



Deductions and Exemptions Overview

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Deductions, Exemptions, and Credits

- Deduction: Reduces Assessed Value
- Exemption: Excludes property from assessment and/or taxation
- Credit: Reduces tax bill

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Deductions, Exemptions, and Credits

- Disclaimer: this presentation and other Department of Local Government Finance materials are not a substitute for the law. The Indiana Code always governs.

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Common Net AV Equation

Assessed value of real estate	\$100,000
– Less Homestead Deduction:	- \$ 45,000
– Less Supplemental:	- \$ 19,250
– Less Mortgage Deduction:	<u>- \$ 3,000</u>
Net Assessed Value of Property	\$ 32,750

Deduction applications must be filled out and signed by December 31 and filed or postmarked by January 5.

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Overview of Common Deductions

Homestead Standard Deduction:

- Lesser of \$45,000 or 60% of the gross AV of the property;
- Applies to the dwelling (and those structures, such as decks and patios attached to the dwelling) and the surrounding acre (even if the acre straddles multiple parcels);
- Applies to property that is the applicant's principal place of residence, meaning the individual's true, fixed, permanent home to which the individual has the intention of returning after an absence.
- Applicant must own or be buying under recorded contract that provides that the buyer is responsible for the taxes.
- NOTE: If the applicant is a contract buyer, a recorded memorandum of contract may be used instead. See SEA 505-2017, Sec. 1.

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Overview of Common Deductions

Supplemental Homestead Deduction:

- Applied to the net AV resulting after application of the standard homestead deduction;
- Deduction equals 35% of the net AV (if the net is less than \$600,000) or 25% of the net AV (if the net is greater than \$600,000).

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Overview of Common Deductions

Mortgage:

- Lesser of: \$3,000, balance of mortgage or contract indebtedness on assessment date, or one-half of the total AV of property;
- A person may have more than one mortgage deduction in his name, subject to the statutory maximum. If a married couple owns two pieces of property and each property is mortgaged in the spouses' names, one spouse could have a mortgage deduction in his name on one property while the other spouse has a mortgage deduction in her name on the other property. Likewise, if a person owns a business (e.g., LLC), the person could have a mortgage deduction in his name and the business could have a mortgage deduction in its name.

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Overview of Common Deductions

Mortgage: (continued)

- Although there must be a mortgage balance in place, there is no statutory minimum balance.
- The mortgage deduction is available for property on which a person has a home equity line of credit that is recorded in the county recorder's office.

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Overview of Common Deductions

Mortgage: (continued)

- Note how statute defines key terms, effective July 1, 2017:

“Installment loan” means a loan under which

- a lender advances money for the purchase of
 - a mobile home that is not assessed as real property; or
 - a manufactured homes that is not assessed as real property; and
- a borrower repays the lender in installments in accordance with the terms of an installment agreement.

“Mortgage” means a lien against property that

- an owner of the property grants to secure an obligation, such as a debt, according to terms set forth in a written instrument, such as a deed or a contract; and
- is extinguished upon payment or performance according to the terms of the written instrument.

The term includes a reverse mortgage.

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Overview of Common Deductions

Over 65 Deduction:

- Lesser of one-half of the **gross** AV of the property or \$12,480. This deduction can zero out a bill;
- Applicant must have owned (or been buying) the property for at least one year before claiming the deduction;
- Applicant and any joint tenants or tenants in common must reside on the property;
- Combined, adjusted gross income of applicant and applicant’s spouse or applicant and any joint tenants or tenants in common for preceding year did not exceed \$25,000;
- AV of property cannot exceed \$182,430;

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Overview of Common Deductions

Over 65 Deduction: (continued)

- Applicant must be at least 65 by December 31 of the year preceding the year in which the deduction is claimed (in other words, must be at least 65 by December 31, 2017 to receive the deduction for '17 Pay '18);
- The **same person** cannot have the over 65 deduction in conjunction with deductions other than the homestead, mortgage, and fertilizer storage deductions;
- The deduction cannot be denied on the basis that the recipient is away from the property while in a hospital or nursing home;
- If any joint tenants or tenants in common are not at least 65, the deduction is reduced by a fraction.

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Overview of Common Deductions

Over 65 Circuit Breaker Credit:

- Credit prevents recipient's homestead tax liability from increasing by more than 2% over previous year;
- Applicant must have been eligible for homestead deduction in preceding year as well as current year;
- If applicant filed an individual income tax return for the preceding year, income cannot have exceeded \$30,000 (or \$40,000 if filed jointly with spouse);
- Gross AV of homestead cannot exceed \$160,000;
- No restrictions on combining credit with other deductions;
- Applicant is or will be at least 65 on or before December 31 of the calendar year immediately preceding the current calendar year (in other words, must be at least 65 by December 31, 2017 to receive the credit for '17 Pay '18).

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Overview of Common Deductions

Blind/Disabled Person Deduction:

- Deduction is \$12,480;
- Applicant must use property as principal place of residence;
- Applicant must own or be buying the property under recorded contract;
- Applicant must provide proof of blindness or disability;
- Applicant's individual income for preceding year did not exceed \$17,000.

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Overview of Common Deductions

Heritage Barn (see IC 6-1.1-12-26.2)

(A) was constructed before 1950; and
(B) retains sufficient integrity of design, materials, and construction to clearly identify the building as a barn.

- Cannot be a dwelling.
- Must have mortise and tenon construction (i.e., built using heavy wooden timbers, joined together with wood-pegged mortise and tenon joinery, that form an exposed structural frame).

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Deduction dates

- If a deduction is validly in place on the assessment date, it will stay in place for the assessment year, even if the property changes hands and the new owner is ineligible for it.
- What if a person has a homestead on his principal place of residence on January 1 but moves to new principal place of residence later in the year? The deduction will stay on the old property for that tax cycle and can be granted a homestead deduction for the new property for the same tax cycle. See IC 6-1.1-12-37(h).

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Deduction dates

- A person must actually use the property as his or her principal place of residence in the year in which the deduction application/SDF is signed.

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Common Questions

Q: Can one spouse or owner receive an over 65 deduction while the other spouse or owner receives a veteran deduction?

A: Yes. State law prohibits the same PERSON from receiving an over 65 deduction AND certain other deductions, but it does not prohibit one spouse or owner from receiving an over 65 deduction and the other spouse or owner receiving a disability or veteran deduction. Please note that the fractional reduction in the over 65 deduction only occurs if the other owner is not 65 and NOT the applicant's spouse. If the applicant's spouse is under 65, there is no reduction!

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Common Questions

Remember that if someone failed to file a verification form, the auditor may, in his or her discretion, terminate the deduction for the '12 Pay '13 cycle forward. To go back previous years, the auditor must have an independent reason for doing so. If a taxpayer who failed to file the verification form provides proof of his or her eligibility for the deduction for the '12 Pay '13 cycle (or a subsequent cycle for which the deduction was terminated for failure to file the form), the deduction MUST be reinstated (no statutory deadline for taxpayer; no interest due; no statutory obligation to file Form 133).

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Common Questions

Please note that if you have two unmarried individuals who own a property and one of them uses it as his homestead, he is not precluded from applying for the homestead deduction even if his co-owner receives a homestead deduction on the property where she lives.

By way of example, if Bob and Sue are siblings and own House A, which Bob uses as his homestead, Bob can claim a homestead deduction on House A even if Sue claims a homestead deduction on House B, which she uses as her homestead.

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Common Questions

However, if there are two or more people who own the same house and are each eligible for the homestead deduction, only one homestead deduction can be applied on the house.

The auditor must record and apply the deduction for the qualifying individual.

See IC 6-1.1-12-37(b).

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Driver's licenses

The homestead deduction application must contain "either:

- (A) the last five (5) digits of the applicant's Social Security number and the last five (5) digits of the Social Security number of the applicant's spouse (if any); or
- (B) if the applicant or the applicant's spouse (if any) does not have a Social Security number, any of the following for that individual:
 - (i) The last five (5) digits of the individual's driver's license number.
 - (ii) The last five (5) digits of the individual's state identification card number.
 - (iii) The last five (5) digits of a preparer tax identification number that is obtained by the individual through the Internal Revenue Service of the United States.
 - (iv) If the individual does not have a driver's license or a state identification card, the last five (5) digits of a control number that is on a document issued to the individual by the federal government."

"The county auditor may limit the evidence that an individual is required to submit to a state income tax return, a valid driver's license, or a valid voter registration card showing that the residence for which the deduction is claimed is the individual's principal place of residence."

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Driver's Licenses

- Although a person has 60 days to obtain an Indiana driver's license after becoming a resident of the state, the person's failure to do so would not necessarily prohibit him from obtaining the homestead deduction.

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Common Questions

Change in marital status & the homestead deduction - IC 6-1.1-12-17.8(d)

An unmarried individual who receives a homestead deduction must refile for the deduction if the individual marries and remains eligible for the deduction. The deduction must be filed for on the assessment date following the marriage. Likewise, a married individual receiving the homestead deduction who subsequently divorces must reapply for the deduction for the assessment date following the divorce. However, if the divorcing individual fails to reapply for the deduction, it does not make the former spouse ineligible for the homestead deduction.

If a person who is receiving the Over 65 deduction for a property and subsequently owns the property with another person jointly or as a tenant in common, assuming he remains eligible, the person must reapply for the deduction for the following assessment date. If an unmarried individual who is receiving an Over 65 credit for a property subsequently marries, assuming he remains eligible for the credit, the individual must reapply for the credit for the following assessment date.

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Common Questions

Q: How do we handle the income thresholds for the over 65 deduction and blind/disabled deductions?

Over 65 Deduction (IC 6-1.1-12-9, 10.1):

“the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

- (A) the individual and the individual's spouse; or
- (B) the individual and all other individuals with whom:
 - (i) the individual shares ownership; or
 - (ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed twenty-five thousand dollars (\$25,000).

“In order to substantiate the deduction statement, the applicant shall submit for inspection by the county auditor a copy of the applicant's and a copy of the applicant's spouse's income tax returns for the preceding calendar year. If either was not required to file an income tax return, the applicant shall subscribe to that fact in the deduction statement.”

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Common Questions

Over 65 Credit (IC 6-1.1-20.6-8.5):

- “(A) in the case of an individual who filed a single return, adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding thirty thousand dollars (\$30,000); or
- (B) in the case of an individual who filed a joint income tax return with the individual's spouse, combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding forty thousand dollars (\$40,000); for the calendar year preceding by two (2) years the calendar year in which property taxes are first due and payable.”

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FYI

Please note that HEA 1072-2012 amended the homestead deduction statute so that:

If a property owner's property is not eligible for the homestead deduction because the county auditor has determined that the property is not the property owner's principal place of residence, the property owner may appeal the county auditor's determination to the PTABOA as provided in IC 6-1.1-15. The county auditor must inform the property owner of the owner's right to appeal to the PTABOA when the county auditor informs the property owner of the county auditor's determination. (Effective July 1, 2012)

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More on ineligibility

HEA 1450-2017 imposes a requirement for a person receiving or seeking to receive a homestead deduction.

If the person

- changes the use of the individual's property so that part or all of the property no longer qualifies for the deduction; or
- is not eligible for a deduction because the person is already receiving
 - a homestead deduction in the person's name as an individual or a spouse; or
 - a deduction under the law of another state equivalent to the homestead deduction in Indiana;

the person must file a certified statement with the auditor of the county stating that the person is ineligible. A person who fails to file the statement may be liable under IC 6-1.1-36-17 for any additional taxes that would have been due on the property if the person had filed the statement timely.

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One-year carryover

Changes to the one-year carryover (IC 6-1.1-12-45)

- A person who fails to apply for a deduction or credit by the prescribed deadlines may not apply for the deduction or credit retroactively. This provision is effective July 1, 2017.

For example, a taxpayer acquired property in August 2017 from a previous owner who had been receiving a homestead deduction on that property. Hence, the taxpayer was entitled to receive the homestead deduction for the January 1, 2018 assessment date, but he would have to apply for the deduction for the January 1, 2019 assessment date. The taxpayer fails to apply by the deadline, filing the application on January 6, 2020. The filing will first apply for the January 1, 2020 assessment date.

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One-year carryover

Changes to the one-year carryover (IC 6-1.1-12-45)

- For purposes of the mortgage deduction, a taxpayer receiving the deduction will have to reapply for the assessment date following a refinancing.
- Where applying for a deduction requires recording a contract with a county recorder, the taxpayer must record the contract or a memorandum of the contract before or concurrently with the filing of the corresponding deduction application.
- Before a county auditor terminates a deduction, the auditor must notify the person claiming a deduction in writing that the auditor intends to terminate the deduction and specifying the auditor's reasons. The auditor may send the notice by mail or e-mail. This notice is not appealable, but the taxpayer may appeal the auditor's termination of the deduction.

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Veteran Deductions

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Deduction for Veterans with Partial Disability

IC 6-1.1-12-13

- An individual may have \$24,960 deducted from the assessed value of the taxable tangible property that the individual owns, or real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property that the individual is buying under a contract (the contract or a memorandum of the contract must be recorded in the county recorder's office) if ...

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Deduction for Veterans with Partial Disability

- 1) the individual served in the military or naval forces of the United States during any of its wars;
- 2) the individual received an honorable discharge;
- 3) the individual has a disability with a service connected disability of 10% or more;
- 4) the individual's disability is evidenced by:
 - (A) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or
 - (B) a certificate of eligibility issued to the individual by the Indiana Department of Veterans' Affairs ("IDVA") after IDVA has determined that the individual's disability qualifies the individual to receive a deduction; and
- 5) the individual:
 - (A) owns the real property, mobile home, or manufactured home; or
 - (B) is buying the real property, mobile home, or manufactured home under contract;
on the date the deduction application is filed.

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Deduction for Veterans with Partial Disability

- A person who receives this deduction may not receive the deduction provided by IC 6-1.1-12-16, which is the deduction for the surviving spouse of a World War I veteran.
- An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim this deduction against that real property, mobile home, or manufactured home.

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Deduction for Totally Disabled Veteran or Partially Disabled Veteran Age 62 and Over

IC 6-1.1-12-14

- An individual may have the sum of \$12,480 deducted from the assessed value of the tangible property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office) if ...

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Deduction for Totally Disabled Veteran or Partially Disabled Veteran Age 62 and Over

- (1) the individual served in the military or naval forces of the United States for at least 90 days;
- (2) the individual received an honorable discharge;
- (3) the individual either:
 - (A) has a total disability; or
 - (B) is at least 62 years old and has a disability of at least 10% (need not be service-connected);

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Deduction for Totally Disabled Veteran or Partially Disabled Veteran Age 62 and Over

- (4) the individual's disability is evidenced by:
 - (A) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or
 - (B) a certificate of eligibility issued to the individual by the IDVA after it has determined that the individual's disability qualifies him or her to receive this deduction; and
- (5) the individual:
 - (A) owns the real property, mobile home, or manufactured home; or
 - (B) is buying the real property, mobile home, or manufactured home under contract; on the date the deduction application is filed.

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Deduction for Totally Disabled Veteran or Partially Disabled Veteran Age 62 and Over

- No one is entitled to this deduction if the assessed value of the individual's tangible property, as shown by the tax duplicate, exceeds \$175,000. You must consider all the vet's property.
- An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim this deduction.

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Applying for the Veterans Deductions

IC 6-1.1-12-15

- An individual who desires to claim the partially or totally disabled veteran deductions must file a statement with the auditor of the county in which the individual resides (more appropriately, the individual should apply to the auditor of the county in which the property is located). Application should preferably list all of the vet's Indiana property.
- With respect to real property, the statement must be completed and signed on or before December 31 and filed or postmarked on or before the following January 5.
- With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the 12 months before March 31 of each year for which the individual wishes to obtain the deduction.
- The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement must contain a sworn declaration that the individual is entitled to the deduction.

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Applying for the Veterans Deductions

In addition to the statement, the individual shall submit to the county auditor for the auditor's inspection:

- (1) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs if the individual claims the partially disabled veteran deduction;
 - (2) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs if the individual claims the totally disabled veteran; or
 - (3) the appropriate certificate of eligibility issued to the individual by IDVA if the individual claims either deduction.
- If the individual claiming the deduction is under guardianship, the guardian shall file the statement.
 - The statement must contain the record number and page where the contract or memorandum of the contract is recorded, if applicable.

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Surviving Spouses

- The surviving spouse of a veteran may receive these deductions if the veteran satisfied the eligibility requirements of these deductions at the time of his or her death and the surviving spouse owns or is buying the property under contract at the time the deduction application is filed. The surviving spouse is entitled to the deduction regardless of whether the property for which the deduction is claimed was owned by the deceased veteran or the surviving spouse before the deceased veteran's death.
- If a deceased veteran's surviving spouse is claiming a veteran deduction, the surviving spouse shall provide the documentation necessary to establish that at the time of death the deceased veteran satisfied the requirements of IC 6-1.1-12-13 or IC 6-1.1-12-14, whichever applies.

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Deductions for World War I Veterans

- IC 6-1.1-12-17.4, IC 6-1.1-12-16, and IC 6-1.1-12-17 provide for a deduction for World War I veterans, their surviving spouses, and the process by which surviving spouses claim the deduction.
- IC 6-1.1-12-17.4 has been sunset, as there are no longer any surviving World War I veterans.
- Please note that although IC 6-1.1-12-17 is entitled “Claim by surviving spouse of veteran,” this is for the surviving spouse of a World War I veteran only!

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Deduction for donating homestead

SEA 304 introduces a new deduction at IC 6-1.1-12-14.5, effective January 1, 2017 (the 2017 Pay 2018 cycle), which allows a veteran to claim a deduction from the assessed value of the individual’s homestead if:

- (1) the individual served in the military or naval forces of the United States for at least 90 days;
- (2) the individual received an honorable discharge;
- (3) the individual has a disability of at least 50%;
- (4) the individual’s disability is evidenced by:
 - (A) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or
 - (B) a certificate of eligibility issued to the individual by the Indiana Department of Veterans’ Affairs (“IDVA”) after IDVA has determined that the individual’s disability qualifies the individual to receive a deduction under this new statute;and
- (5) the homestead was conveyed without charge to the individual who is the owner of the homestead by an organization that is exempt from income taxation under the federal Internal Revenue Code.

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Deduction for donating homestead

The amount of the deduction is determined as follows:

- (1) If the individual is totally disabled, the deduction is equal to 100% of the assessed value of the homestead.
- (2) If the individual has a disability of at least 90% but the individual is not totally disabled, the deduction is equal to 90% of the assessed value of the homestead.
- (3) If the individual has a disability of at least 80% but less than 90%, the deduction is equal to 80% of the assessed value of the homestead.
- (4) If the individual has a disability of at least 70% but less than 80%, the deduction is equal to 70% of the assessed value of the homestead.
- (5) If the individual has a disability of at least 60% but less than 70%, the deduction is equal to 60% of the assessed value of the homestead.
- (6) If the individual has a disability of at least 50% but less than 60%, the deduction is equal to 50% of the assessed value of the homestead.

“Homestead” has the meaning set forth in IC 6-1.1-12-37, the homestead deduction statute (dwelling and immediately surrounding acre).

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Deduction for donating homestead

A veteran who claims this deduction for an assessment date may not also claim a “partially disabled veteran deduction” or “totally disabled veteran deduction” under IC 6-1.1-12-13 or 14, respectively, for that same assessment date. Also, an unused portion of this deduction, if any, CANNOT be applied to excise taxes.

A veteran claiming this deduction must do so on a form prescribed by the Department. The Department has updated State Form 12662 in late 2016 to include this deduction.

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Frequently Asked Questions

Q: Can a veteran receive more than one veteran's deduction?

A: The total amount of the deductions combined cannot exceed the maximum established by statute. In other words, if the veteran owns two properties in a county, he can receive a deduction on both properties, but these deductions combined cannot exceed \$24,960 or \$12,480 (or possibly \$37,440). You can view this as either two deductions or one deduction split between properties. The application should list the properties to which the vet wants the deduction applied.

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Frequently Asked Questions

Q: What if two veterans own a property?

A: If two individuals, both eligible veterans, own a property, then each is entitled to a full deduction.

Q: What if a veteran owns only personal property – can he still receive the deduction or must he own real property first?

A: The veteran's deductions statutes say that the deduction is made to the assessed value of the taxable tangible property that the individual owns. Thus, if the veteran owns only personal property, the deduction can be applied to this property.

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Exemptions

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Exemptions, Deductions, Credits

- Exemption → property that is not taxable (to whatever extent).
 - E.g., churches, charitable organizations
 - IC 6-1.1-10; IC 6-1.1-11
- Deduction → reduces the taxable AV of a property by a fixed dollar amount.
 - E.g., Homestead, Mortgage, Over 65, Disabled Veteran
 - IC 6-1.1-12
- Credit → reduces the tax bill by a designated percentage or prevents a tax bill from exceeding a certain percentage.
 - Circuit Breaker, Over 65, Property Tax Relief

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The Legal Basis for Exemptions

- Article 10, Section 1 of the Indiana Constitution permits the Legislature to exempt certain classes of property from property taxation.
- IC 6-1.1-10 contains most of the exemptions available, but exemptions may be found throughout the Code.
- Exemption procedures are found in IC 6-1.1-11. The procedures include application requirements, deadlines, etc.

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Applying for an Exemption

- Application (Form 136) must be filed with the county assessor on or before April 1 of the assessment year, starting in 2016.
 - April 1, 2017, for the 2017-pay-2018 property taxes.
- See IC 6-1.1-11-3.
- If the Property Tax Assessment Board of Appeals (“PTABOA”) denies the application, it has no later than April 25 to provide notice to the taxpayer.
- However, the exemption application is not required if the exempt property is owned by the United States, the state, an agency of this state, or a political subdivision (as defined in IC 36-1-2-13). This exception applies only when the property is used, and, in the case of real property, occupied, by the owner.

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Applying for an Exemption

IC 6-1.1-11-4(d):

Ordinarily, the exemption must be re-filed every **even** year unless:

- (1) the exempt property is:
 - (A) tangible property used for religious purposes described in IC 6-1.1-10-21;
 - (B) tangible property owned by a church or religious society used for educational purposes described in IC 6-1.1-10-16;
 - (C) other tangible property owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes described in IC 6-1.1-10-16; or
 - (D) other tangible property owned by a fraternity or sorority (as defined in IC 6-1.1-10-24).
- (2) the exemption application was filed properly at least once for a religious use under IC 6-1.1-10-21, an educational, literary, scientific, religious, or charitable use under IC 6-1.1-10-16, or use by a fraternity or sorority under IC 6-1.1-10-24; and
- (3) the property continues to meet the requirements for an exemption under IC 6-1.1-10-16, IC 6-1.1-10-21, or IC 6-1.1-10-24.

NOTE: The exemption application is not required if the exempt property is owned by the United States, the state, an agency of this state, or a political subdivision. However, this is true only when the property is used, and in the case of real property occupied, by the owner!

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2017 Exemption Legislation

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2017 Legislation

Section 10 of HEA 1450 creates an exemption for certain medical providers

IC 6-1.1-10-47

- For assessment dates starting in 2018, tangible property owned by a nonprofit corporation is exempt if the following apply:
 - 1) The owner is a 501(c)(3) organization.
 - 2) The owner is a federally-qualified health center and a primary medical provider that
 - a) accepts all patients and provides care regardless of a patient's ability to pay;
 - b) is located in a geographically underserved area; and
 - c) has received a grant at any time from the Indiana health care trust account under IC 4-12-5.

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2017 Legislation

IC 6-1.1-10-47 (cont'd)

- 3) The owner has granted an exemption under IC 6-1.1-10-16 for a comparable facility in a contiguous county.
 - 4) The owner applied for an exemption under IC 6-1.1-10-16 for a previous assessment date and was denied.
- The exempt property includes the following:
 - Storage or parking property.
 - Any part of the property that is leased or rented by the owner to another nonprofit corporation providing services or assistance to participants in the Special Supplemental Nutrition Program for the Women, Infants, and Children Nutrition Program under IC 16-35-1.5.
 - The exemption must be reduced proportionately if part of the exempt property is used by a for-profit enterprise.
 - Effective upon passage.

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2017 Legislation

Section 7 of SEA 386 adds IC 6-1.1-11-3(h), which provides that a taxpayer who misses the deadline for filing an appeal may file a Form 136 for up to 3 years after the missed deadline. The following must apply:

- The property on which the person seeking an exemption was exempt from taxation for the tax year immediately before the deadline (May 15 for assessment years in 2015 and prior, or April 1 for assessment years 2016 and after).
- The person seeking an exemption would have been eligible for the exemption on the deadline.

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2017 Legislation

For example, a taxpayer wanted to apply for an exemption for 2017 but missed the April 1 deadline. In order to apply for the exemption despite missing the deadline, the taxpayer must have had the property receive the exemption for 2016 and had to have it remain eligible for the exemption for 2017. The taxpayer would then have until April 1, 2020 to apply for the exemption.

Effective July 1, 2017.

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2017 Legislation

Notes:

- This does not extend the deadline for when an exemption application is denied.
- Because the statute includes the May 15 filing deadline (i.e., the pre-2016 deadline), the Department believes this provision is “retroactive” to the earliest possible filing deadline (May 15, 2015). In other words, filings for 2015 and 2016 assessment years are possible.

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Thank you!

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