

# SENATE BILL No. 395

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-21.3.

**Synopsis:** Property tax credits. Provides a property tax credit to individuals with household incomes of less than \$50,000 who: (1) are at least 65 years of age; or (2) have been declared totally disabled for purposes of the federal Social Security laws. Provides that the tax credit changes each year so that the individual's net property tax liability will never be more than the individual's property tax liability in the first year the individual qualified for the credit for as long as the individual files for the credit. Makes an appropriation from the property tax replacement fund to pay for the property tax credits.

**Effective:** January 1, 1998 (retroactive).

---

---

Kenley

---

---

January 9, 1998, read first time and referred to Committee on Finance.

---

---

C  
O  
P  
Y



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.

C  
O  
P  
Y

## SENATE BILL No. 395



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 6-1.1-21.3 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JANUARY 1, 1998 (RETROACTIVE)]:
- 4 **Chapter 21.3. Household Property Tax Credits**
- 5 **Sec. 1. As used in this chapter, "base year" means the calendar**
- 6 **year:**
- 7 **(1) in which an individual qualifies and files for the tax credit**
- 8 **under this chapter; and**
- 9 **(2) that is preceded by a calendar year for which the**
- 10 **individual did not receive the tax credit under this chapter.**
- 11 **Sec. 2. As used in this chapter, "department" refers to the**
- 12 **department of state revenue.**
- 13 **Sec. 3. As used in this chapter, "dwelling" means:**
- 14 **(1) residential real property improvement; or**
- 15 **(2) a mobile home not assessed as real property;**
- 16 **that an individual uses as the individual's residence.**
- 17 **Sec. 4. As used in this chapter, "homestead" means an**



1 individual's principal place of residence that:

2 (1) is located in Indiana;

3 (2) the individual either owns or is buying under a contract  
4 requiring the individual to pay the property taxes on the  
5 residence; and

6 (3) consists of a dwelling and any real estate of not more than  
7 one (1) acre that immediately surrounds the dwelling.

8 **Sec. 5. As used in this chapter, "household income" means:**

9 (1) the individual's Indiana adjusted gross income (as defined  
10 in IC 6-3-1-3.5) in the case of a single return;

11 (2) the Indiana adjusted gross income (as defined in  
12 IC 6-3-1-3.5) of the individual and the individual's spouse in  
13 the case of a joint return; or

14 (3) the combined Indiana adjusted gross income (as defined  
15 in IC 6-3-1-3.5) of two (2) individuals living in the same  
16 household and filing singly.

17 **Sec. 6. As used in this chapter, "net property tax bill" means**  
18 **the amount of property taxes currently due and payable by an**  
19 **individual for a particular calendar year after the application of all**  
20 **deductions and credits, except for the credit allowed under this**  
21 **chapter, as evidenced by the tax statements prepared and mailed**  
22 **under IC 6-1.1-22-8.**

23 **Sec. 7. As used in this chapter, "qualifying individual" means**  
24 **an individual who has household income of less than fifty thousand**  
25 **dollars (\$50,000) and is:**

26 (1) at least sixty-five (65) years of age; or

27 (2) has been declared totally disabled for purposes of the  
28 federal Social Security laws.

29 **Sec. 8. Each year a qualifying individual may receive a credit**  
30 **against the net property tax bill on the individual's homestead. To**  
31 **obtain the credit, an individual must file a claim for the credit**  
32 **before February 15 of the calendar year for which the credit is**  
33 **claimed with the auditor of the county where the individual resides.**  
34 **The claim must be on forms prescribed by the state board of tax**  
35 **commissioners and must contain the following information:**

36 (1) The qualifying individual's full name and complete  
37 address.

38 (2) A description of the qualifying individual's homestead  
39 and the number of years the qualifying individual has  
40 resided at the homestead.

41 (3) The qualifying individual's birth date.

42 (4) If the individual qualifies because of a disability, evidence

C  
O  
P  
Y



- 1 of the Social Security Administration's declaration of the  
2 disability.
- 3 (5) If an individual qualifies under section 7 of this chapter,  
4 the individual's household income as evidenced by the  
5 individual's Indiana adjusted gross income tax return.
- 6 (6) Any other information requested by the state board of tax  
7 commissioners.
- 8 **Sec. 9.** If two (2) individuals own a homestead under a tenancy  
9 by the entirety and one (1) or both are qualifying individuals under  
10 section 7(1) or 7(2) of this chapter, the qualifying individuals are  
11 together entitled to one (1) credit under this chapter.
- 12 **Sec. 10.** The amount of the credit to which a qualifying  
13 individual is entitled under this chapter equals the difference  
14 between:
- 15 (1) the net property tax bill before the application of the  
16 credit under this chapter on the qualifying individual's  
17 homestead for the calendar year for which the credit is  
18 claimed; minus
- 19 (2) the net property tax bill on the qualifying individual's  
20 homestead for the individual's base year.
- 21 **Sec. 11.** Upon receiving a proper credit claim, the county  
22 auditor shall allow the credit and shall apply the credit pro rata to  
23 each installment of property taxes payable in that calendar year.  
24 The county auditor shall state the amount of the credit applied  
25 against each installment of taxes on the tax statement required  
26 under IC 6-1.1-22-8.
- 27 **Sec. 12.** After January 31 and before March 1 of each year, the  
28 county auditor shall certify to the state board of tax commissioners  
29 the number and amounts of credits allowed under this chapter for  
30 that calendar year. Upon receiving the certifications, the state  
31 board of tax commissioners shall determine the total amount of the  
32 credits allowed in each county under this chapter and shall certify  
33 the totals to the department at the same time the state board of tax  
34 commissioners certifies the total county tax levies.
- 35 **Sec. 13.** The department shall distribute to each county from  
36 the property tax replacement fund established under IC 6-1.1-21  
37 the amount of credits certified for that county under section 12 of  
38 this chapter by the state board of tax commissioners at the same  
39 time and in the same manner as the department distributes the  
40 county's estimated distribution under IC 6-1.1-21-4.
- 41 **Sec. 14.** There is annually appropriated from the property tax  
42 replacement fund an amount sufficient to make the distributions



C  
O  
P  
Y

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12

required by this chapter.

**Sec. 15. An individual who knowingly or intentionally files a false claim for the tax credit under this chapter commits a Class B misdemeanor. In addition to any other sentence imposed for a conviction of an offense under this chapter, the court shall order the individual to pay the amount of any tax credit the individual received because of a false claim to the state board of tax commissioners for deposit in the property tax replacement fund.**

SECTION 2. [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)] **IC 6-1.1-21.3, as added by this act, applies only to property taxes first due and payable after December 31, 1997.**

SECTION 3. **An emergency is declared for this act.**

C  
o  
p  
y

