

HOUSE BILL No. 2073

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-21.

Synopsis: Center Township property tax credit. Provides an additional state funded property tax replacement credit to taxpayers in Center Township, Marion County, to partially offset the effects of the large number of tax exempt properties owned by the state and federal governments.

Effective: July 1, 1999.

Crawford

January 27, 1999, read first time and referred to Committee on Ways and Means.

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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.

HOUSE BILL No. 2073

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 6-1.1-21-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. As used in this
3 chapter:
- 4 (a) "Taxpayer" means a person who is liable for taxes on property
5 assessed under this article.
- 6 (b) "Taxes" means taxes payable in respect to property assessed
7 under this article. The term does not include special assessments,
8 penalties, or interest, but does include any special charges which a
9 county treasurer combines with all other taxes in the preparation and
10 delivery of the tax statements required under IC 6-1.1-22-8(a).
- 11 (c) "Department" means the department of state revenue.
- 12 (d) "Auditor's abstract" means the annual report prepared by each
13 county auditor which under IC 6-1.1-22-5, is to be filed on or before
14 March 1 of each year with the auditor of state.
- 15 (e) "Mobile home assessments" means the assessments of mobile
16 homes made under IC 6-1.1-7.
- 17 (f) "Postabstract adjustments" means adjustments in taxes made

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1 subsequent to the filing of an auditor's abstract which change
 2 assessments therein or add assessments of omitted property affecting
 3 taxes for such assessment year.

4 (g) "Total county tax levy" means the sum of:

5 (1) the remainder of:

6 (A) the aggregate levy of all taxes for all taxing units in a
 7 county which are to be paid in the county for a stated
 8 assessment year as reflected by the auditor's abstract for the
 9 assessment year, adjusted, however, for any postabstract
 10 adjustments which change the amount of the aggregate levy;
 11 minus

12 (B) the sum of any increases in property tax levies of taxing
 13 units of the county that result from appeals described in:

14 (i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after
 15 December 31, 1982; plus

16 (ii) the sum of any increases in property tax levies of taxing
 17 units of the county that result from any other appeals
 18 described in IC 6-1.1-18.5-13 filed after December 31,
 19 1983; plus

20 (iii) IC 6-1.1-18.6-3 (children in need of services and
 21 delinquent children who are wards of the county); minus

22 (C) the total amount of property taxes imposed for the stated
 23 assessment year by the taxing units of the county under the
 24 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),
 25 IC 12-19-5, or IC 12-20-24; minus

26 (D) the total amount of property taxes to be paid during the
 27 stated assessment year that will be used to pay for interest or
 28 principal due on debt that:

29 (i) is entered into after December 31, 1983;

30 (ii) is not debt that is issued under IC 5-1-5 to refund debt
 31 incurred before January 1, 1984; and

32 (iii) does not constitute debt entered into for the purpose of
 33 building, repairing, or altering school buildings for which
 34 the requirements of IC 20-5-52 were satisfied prior to
 35 January 1, 1984; minus

36 (E) the amount of property taxes imposed in the county for the
 37 stated assessment year under the authority of IC 21-2-6 or any
 38 citation listed in IC 6-1.1-18.5-9.8 for a cumulative building
 39 fund whose property tax rate was initially established or
 40 reestablished for a stated assessment year that succeeds the
 41 1983 stated assessment year; minus

42 (F) the remainder of:

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- 1 (i) the total property taxes imposed in the county for the
 2 stated assessment year under authority of IC 21-2-6 or any
 3 citation listed in IC 6-1.1-18.5-9.8 for a cumulative building
 4 fund whose property tax rate was not initially established or
 5 reestablished for a stated assessment year that succeeds the
 6 1983 stated assessment year; minus
 7 (ii) the total property taxes imposed in the county for the
 8 1984 stated assessment year under the authority of IC 21-2-6
 9 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative
 10 building fund whose property tax rate was not initially
 11 established or reestablished for a stated assessment year that
 12 succeeds the 1983 stated assessment year; minus
 13 (G) the amount of property taxes imposed in the county for the
 14 stated assessment year under:
 15 (i) IC 21-2-15 for a capital projects fund; plus
 16 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
 17 (iii) IC 20-14-13 for a library capital projects fund; plus
 18 (iv) IC 20-5-17.5-3 for an art association fund; plus
 19 (v) IC 21-2-17 for a special education preschool fund; plus
 20 (vi) an appeal filed under IC 6-1.1-19-5.1 for an increase in
 21 a school corporation's maximum permissible general fund
 22 levy for certain transfer tuition costs; plus
 23 (vii) an appeal filed under IC 6-1.1-19-5.4 for an increase in
 24 a school corporation's maximum permissible general fund
 25 levy for transportation operating costs; minus
 26 (H) the amount of property taxes imposed by a school
 27 corporation that is attributable to the passage, after 1983, of a
 28 referendum for an excessive tax levy under IC 6-1.1-19,
 29 including any increases in these property taxes that are
 30 attributable to the adjustment set forth in IC 6-1.1-19-1.5(a)
 31 STEP ONE or any other law; minus
 32 (I) for each township in the county, the lesser of:
 33 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
 34 STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE,
 35 whichever is applicable, plus the part, if any, of the
 36 township's ad valorem property tax levy for calendar year
 37 1989 that represents increases in that levy that resulted from
 38 an appeal described in IC 6-1.1-18.5-13(5) filed after
 39 December 31, 1982; or
 40 (ii) the amount of property taxes imposed in the township for
 41 the stated assessment year under the authority of
 42 IC 36-8-13-4; minus

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1 (J) for each participating unit in a fire protection territory
 2 established under IC 36-8-19-1, the amount of property taxes
 3 levied by each participating unit under IC 36-8-19-8 and
 4 IC 36-8-19-8.5 less the maximum levy limit for each of the
 5 participating units that would have otherwise been available
 6 for fire protection services under IC 6-1.1-18.5-3 and
 7 IC 6-1.1-18.5-19 for that same year; minus

8 (K) for each county, the sum of:

9 (i) the amount of property taxes imposed in the county for
 10 the repayment of loans under IC 12-19-5-6 (**before its**
 11 **repeal**) that is included in the amount determined under
 12 IC 12-19-7-4(a) STEP SEVEN for property taxes payable in
 13 1995, or for property taxes payable in each year after 1995,
 14 the amount determined under IC 12-19-7-4(b); and

15 (ii) the amount of property taxes imposed in the county
 16 attributable to appeals granted under IC 6-1.1-18.6-3 that is
 17 included in the amount determined under IC 12-19-7-4(a)
 18 STEP SEVEN for property taxes payable in 1995, or the
 19 amount determined under IC 12-19-7-4(b) for property taxes
 20 payable in each year after 1995; plus

21 (2) all taxes to be paid in the county in respect to mobile home
 22 assessments currently assessed for the year in which the taxes
 23 stated in the abstract are to be paid; plus

24 (3) the amounts, if any, of county adjusted gross income taxes that
 25 were applied by the taxing units in the county as property tax
 26 replacement credits to reduce the individual levies of the taxing
 27 units for the assessment year, as provided in IC 6-3.5-1.1; plus

28 (4) the amounts, if any, by which the maximum permissible ad
 29 valorem property tax levies of the taxing units of the county were
 30 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
 31 assessment year; plus

32 (5) the difference between:

33 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
 34 minus

35 (B) the amount the civil taxing units' levies were increased
 36 because of the reduction in the civil taxing units' base year
 37 certified shares under IC 6-1.1-18.5-3(e).

38 (h) "December settlement sheet" means the certificate of settlement
 39 filed by the county auditor with the auditor of state, as required under
 40 IC 6-1.1-27-3.

41 (i) "Tax duplicate" means the roll of property taxes which each
 42 county auditor is required to prepare on or before March 1 of each year

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1 under IC 6-1.1-22-3.

2 (j) "Qualified township" means a township that:

3 (1) has a population of more than one hundred eighty
4 thousand (180,000); and

5 (2) is located in a county having a consolidated city.

6 (k) "Qualified assessed value" means the assessed value, as
7 determined by the state board of tax commissioners, of property
8 exempt from property taxation under IC 6-1.1-10 that is owned by
9 the United States and its agencies and instrumentalities or by the
10 state. However, qualified assessed value does not include the
11 assessed value of state educational institutions (as defined in
12 IC 20-12-0.5-1).

13 (l) "Allocated taxes" means property taxes allocated to a
14 redevelopment district located in a qualified township and paid
15 into:

16 (1) an allocation fund under IC 36-7-14-39; or

17 (2) a special fund under IC 36-7-15.1-26.

18 SECTION 2. IC 6-1.1-21-3 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) On or before
20 March 1 of each year, the state board of tax commissioners shall certify
21 to the department on a form approved by the state board of accounts,
22 an estimate of the total county tax levy collectible in that calendar year
23 for each county in the state. The estimate shall be based on the tax
24 collections for the preceding calendar year, adjusted as necessary to
25 reflect the total county tax levy (as defined in section 2(g) of this
26 chapter) from the budgets, tax levies, and rates as finally determined
27 and acted upon by the state board of tax commissioners. The
28 department, with the assistance of the auditor of state, shall determine
29 on the basis of the report an amount equal to twenty percent (20%) of
30 the total county tax levy, which is the estimated property tax
31 replacement.

32 (b) In the same report containing the estimate of a county's total
33 county tax levy, the state board of tax commissioners shall also certify
34 the amount of homestead credits provided under IC 6-1.1-20.9 which
35 are allowed by the county for the particular calendar year.

36 (c) If there are one (1) or more taxing districts in the county that
37 contain all or part of an economic development district that meets the
38 requirements of section 5.5 of this chapter, the state board of tax
39 commissioners shall estimate an additional distribution for the county
40 in the same report required under subsection (a). This additional
41 distribution equals the sum of the amounts determined under the
42 following STEPS for all taxing districts in the county that contain all



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1 or part of an economic development district:

2 STEP ONE: Estimate that part of the sum of the amounts under
3 section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable
4 to the taxing district.

5 STEP TWO: Divide:

6 (A) that part of the estimated property tax replacement
7 determined under subsection (a) that is attributable to the
8 taxing district; by

9 (B) the STEP ONE sum.

10 STEP THREE: Multiply:

11 (A) the STEP TWO quotient; times

12 (B) the property taxes levied in the taxing district that are
13 allocated to a special fund under IC 6-1.1-39-5.

14 **(d) The state board of tax commissioners shall estimate an
15 additional distribution for a county that includes a qualified
16 township in the same report required under subsection (a). The
17 additional distribution is estimated as follows:**

18 **STEP ONE: For taxes payable in the year for which the
19 estimate is made under subsection (a), determine for the
20 qualified township and each taxing unit in which the qualified
21 township is located the tax rate (net of the property tax
22 replacement credit) that would have applied if the qualified
23 assessed value in the qualified township had been taxable
24 assessed value.**

25 **STEP TWO: For the qualified township and each taxing unit
26 in which the qualified township is located, multiply the net tax
27 rate determined under STEP ONE by the qualified assessed
28 value.**

29 **STEP THREE: Determine the sum of all of the products
30 determined under STEP TWO.**

31 ~~(d)~~ (e) The sum of the amounts determined under subsections (a)
32 through ~~(e)~~ (d) is the particular county's estimated distribution for the
33 calendar year.

34 SECTION 3. IC 6-1.1-21-4 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) Each year the
36 department shall allocate from the property tax replacement fund an
37 amount equal to the sum of:

38 (1) twenty percent (20%) of each county's total county tax levy
39 payable that year; plus

40 (2) the total amount of homestead tax credits that are provided
41 under IC 6-1.1-20.9 and allowed by each county for that year;
42 plus

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1 (3) an amount for each county that has one (1) or more taxing
 2 districts that contain all or part of an economic development
 3 district that meets the requirements of section 5.5 of this chapter.
 4 This amount is the sum of the amounts determined under the
 5 following STEPS for all taxing districts in the county that contain
 6 all or part of an economic development district:

7 STEP ONE: Determine that part of the sum of the amounts
 8 under section 2(g)(1)(A) and 2(g)(2) of this chapter that is
 9 attributable to the taxing district.

10 STEP TWO: Divide:

11 (A) that part of the subdivision (1) amount that is
 12 attributable to the taxing district; by

13 (B) the STEP ONE sum.

14 STEP THREE: Multiply:

15 (A) the STEP TWO quotient; times

16 (B) the property taxes levied in the taxing district that are
 17 allocated to a special fund under IC 6-1.1-39-5; **plus**

18 **(4) the amount determined for each county under STEP**
 19 **THREE of section 3(d) of this chapter.**

20 (b) Between March 1 and August 31 of each year, the department
 21 shall distribute to each county treasurer from the property tax
 22 replacement fund one-half (1/2) of the estimated distribution for that
 23 year for the county. Between September 1 and December 15 of that
 24 year, the department shall distribute to each county treasurer from the
 25 property tax replacement fund the remaining one-half (1/2) of each
 26 estimated distribution for that year. The amount of the distribution for
 27 each of these periods shall be according to a schedule determined by
 28 the property tax replacement fund board under section 10 of this
 29 chapter. The estimated distribution for each county may be adjusted
 30 from time to time by the department to reflect any changes in the total
 31 county tax levy upon which the estimated distribution is based.

32 (c) On or before December 31 of each year or as soon thereafter as
 33 possible, the department shall make a final determination of the amount
 34 which should be distributed from the property tax replacement fund to
 35 each county for that calendar year. This determination shall be known
 36 as the final determination of distribution. The department shall
 37 distribute to the county treasurer or receive back from the county
 38 treasurer any deficit or excess, as the case may be, between the sum of
 39 the distributions made for that calendar year based on the estimated
 40 distribution and the final determination of distribution. The final
 41 determination of distribution shall be based on the auditor's abstract
 42 filed with the auditor of state, adjusted for postabstract adjustments



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1 included in the December settlement sheet for the year, and such
2 additional information as the department may require.

3 (d) All distributions provided for in this section shall be made on
4 warrants issued by the auditor of state drawn on the treasurer of state.
5 If the amounts allocated by the department from the property tax
6 replacement fund exceed in the aggregate the balance of money in the
7 fund, then the amount of the deficiency shall be transferred from the
8 state general fund to the property tax replacement fund, and the auditor
9 of state shall issue a warrant to the treasurer of state ordering the
10 payment of that amount. However, any amount transferred under this
11 section from the general fund to the property tax replacement fund
12 shall, as soon as funds are available in the property tax replacement
13 fund, be retransferred from the property tax replacement fund to the
14 state general fund, and the auditor of state shall issue a warrant to the
15 treasurer of state ordering the replacement of that amount.

16 SECTION 4. IC 6-1.1-21-5 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. (a) Each year the
18 taxpayers of each county shall receive a credit for property tax
19 replacement in the amount of twenty percent (20%) of the tax liability
20 (as defined in this section) of each taxpayer for taxes which under
21 IC 6-1.1-22-9 are due and payable in May and November of that year.
22 The credit shall be applied to each installment of taxes. The dollar
23 amount of the credit for each taxpayer shall be determined by the
24 county auditor, based on data furnished by the state board of tax
25 commissioners. The tax liability of a taxpayer for the purpose of
26 computing the credit for a particular year shall be based upon the
27 taxpayer's tax liability as is evidenced by the tax duplicate for the taxes
28 payable in that year, plus the amount by which the tax payable by the
29 taxpayer had been reduced due to the application of county adjusted
30 gross income tax revenues to the extent the county adjusted gross
31 income tax revenues were included in the determination of the total
32 county tax levy for that year as provided in sections 2(g) and 3 of this
33 chapter, adjusted, however, for any change in assessed valuation which
34 may have been made pursuant to a post-abstract adjustment if the
35 change is set forth on the tax statement or on a corrected tax statement
36 stating the taxpayer's tax liability, as prepared by the county treasurer
37 in accordance with IC 6-1.1-22-8(a). However, the tax liability of a
38 taxpayer does not include the amount of any property tax owed by the
39 taxpayer that is attributable to that part of any property tax levy
40 subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E),
41 2(g)(1)(F), 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), or 2(g)(1)(J) of this
42 chapter in computing the total county tax levy.



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1 (b) The credit for taxes payable in a particular year with respect to
 2 mobile homes which are assessed under IC 6-1.1-7 is twenty percent
 3 (20%) of the taxes payable with respect to the assessments plus the
 4 adjustments stated in this section.

5 (c) Each taxpayer in a taxing district that contains all or part of an
 6 economic development district that meets the requirements of section
 7 5.5 of this chapter is entitled to an additional credit for property tax
 8 replacement. This credit is equal to the product of:

9 (1) the STEP TWO quotient determined under section 4(a)(3) of
 10 this chapter for the taxing district; multiplied by

11 (2) the taxpayer's property taxes levied in the taxing district that
 12 are allocated to a special fund under IC 6-1.1-39-5.

13 **(d) In addition to the additional credit authorized under**
 14 **subsection (c), each taxpayer in a qualified township is entitled to**
 15 **an additional credit for property tax replacement under this**
 16 **subsection. The credit is determined as follows:**

17 **STEP ONE: For the qualified township and each taxing unit**
 18 **in which the qualified township is located, divide the assessed**
 19 **value taxable to the taxpayer by the taxable assessed value of**
 20 **the taxing unit.**

21 **STEP TWO: Multiply the quotient determined under STEP**
 22 **ONE for each taxing unit by the amount determined for the**
 23 **taxing unit under STEP TWO of section 3(d) of this chapter.**

24 **STEP THREE: Determine the sum of all of the products**
 25 **determined under STEP TWO.**

26 (e) To the extent that the additional credit authorized under
 27 subsection (d) is applied against allocated taxes, the county
 28 treasurer shall, from the distribution received under section 4(b)
 29 of this chapter, deposit an amount equal to that additional credit
 30 in the allocation fund under IC 36-7-14-39 or the special fund
 31 under IC 36-7-15.1-26.

32 SECTION 5. [EFFECTIVE JULY 1, 1999] This act applies to
 33 property taxes first due and payable after December 31, 1999.

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