

SENATE BILL No. 51

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-21-5.2.

Synopsis: Property tax credits for the elderly and disabled. Provides that a property tax credit is payable from the property tax replacement fund against the property taxes paid on an individual's homestead if the individual is at least 65 years of age or has been declared totally disabled for purposes of Social Security. Provides that the credit changes each year so that the individual's net property tax liability will never be greater than the individual's property tax liability in the first year the individual qualified for the credit so long as the individual files for the credit. Appropriates money from the property tax replacement fund to pay for the property tax credits.

Effective: January 1, 1999.

Craycraft

January 6, 1998, read first time and referred to Committee on Finance.



Introduced

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

SENATE BILL No. 51

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

- 1 SECTION 1. IC 6-1.1-21-5.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
3 **JANUARY 1, 1999]: Sec. 5.2. (a) The following definitions apply**
4 **throughout this section:**
5 (1) **"Base year" means the most recent calendar year:**
6 (A) **in which an individual qualifies and files for the credit**
7 **under this section; and**
8 (B) **that is preceded by a calendar year in which the**
9 **individual did not qualify or file for the credit under this**
10 **section.**
11 (2) **"Dwelling" means:**
12 (A) **residential real property improvement; or**
13 (B) **a mobile home not assessed as real property;**
14 **that an individual uses as the individual's residence.**
15 (3) **"Homestead" means an individual's principal place of**
16 **residence that:**
17 (A) **is located in Indiana;**



- 1 **(B) the individual either owns or is buying under a contract**
 2 **requiring the individual to pay the property taxes on the**
 3 **residence; and**
- 4 **(C) consists of a dwelling and any real estate, not exceeding**
 5 **one (1) acre, that immediately surrounds the dwelling.**
- 6 **(4) "Net property tax bill" means the amount of property taxes**
 7 **currently due and payable by an individual for a particular**
 8 **calendar year after the application of all deductions and**
 9 **credits, except for the credit allowed under this section, as**
 10 **evidenced by the tax statements prepared and mailed under**
 11 **IC 6-1.1-22-8.**
- 12 **(5) "Qualifying individual" means an individual who:**
- 13 **(A) is at least sixty-five (65) years of age; or**
 14 **(B) has been declared totally disabled for purposes of**
 15 **federal Social Security laws.**
- 16 **(b) Each year an individual may receive a credit against the net**
 17 **property tax bill on the individual's homestead. To obtain the credit**
 18 **under this section for a particular calendar year, the individual must**
 19 **file a claim for the credit before February 1 of that calendar year**
 20 **with the auditor of the county in which the individual resides. The**
 21 **claim must be on forms prescribed by the state board of tax**
 22 **commissioners and must contain the following information:**
- 23 **(1) The individual's full name and complete address.**
 24 **(2) A description of the individual's homestead and the number**
 25 **of years that the individual has resided at that homestead.**
 26 **(3) Proof of the individual's age or disability.**
 27 **(4) If the claim is filed in a calendar year after the individual's**
 28 **qualifying calendar year, the individual's qualifying calendar**
 29 **year and the net property tax bill in that qualifying calendar**
 30 **year.**
- 31 **(5) Any other information requested by the state board of tax**
 32 **commissioners.**
- 33 **(c) If two (2) individuals own a homestead under a tenancy by the**
 34 **entirety and one (1) or both of the individuals meet the eligibility**
 35 **requirements of subsection (b), those individuals are together**
 36 **entitled to one (1) credit under this section.**
- 37 **(d) The amount of the credit to which a qualifying individual is**
 38 **entitled equals the difference between:**
- 39 **(1) the net property tax bill, before the application of the credit**
 40 **under this section, on the individual's homestead for the**
 41 **calendar year for which the claim is being made; minus**
 42 **(2) the net property tax bill on the individual's homestead for**



1 the individual's base year.

2 (e) Upon receiving a proper credit claim, the county auditor shall
3 allow the credit and shall apply the credit equally against each
4 installment of property taxes payable in that calendar year. The
5 county auditor shall include the amount of the credit applied against
6 each installment of taxes on the tax statement required under
7 IC 6-1.1-22-8.

8 (f) After January 31 and before February 15 of each year, each
9 county auditor shall certify to the state board of tax commissioners
10 the number and amounts of the credits allowed under this section for
11 that calendar year. Upon receiving the certifications, the state board
12 of tax commissioners shall determine the total amount of the credits
13 allowed in each county under this section and shall certify the totals
14 to the department at the same time the state board of tax
15 commissioners certifies the total county tax levies. The department
16 shall distribute to each county from the property tax replacement
17 fund the amount of credits certified for that county by the state
18 board of tax commissioners at the same time and in the same
19 manner as the department distributes the county's estimated
20 distribution under section 4 of this chapter. Money is appropriated
21 from the property tax replacement fund to make the distributions.

22 (g) An individual who knowingly or intentionally files a false claim
23 for the credit under this section commits a Class B misdemeanor. In
24 addition to any other sentence imposed on a person convicted of an
25 offense under this subsection, the court shall order the individual to
26 pay the amount of any credit the individual received because of that
27 false claim to the state board of tax commissioners for deposit in the
28 property tax replacement fund established by section 1 of this
29 chapter.

30 SECTION 2. [EFFECTIVE JANUARY 1, 1999] (a) IC 6-1.1-21-5.2,
31 as added by this act, applies to credit claims filed after December 31,
32 1998.

33 (b) IC 6-1.1-21-5.2, as added by this act, applies to property taxes
34 first due and payable after December 31, 1998.

