax fund. Not later than
37 forty-five (45) days after receiving the notification from the county
38 auditor under subsection (b), the county treasurer shall give the
39 taxpayer who made the excess payment written notice that the taxpayer
40 may be entitled to a refund. The notice shall be mailed to the last
41 known address of the taxpayer as listed on the tax duplicate or the most
42 current record of the county treasurer. The notice must contain at least



- 1 the following information:
- 2 (1) A statement that the taxpayer may be entitled to a refund
- 3 because the taxpayer made an excess payment.
- 4 (2) The amount of the refund.
- 5 (3) Instructions on how to claim the refund.
- 6 (4) The date before which the refund must be claimed under
- 7 subsection (c).
- 8 (5) An explanation that the amount of the refund will be reduced
- 9 by any amount applied to property taxes that are delinquent.

