

# SENATE BILL No. 196

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-20.9-2.

**Synopsis:** Homestead credits. Increases the homestead credit to 20% for calendar years 2000 and 2001 and to 14% in calendar year 2002 and thereafter. (Under current law, the homestead credit is at 10% through 2001 and decreases to 4% beginning in 2002).

**Effective:** July 1, 1999.

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January 6, 1999, read first time and referred to Committee on Finance.

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Introduced

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

## SENATE BILL No. 196

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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 6-1.1-20.9-2 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) Except as  
3 otherwise provided in section 5 of this chapter, an individual who on  
4 March 1 of a particular year either owns or is buying a homestead  
5 under a contract that provides the individual is to pay the property taxes  
6 on the homestead is entitled each calendar year to a credit against the  
7 property taxes which the individual pays on the individual's homestead.  
8 However, only one (1) individual may receive a credit under this  
9 chapter for a particular homestead in a particular year.  
10 (b) The amount of the credit to which the individual is entitled  
11 equals the product of:  
12 (1) the percentage prescribed in subsection (d); multiplied by  
13 (2) the amount of the individual's property tax liability, as that  
14 term is defined in IC 6-1.1-21-5, which is attributable to the  
15 homestead during the particular calendar year.  
16 (c) For purposes of determining that part of an individual's property  
17 tax liability that is attributable to the individual's homestead, all

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1 deductions from assessed valuation which the individual claims under  
 2 IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's  
 3 homestead is located must be applied first against the assessed value  
 4 of the individual's homestead before those deductions are applied  
 5 against any other property.

6 (d) The percentage of the credit referred to in subsection (b)(1) is as  
 7 follows:

8	YEAR	PERCENTAGE
9		OF THE CREDIT
10	1996	8%
11	1997	6%
12	1998 through <del>2001</del> <b>1999</b>	10%
13	<b>2000 through 2001</b>	<b>20%</b>
14	2002 and thereafter	<del>4%</del> <b>14%</b>

15 However, the property tax replacement fund board established under  
 16 IC 6-1.1-21-10, in its sole discretion, may increase the percentage of  
 17 the credit provided in the schedule for any year if the board feels that  
 18 the property tax replacement fund contains enough money for the  
 19 resulting increased distribution. If the board increases the percentage  
 20 of the credit provided in the schedule for any year, the percentage of  
 21 the credit for the immediately following year is the percentage provided  
 22 in the schedule for that particular year, unless, as provided in this  
 23 subsection, the board in its discretion increases the percentage of the  
 24 credit provided in the schedule for that particular year. However, the  
 25 percentage credit allowed in a particular county for a particular year  
 26 shall be increased if, on January 1 of a year, an ordinance adopted by  
 27 a county income tax council was in effect in the county which  
 28 increased the homestead credit. The amount of the increase equals the  
 29 amount designated in the ordinance.

30 (e) Before October 1 of each year, the assessor shall furnish to the  
 31 county auditor the amount of the assessed valuation of each homestead  
 32 for which a homestead credit has been properly filed under this chapter.

33 (f) The county auditor shall apply the credit equally to each  
 34 installment of taxes that the individual pays for the property.

35 (g) Notwithstanding the provisions of this chapter, a taxpayer other  
 36 than an individual is entitled to the credit provided by this chapter if:

- 37 (1) an individual uses the residence as the individual's principal  
 38 place of residence;
- 39 (2) the residence is located in Indiana;
- 40 (3) the individual has a beneficial interest in the taxpayer;
- 41 (4) the taxpayer either owns the residence or is buying it under a  
 42 contract, recorded in the county recorder's office, that provides



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1           that the individual is to pay the property taxes on the residence;  
2           and  
3           (5) the residence consists of a single-family dwelling and the real  
4           estate, not exceeding one (1) acre, that immediately surrounds  
5           that dwelling.

6           **SECTION 2. [EFFECTIVE JULY 1, 1999] IC 6-1.1-20.9-2, as**  
7           **amended by this act, applies to property taxes first due and**  
8           **payable after December 31, 1999.**

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