

# SENATE BILL No. 426

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## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Geothermal energy property tax deduction procedure. Specifies the procedure for claiming the geothermal energy property tax deduction. Specifies that an approved statement and proof of certification applies to the first year and any succeeding years if the property remains eligible. Places the application process into the same provision as the deduction. Provides that a change in the nature of the property so that the property no longer utilizes a geothermal energy heating or cooling device makes the property ineligible for the deduction. Makes corresponding changes. Provides that individuals who file a statement and proof of certification and receive deductions for 1998 are not required to file a statement and proof of certification  
(Continued next page)

**Effective:** July 1, 1998; January 1, 1999.

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January 13, 1998, read first time and referred to Committee on Finance.

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for any succeeding year for which the property remains eligible for the deduction.

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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.

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## SENATE BILL No. 426

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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 6-1.1-12-34 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 34. (a) For  
3 purposes of this section, "geothermal energy heating or cooling device"  
4 means a device that is installed after December 31, 1981, and is  
5 designed to utilize the natural heat from the earth to provide hot water,  
6 produce electricity, or generate heating or cooling.  
7 (b) The owner of real property, or a mobile home that is not assessed  
8 as real property, that is equipped with a geothermal energy heating or  
9 cooling device is annually entitled to a property tax deduction. The  
10 amount of the deduction equals the remainder of: (1) the assessed value  
11 of the real property or mobile home with the geothermal heating or  
12 cooling device; minus (2) the assessed value of the real property or  
13 mobile home without the geothermal heating or cooling device.  
14 (c) **An individual who desires to claim the deduction provided**  
15 **by this section must file a certified statement in duplicate, on forms**



1 prescribed by the state board of tax commissioners, and proof of  
 2 certification under subsection (d) with the auditor of the county in  
 3 which the property for which the deduction is claimed is subject to  
 4 assessment. With respect to property that is not assessed under  
 5 IC 6-1.1-7, the person must file the statement between March 1 and  
 6 May 10 of the assessment year. With respect to a property that is  
 7 assessed under IC 6-1.1-7, the person must file the statement  
 8 between January 15 and March 31 of the assessment year. The  
 9 statement may be filed in person or by mail. If mailed, the mailing  
 10 must be postmarked on or before the last day for filing. The  
 11 statement applies for that first year and any succeeding year for  
 12 which the property remains eligible for the deduction.

13 (d) The department of environmental management, upon  
 14 application by a property owner, shall determine whether a system  
 15 or device qualifies for a deduction provided by this section. If the  
 16 department determines that a system or device qualifies for a  
 17 deduction, it shall certify the system or device and provide proof of  
 18 the certification to the property owner. The department shall  
 19 prescribe the form and manner of the certification process  
 20 required by this subsection.

21 (e) If an individual who is receiving the deduction provided by  
 22 this chapter changes the nature of the property so that the  
 23 property no longer utilizes a geothermal energy heating or cooling  
 24 device, the property becomes ineligible for the deduction for the  
 25 following year. The individual shall notify the auditor of the county  
 26 in which the real property or mobile home for which the individual  
 27 received the deduction is located of the individual's ineligibility  
 28 before March 31 of the year for which the individual becomes  
 29 ineligible.

30 (f) If the department of environmental management receives an  
 31 application for certification before April 10 of the assessment year,  
 32 the department shall determine whether the system or device  
 33 qualifies for a deduction before May 10 of the assessment year. If  
 34 the department fails to make a determination under this subsection  
 35 before May 10 of the assessment year, the system or device is  
 36 considered certified.

37 (g) A denial of a deduction claimed under this section may be  
 38 appealed as provided in IC 6-1.1-15. The appeal is limited to a  
 39 review of a determination made by the township assessor, property  
 40 tax board of appeals, or state board of tax commissioners.

41 SECTION 2. IC 6-1.1-12-35, AS AMENDED BY P.L.6-1997,  
 42 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



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1 JANUARY 1, 1999]: Sec. 35. (a) Except as provided in section 36 of  
 2 this chapter, a person who desires to claim the deduction provided by  
 3 section 31 ~~or 33 or 34~~ of this chapter must file a certified statement in  
 4 duplicate, on forms prescribed by the state board of tax commissioners,  
 5 and proof of certification under subsection (b) with the auditor of the  
 6 county in which the property for which the deduction is claimed is  
 7 subject to assessment. Except as provided in subsection (d), with  
 8 respect to property that is not assessed under IC 6-1.1-7, the person  
 9 must file the statement between March 1 and May 10, inclusive, of the  
 10 assessment year. The person must file the statement in each year for  
 11 which he desires to obtain the deduction. With respect to a property  
 12 which is assessed under IC 6-1.1-7, the person must file the statement  
 13 between January 15 and March 31, inclusive, of each year for which he  
 14 desires to obtain the deduction. The statement may be filed in person  
 15 or by mail. If mailed, the mailing must be postmarked on or before the  
 16 last day for filing. On verification of the statement by the assessor of  
 17 the township in which the property for which the deduction is claimed  
 18 is subject to assessment, the county auditor shall allow the deduction.

19 (b) The department of environmental management, upon application  
 20 by a property owner, shall determine whether a system or device  
 21 qualifies for a deduction provided by section 31 ~~or 33 or 34~~ of this  
 22 chapter. If the department determines that a system or device qualifies  
 23 for a deduction, it shall certify the system or device and provide proof  
 24 of the certification to the property owner. The department shall  
 25 prescribe the form and manner of the certification process required by  
 26 this subsection.

27 (c) A denial of a deduction claimed under section 31 ~~or 33 or 34~~ of  
 28 this chapter may be appealed as provided in IC 6-1.1-15. The appeal is  
 29 limited to a review of a determination made by the township assessor,  
 30 county property tax assessment board of appeals, or state board of tax  
 31 commissioners.

32 (d) A person who timely files a personal property return under  
 33 IC 6-1.1-3-7(a) for an assessment year and who desires to claim the  
 34 deduction provided in section 31 of this chapter for property that is not  
 35 assessed under IC 6-1.1-7 must file the statement described in  
 36 subsection (a) between March 1 and May 15, inclusive, of that year. A  
 37 person who obtains a filing extension under IC 6-1.1-3-7(b) for an  
 38 assessment year must file the application between March 1 and June  
 39 14, inclusive, of that year.

40 SECTION 3. IC 6-1.1-12-36, AS AMENDED BY P.L.10-1997,  
 41 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42 JANUARY 1, 1999]: Sec. 36. (a) A person who receives a deduction

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1 provided under section 26, 29, 33, ~~34~~, or 38 of this chapter for a  
 2 particular year and who remains eligible for the deduction for the  
 3 following year is not required to file a statement to apply for the  
 4 deduction for the following year.

5 (b) A person who receives a deduction provided under section 26,  
 6 29, 33, ~~34~~, or 38 of this chapter for a particular year and who becomes  
 7 ineligible for the deduction for the following year shall notify the  
 8 auditor of the county in which the real property or mobile home for  
 9 which he received the deduction is located of his ineligibility before  
 10 March 31 of the year for which he becomes ineligible.

11 (c) The auditor of each county shall, in a particular year, apply a  
 12 deduction provided under section 26, 29, 33, ~~34~~, or 38 of this chapter  
 13 to each person who received the deduction in the preceding year unless  
 14 the auditor determines that the person is no longer eligible for the  
 15 deduction.

16 SECTION 4. [EFFECTIVE JULY 1, 1998] **Notwithstanding**  
 17 **IC 6-1.1-12-34, IC 6-1.1-12-35, and IC 6-1.1-12-36, all as amended**  
 18 **by this act, an individual who:**

19 (1) **files a statement and proof of certification with the auditor**  
 20 **of the county in which the property for which the deduction**  
 21 **is claimed is subject to assessment; and**

22 (2) **receives a deduction under IC 6-1.1-12-34 for the**  
 23 **assessment year 1998;**

24 **is not required to file a statement and proof of certification for any**  
 25 **succeeding year for which the property remains eligible for the**  
 26 **deduction.**

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