



February 23, 1999

SENATE BILL No. 465

DIGEST OF SB 465 (Updated February 18, 1999 4:49 pm - DI 44)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Assessed value deduction for elderly. Increases the assessed value deduction for the elderly from \$1,000 to \$2,000. Increases the income level to qualify for the deduction from \$20,000 to \$25,000. Increases the assessed value of the property that is eligible for the deduction from \$21,000 to \$23,000. Makes conforming changes to reflect the measurement of assessed value at 100% of true tax value (instead of 33 1/3% of true tax value) beginning in 2001.

Effective: January 1, 1999 (retroactive); July 1, 1999; March 2, 2001.

Kenley, Lawson C, Wyss, Skillman

January 13, 1999, read first time and referred to Committee on Finance.
February 22, 1999, amended, reported favorably — Do Pass.

SB 465—LS 7133/DI 58+



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February 23, 1999

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.

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SENATE BILL No. 465

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

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- 1 claimed did not exceed ~~twenty~~ **twenty-five** thousand dollars
 2 ~~(\$20,000); (\$25,000);~~
- 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~~ **twenty-three** thousand dollars ~~(\$21,000);~~
 14 **(\$23,000)** and
- 15 (6) the individual receives no other property tax deduction for the
 16 year in which the deduction is claimed, except the deductions
 17 provided by sections 1, 37, and 38 of this chapter.
- 18 (b) Except as provided in subsection (h), in the case of real property,
 19 an individual's deduction under this section equals ~~one~~ **the lesser of:**
 20 **(1) one-half (1/2) of the assessed value of the real property; or**
 21 **(2) two** thousand dollars ~~(\$1,000); (\$2,000).~~
- 22 (c) Except as provided in subsection (h), in the case of a mobile
 23 home which is not assessed as real property, an individual's deduction
 24 under this section equals the lesser of:
 25 (1) one-half (1/2) of the assessed value of the mobile home; or
 26 (2) ~~one~~ **two** thousand dollars ~~(\$1,000); (\$2,000).~~
- 27 (d) An individual may not be denied the deduction provided under
 28 this section because the individual is absent from the real property or
 29 a mobile home while in a nursing home or hospital.
- 30 (e) For purposes of this section, if real property or a mobile home is
 31 owned by:
 32 (1) tenants by the entirety;
 33 (2) joint tenants; or
 34 (3) tenants in common;
 35 only one (1) deduction may be allowed. However, the age requirement
 36 is satisfied if any one (1) of the tenants is at least sixty-five (65) years
 37 of age.
- 38 (f) A surviving spouse is entitled to the deduction provided by this
 39 section if:
 40 (1) the surviving spouse is at least sixty (60) years of age on or
 41 before December 31 of the calendar year preceding the year in
 42 which the deduction is claimed;

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- 1 (2) the surviving spouse's deceased husband or wife was at least
 2 sixty-five (65) years of age at the time of a death;
 3 (3) the surviving spouse has not remarried; and
 4 (4) the surviving spouse satisfies the requirements prescribed in
 5 subsection (a)(2) through (a)(6).

6 (g) An individual who has sold real property to another person
 7 under a contract that provides that the contract buyer is to pay the
 8 property taxes on the real property may not claim the deduction
 9 provided under this section against that real property.

10 (h) In the case of tenants covered by subsection (a)(2)(B), if all of
 11 the tenants are not at least sixty-five (65) years of age, the deduction
 12 allowed under this section shall be reduced by an amount equal to the
 13 deduction multiplied by a fraction. The numerator of the fraction is the
 14 number of tenants who are not at least sixty-five (65) years of age, and
 15 the denominator is the total number of tenants.

16 SECTION 2. IC 6-1.1-12-9 (DELAYED VERSION) IS AMENDED
 17 TO READ AS FOLLOWS [EFFECTIVE MARCH 2, 2001]: Sec. 9. (a)
 18 An individual may obtain a deduction from the assessed value of the
 19 individual's real property, or mobile home which is not assessed as real
 20 property, if:

- 21 (1) the individual is at least sixty-five (65) years of age on or
 22 before December 31 of the calendar year preceding the year in
 23 which the deduction is claimed;
 24 (2) the combined adjusted gross income (as defined in Section 62
 25 of the Internal Revenue Code) of:
 26 (A) the individual and the individual's spouse; or
 27 (B) the individual and all other individuals with whom:
 28 (i) the individual shares ownership; or
 29 (ii) the individual is purchasing the property under a
 30 contract;
 31 as joint tenants or tenants in common;
 32 for the calendar year preceding the year in which the deduction is
 33 claimed did not exceed ~~twenty~~ **twenty-five** thousand dollars
 34 ~~(\$20,000);~~ **(\$25,000);**
 35 (3) the individual has owned the real property or mobile home for
 36 at least one (1) year before claiming the deduction; or the
 37 individual has been buying the real property under a contract that
 38 provides that the individual is to pay the property taxes on the real
 39 property or mobile home for at least one (1) year before claiming
 40 the deduction, and the contract or a memorandum of the contract
 41 is recorded in the county recorder's office;
 42 (4) the individual and any individuals covered by subdivision



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- 1 (2)(B) reside on the real property or in the mobile home;
 2 (5) the assessed value of the real property or mobile home does
 3 not exceed ~~sixty-three~~ **sixty-nine** thousand dollars (~~\$63,000~~;
 4 **\$69,000**); and
 5 (6) the individual receives no other property tax deduction for the
 6 year in which the deduction is claimed, except the deductions
 7 provided by sections 1, 37, and 38 of this chapter.
- 8 (b) Except as provided in subsection (h), in the case of real property,
 9 an individual's deduction under this section equals ~~three~~ **the lesser of:**
 10 **(1) one-half (1/2) of the assessed value of the real property; or**
 11 **(2) six** thousand dollars (~~\$3,000~~). **(\$6,000).**
- 12 (c) Except as provided in subsection (h), in the case of a mobile
 13 home which is not assessed as real property, an individual's deduction
 14 under this section equals the lesser of:
 15 (1) one-half (1/2) of the assessed value of the mobile home; or
 16 (2) ~~three six~~ thousand dollars (~~\$3,000~~). **(\$6,000).**
- 17 (d) An individual may not be denied the deduction provided under
 18 this section because the individual is absent from the real property or
 19 a mobile home while in a nursing home or hospital.
- 20 (e) For purposes of this section, if real property or a mobile home is
 21 owned by:
 22 (1) tenants by the entirety;
 23 (2) joint tenants; or
 24 (3) tenants in common;
 25 only one (1) deduction may be allowed. However, the age requirement
 26 is satisfied if any one (1) of the tenants is at least sixty-five (65) years
 27 of age.
- 28 (f) A surviving spouse is entitled to the deduction provided by this
 29 section if:
 30 (1) the surviving spouse is at least sixty (60) years of age on or
 31 before December 31 of the calendar year preceding the year in
 32 which the deduction is claimed;
 33 (2) the surviving spouse's deceased husband or wife was at least
 34 sixty-five (65) years of age at the time of a death;
 35 (3) the surviving spouse has not remarried; and
 36 (4) the surviving spouse satisfies the requirements prescribed in
 37 subsection (a)(2) through (a)(6).
- 38 (g) An individual who has sold real property to another person
 39 under a contract that provides that the contract buyer is to pay the
 40 property taxes on the real property may not claim the deduction
 41 provided under this section against that real property.
- 42 (h) In the case of tenants covered by subsection (a)(2)(B), if all of

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1 the tenants are not at least sixty-five (65) years of age, the deduction
2 allowed under this section shall be reduced by an amount equal to the
3 deduction multiplied by a fraction. The numerator of the fraction is the
4 number of tenants who are not at least sixty-five (65) years of age, and
5 the denominator is the total number of tenants.

6 SECTION 3. [EFFECTIVE JULY 1, 1999] **IC 6-1.1-12-9, as**
7 **amended by this act, applies to property taxes first due and**
8 **payable after December 31, 1999.**

9 SECTION 4. **An emergency is declared for this act.**

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SENATE MOTION

Mr. President: I move that Senator Lawson C be added as second author and Senators Wyss and Skillman be added as coauthors of Senate Bill 465.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 465, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 1, delete "forty" and insert "**twenty-five**".

Page 2, line 2, delete "(\$40,000)" and insert "**(\$25,000)**".

Page 2, line 13, strike "twenty-one" and insert "**twenty-three**".

Page 2, line 13, strike "(\$21,000);" and insert "**(\$23,000);**".

Page 2, line 20, delete "ten" and insert "**two**".

Page 2, line 20, delete "(\$10,000)" and insert "**(\$2,000)**".

Page 2, line 25, delete "ten" and insert "**two**".

Page 2, line 25, delete "(\$10,000)" and insert "**(\$2,000)**".

Page 3, line 32, delete "forty" and insert "**twenty-five**".

Page 3, line 33, delete "(\$40,000)" and insert "**(\$25,000)**".

Page 4, line 2, strike "sixty-three" and insert "**sixty-nine**".

Page 4, line 2, strike "(\$63,000);" and insert "**(\$69,000);**".

Page 4, line 9, delete "thirty" and insert "**six**".

Page 4, line 9, delete "(\$30,000)" and insert "**(\$6,000)**".

Page 4, line 14, delete "thirty" and insert "**six**".

Page 4, line 14, delete "(\$30,000)" and insert "**(\$6,000)**".

and when so amended that said bill do pass.

(Reference is to SB 465 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 0.

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