

SENATE BILL No. 52

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12-9.

Synopsis: Property tax deductions. Increases the adjusted gross income and assessed value limits on the property tax deduction for individuals who are at least 65 years of age. Increases the adjusted gross income limit from \$20,000 to \$23,000. Increases the assessed value limit from \$21,000 to \$24,000. Makes conforming amendments to the version of the statute that takes effect March 1, 2001, with the change of the definition of assessed value from 33.3% of true tax value to 100% of true tax value.

Effective: January 1, 1999; March 1, 2001.

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. 52

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 6-1.1-12-9, AS AMENDED BY P.L.48-1996,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 1999]: Sec. 9. (a) An individual may obtain a deduction
4 from the assessed value of the individual's real property, or mobile home
5 which is not assessed as real property, if:
6 (1) the individual is at least sixty-five (65) years of age on or before
7 December 31 of the calendar year preceding the year in which the
8 deduction is claimed;
9 (2) the combined adjusted gross income (as defined in Section 62 of
10 the Internal Revenue Code) of:
11 (A) the individual and the individual's spouse; or
12 (B) the individual and all other individuals with whom:
13 (i) the individual shares ownership; or
14 (ii) the individual is purchasing the property under a contract;
15 as joint tenants or tenants in common;
16 for the calendar year preceding the year in which the deduction is
17 claimed did not exceed ~~twenty~~ **twenty-three** thousand dollars

1998

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- 1 ~~(\$20,000)~~ **(\$23,000)**;
- 2 (3) the individual has owned the real property or mobile home for at
- 3 least one (1) year before claiming the deduction; or the individual
- 4 has been buying the real property under a contract that provides that
- 5 the individual is to pay the property taxes on the real property or
- 6 mobile home for at least one (1) year before claiming the deduction,
- 7 and the contract or a memorandum of the contract is recorded in the
- 8 county recorder's office;
- 9 (4) the individual and any individuals covered by subdivision (2)(B)
- 10 reside on the real property or in the mobile home;
- 11 (5) the assessed value of the real property or mobile home does not
- 12 exceed ~~twenty-one~~ **twenty-four** thousand dollars ~~(\$21,000)~~;
- 13 **(\$24,000)**; and
- 14 (6) the individual receives no other property tax deduction for the
- 15 year in which the deduction is claimed, except the deductions
- 16 provided by sections 1, 37, and 38 of this chapter.
- 17 (b) Except as provided in subsection (h), in the case of real property,
- 18 an individual's deduction under this section equals one thousand dollars
- 19 (\$1,000).
- 20 (c) Except as provided in subsection (h), in the case of a mobile home
- 21 which is not assessed as real property, an individual's deduction under this
- 22 section equals the lesser of:
- 23 (1) one-half (1/2) of the assessed value of the mobile home; or
- 24 (2) one thousand dollars (\$1,000).
- 25 (d) An individual may not be denied the deduction provided under this
- 26 section because the individual is absent from the real property or a mobile
- 27 home while in a nursing home or hospital.
- 28 (e) For purposes of this section, if real property or a mobile home is
- 29 owned by:
- 30 (1) tenants by the entirety;
- 31 (2) joint tenants; or
- 32 (3) tenants in common;
- 33 only one (1) deduction may be allowed. However, the age requirement is
- 34 satisfied if any one (1) of the tenants is at least sixty-five (65) years of
- 35 age.
- 36 (f) A surviving spouse is entitled to the deduction provided by this
- 37 section if:
- 38 (1) the surviving spouse is at least sixty (60) years of age on or
- 39 before December 31 of the calendar year preceding the year in
- 40 which the deduction is claimed;
- 41 (2) the surviving spouse's deceased husband or wife was at least
- 42 sixty-five (65) years of age at the time of a death;



1 (3) the surviving spouse has not remarried; and

2 (4) the surviving spouse satisfies the requirements prescribed in
3 subsection (a)(2) through (a)(6).

4 (g) An individual who has sold real property to another person under
5 a contract that provides that the contract buyer is to pay the property taxes
6 on the real property may not claim the deduction provided under this
7 section against that real property.

8 (h) In the case of tenants covered by subsection (a)(2)(B), if all of the
9 tenants are not at least sixty-five (65) years of age, the deduction allowed
10 under this section shall be reduced by an amount equal to the deduction
11 multiplied by a fraction. The numerator of the fraction is the number of
12 tenants who are not at least sixty-five (65) years of age, and the
13 denominator is the total number of tenants.

14 SECTION 2. IC 6-1.1-12-9, AS AMENDED BY P.L.6-1997,
15 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 MARCH 1, 2001]: Sec. 9. (a) An individual may obtain a deduction from
17 the assessed value of the individual's real property, or mobile home which
18 is not assessed as real property, if:

19 (1) the individual is at least sixty-five (65) years of age on or before
20 December 31 of the calendar year preceding the year in which the
21 deduction is claimed;

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

24 (A) the individual and the individual's spouse; or

25 (B) the individual and all other individuals with whom:

26 (i) the individual shares ownership; or

27 (ii) the individual is purchasing the property under a contract;
28 as joint tenants or tenants in common;

29 for the calendar year preceding the year in which the deduction is
30 claimed did not exceed ~~twenty~~ **twenty-three** thousand dollars
31 ~~(\$20,000);~~ **(\$23,000);**

32 (3) the individual has owned the real property or mobile home for at
33 least one (1) year before claiming the deduction; or the individual
34 has been buying the real property under a contract that provides that
35 the individual is to pay the property taxes on the real property or
36 mobile home for at least one (1) year before claiming the deduction,
37 and the contract or a memorandum of the contract is recorded in the
38 county recorder's office;

39 (4) the individual and any individuals covered by subdivision (2)(B)
40 reside on the real property or in the mobile home;

41 (5) the assessed value of the real property or mobile home does not
42 exceed ~~sixty-three~~ **seventy-two** thousand dollars ~~(\$63,000);~~



- 1 **(\$72,000); and**
 2 (6) the individual receives no other property tax deduction for the
 3 year in which the deduction is claimed, except the deductions
 4 provided by sections 1, 37, and 38 of this chapter.
- 5 (b) Except as provided in subsection (h), in the case of real property,
 6 an individual's deduction under this section equals three thousand dollars
 7 (\$3,000).
- 8 (c) Except as provided in subsection (h), in the case of a mobile home
 9 which is not assessed as real property, an individual's deduction under this
 10 section equals the lesser of:
 11 (1) one-half (1/2) of the assessed value of the mobile home; or
 12 (2) three thousand dollars (\$3,000).
- 13 (d) An individual may not be denied the deduction provided under this
 14 section because the individual is absent from the real property or a mobile
 15 home while in a nursing home or hospital.
- 16 (e) For purposes of this section, if real property or a mobile home is
 17 owned by:
 18 (1) tenants by the entirety;
 19 (2) joint tenants; or
 20 (3) tenants in common;
 21 only one (1) deduction may be allowed. However, the age requirement is
 22 satisfied if any one (1) of the tenants is at least sixty-five (65) years of
 23 age.
- 24 (f) A surviving spouse is entitled to the deduction provided by this
 25 section if:
 26 (1) the surviving spouse is at least sixty (60) years of age on or
 27 before December 31 of the calendar year preceding the year in
 28 which the deduction is claimed;
 29 (2) the surviving spouse's deceased husband or wife was at least
 30 sixty-five (65) years of age at the time of a death;
 31 (3) the surviving spouse has not remarried; and
 32 (4) the surviving spouse satisfies the requirements prescribed in
 33 subsection (a)(2) through (a)(6).
- 34 (g) An individual who has sold real property to another person under
 35 a contract that provides that the contract buyer is to pay the property taxes
 36 on the real property may not claim the deduction provided under this
 37 section against that real property.
- 38 (h) In the case of tenants covered by subsection (a)(2)(B), if all of the
 39 tenants are not at least sixty-five (65) years of age, the deduction allowed
 40 under this section shall be reduced by an amount equal to the deduction
 41 multiplied by a fraction. The numerator of the fraction is the number of
 42 tenants who are not at least sixty-five (65) years of age, and the



1 denominator is the total number of tenants.

2 SECTION 3. [EFFECTIVE JANUARY 1, 1999] (a) **IC 6-1.1-12-9,**
3 **as amended by SECTION 1 of this act, applies to property taxes first**
4 **due and payable after December 31, 1998.**

5 (b) **IC 6-1.1-12-9, as amended by SECTION 2 of this act, applies**
6 **to property taxes first due and payable after December 31, 2001.**

