

# HOUSE BILL No. 1111

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## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Property tax deductions for the elderly. Increases the property tax deduction for qualifying individuals who are at least 65 years of age from \$1,000 to \$2,000. Makes a conforming amendment to the version of the statute that will become effective March 1, 2001, when the definition of assessed value will change from 33 1/3% of true tax value to 100% of true tax value.

**Effective:** July 1, 1998; January 1, 1999; January 1, 2002.

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## Goeglein

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

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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.

## HOUSE BILL No. 1111

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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 6-1.1-12-9, AS AMENDED BY P.L.48-1997,  
2 SECTION 1 (CURRENT VERSION), IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 9. (a) An  
4 individual may obtain a deduction from the assessed value of the  
5 individual's real property, or mobile home which is not assessed as real  
6 property, if:  
7 (1) the individual is at least sixty-five (65) years of age on or  
8 before December 31 of the calendar year preceding the year in  
9 which the deduction is claimed;  
10 (2) the combined adjusted gross income (as defined in Section 62  
11 of the Internal Revenue Code) of:  
12 (A) the individual and the individual's spouse; or  
13 (B) the individual and all other individuals with whom:  
14 (i) the individual shares ownership; or  
15 (ii) the individual is purchasing the property under a  
16 contract;  
17 as joint tenants or tenants in common;



1 for the calendar year preceding the year in which the deduction is  
2 claimed did not exceed twenty thousand dollars (\$20,000);

3 (3) the individual has owned the real property or mobile home for  
4 at least one (1) year before claiming the deduction; or the  
5 individual has been buying the real property under a contract that  
6 provides that the individual is to pay the property taxes on the real  
7 property or mobile home for at least one (1) year before claiming  
8 the deduction, and the contract or a memorandum of the contract  
9 is recorded in the county recorder's office;

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

12 (5) the assessed value of the real property or mobile home does  
13 not exceed twenty-one thousand dollars (\$21,000); 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 two~~ thousand  
19 dollars ~~(\$1,000)~~: **(\$2,000)**.

20 (c) Except as provided in subsection (h), in the case of a mobile  
21 home which is not assessed as real property, an individual's deduction  
22 under this section equals the lesser of:

23 (1) one-half (1/2) of the assessed value of the mobile home; or

24 (2) ~~one two~~ thousand dollars ~~(\$1,000)~~: **(\$2,000)**.

25 (d) An individual may not be denied the deduction provided under  
26 this section because the individual is absent from the real property or  
27 a mobile 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  
34 is satisfied if any one (1) of the tenants is at least sixty-five (65) years  
35 of 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  
5 under a contract that provides that the contract buyer is to pay the  
6 property taxes on the real property may not claim the deduction  
7 provided under this section against that real property.

8 (h) In the case of tenants covered by subsection (a)(2)(B), if all of  
9 the tenants are not at least sixty-five (65) years of age, the deduction  
10 allowed under this section shall be reduced by an amount equal to the  
11 deduction multiplied by a fraction. The numerator of the fraction is the  
12 number of tenants who are not at least sixty-five (65) years of age, and  
13 the 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 (DELAYED VERSION), IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 9. (a) An  
17 individual may obtain a deduction from the assessed value of the  
18 individual's real property, or mobile home which is not assessed as real  
19 property, if:

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

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

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

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

27 (i) the individual shares ownership; or

28 (ii) the individual is purchasing the property under a  
29 contract;

30 as joint tenants or tenants in common;

31 for the calendar year preceding the year in which the deduction is  
32 claimed did not exceed twenty thousand dollars (\$20,000);

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

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

42 (5) the assessed value of the real property or mobile home does



1 not exceed sixty-three thousand dollars (\$63,000); 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 six~~ thousand  
7 dollars ~~(\$3,000)~~: **(\$6,000)**.

8 (c) Except as provided in subsection (h), in the case of a mobile  
9 home which is not assessed as real property, an individual's deduction  
10 under this section equals the lesser of:

11 (1) one-half (1/2) of the assessed value of the mobile home; or

12 (2) ~~three six~~ thousand dollars ~~(\$3,000)~~: **(\$6,000)**.

13 (d) An individual may not be denied the deduction provided under  
14 this section because the individual is absent from the real property or  
15 a mobile 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  
22 is satisfied if any one (1) of the tenants is at least sixty-five (65) years  
23 of 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  
35 under a contract that provides that the contract buyer is to pay the  
36 property taxes on the real property may not claim the deduction  
37 provided under this section against that real property.

38 (h) In the case of tenants covered by subsection (a)(2)(B), if all of  
39 the tenants are not at least sixty-five (65) years of age, the deduction  
40 allowed under this section shall be reduced by an amount equal to the  
41 deduction multiplied by a fraction. The numerator of the fraction is the  
42 number of tenants who are not at least sixty-five (65) years of age, and



1 the denominator is the total number of tenants.

2 SECTION 3. [EFFECTIVE JULY 1, 1998] (a) **IC 6-1.1-12-9, as**  
3 **amended by SECTION 1 of this act, applies only to property taxes**  
4 **first 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 **only to property taxes first due and payable after December 31,**  
7 **2001.**

