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| PREVAILED | Roll Call No. _____ |
| FAILED | Ayes _____ |
| WITHDRAWN | Noes _____ |
| RULED OUT OF ORDER | |

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Page 21, line 26, strike "six" and insert "**twelve**".
- 2 Page 21, line 26, after "thousand" insert "**four hundred eighty**".
- 3 Page 21, line 26, strike "\$6,000)." and insert "**(\$12,480)**".
- 4 Page 21, line 34, strike "six" and insert "**twelve**".
- 5 Page 21, line 34, after "thousand" insert "**four hundred eighty**".
- 6 Page 21, line 34, strike "\$6,000)." and insert "**(\$12,480)**".
- 7 Page 22, between lines 24 and 25, begin a new paragraph and insert:
- 8 "SECTION 19. IC 6-1.1-12-11, AS AMENDED BY P.L.291-2001,
- 9 SECTION 133, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 10 UPON PASSAGE]: Sec. 11. (a) Except as provided in section 40.5 of
- 11 this chapter, an individual may have the sum of ~~six~~ **twelve** thousand
- 12 **four hundred eighty** dollars ~~(\$6,000)~~ **(\$12,480)** deducted from the
- 13 assessed value of real property, mobile home not assessed as real
- 14 property, or manufactured home not assessed as real property that the
- 15 individual owns, or that the individual is buying under a contract that
- 16 provides that the individual is to pay property taxes on the real property,
- 17 mobile home, or manufactured home, if the contract or a memorandum
- 18 of the contract is recorded in the county recorder's office, and if:
- 19 (1) the individual is blind or the individual is a disabled person;
- 20 (2) the real property, mobile home, or manufactured home is
- 21 principally used and occupied by the individual as the individual's
- 22 residence; and
- 23 (3) the individual's taxable gross income for the calendar year

1 preceding the year in which the deduction is claimed did not
2 exceed seventeen thousand dollars (\$17,000).

3 (b) For purposes of this section, taxable gross income does not
4 include income which is not taxed under the federal income tax laws.

5 (c) For purposes of this section, "blind" has the same meaning as the
6 definition contained in IC 12-7-2-21(1).

7 (d) For purposes of this section, "disabled person" means a person
8 unable to engage in any substantial gainful activity by reason of a
9 medically determinable physical or mental impairment which:

- 10 (1) can be expected to result in death; or
- 11 (2) has lasted or can be expected to last for a continuous period
12 of not less than twelve (12) months.

13 (e) Disabled persons filing claims under this section shall submit
14 proof of disability in such form and manner as the department shall by
15 rule prescribe. Proof that a claimant is eligible to receive disability
16 benefits under the federal Social Security Act (42 U.S.C. 301 et seq.)
17 shall constitute proof of disability for purposes of this section.

18 (f) A disabled person not covered under the federal Social Security
19 Act shall be examined by a physician and the individual's status as a
20 disabled person determined by using the same standards as used by the
21 Social Security Administration. The costs of this examination shall be
22 borne by the claimant.

23 (g) An individual who has sold real property, a mobile home not
24 assessed as real property, or a manufactured home not assessed as real
25 property to another person under a contract that provides that the
26 contract buyer is to pay the property taxes on the real property, mobile
27 home, or manufactured home may not claim the deduction provided
28 under this section against that real property, mobile home, or
29 manufactured home.

30 SECTION 20. IC 6-1.1-12-13, AS AMENDED BY P.L.291-2001,
31 SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 UPON PASSAGE]: Sec. 13. (a) Except as provided in section 40.5 of
33 this chapter, an individual may have ~~twelve~~ **twenty-four** thousand **nine**
34 **hundred sixty** dollars (~~\$12,000~~) (**\$24,960**) deducted from the assessed
35 value of the taxable tangible property that the individual owns, or real
36 property, a mobile home not assessed as real property, or a
37 manufactured home not assessed as real property that the individual is
38 buying under a contract that provides that the individual is to pay
39 property taxes on the real property, mobile home, or manufactured
40 home, if the contract or a memorandum of the contract is recorded in
41 the county recorder's office and if:

- 42 (1) the individual served in the military or naval forces of the
43 United States during any of its wars;
- 44 (2) the individual received an honorable discharge;
- 45 (3) the individual is disabled with a service connected disability of
46 ten percent (10%) or more; and

- 1 (4) the individual's disability is evidenced by:
 2 (A) a pension certificate, an award of compensation, or a
 3 disability compensation check issued by the United States
 4 Department of Veterans Affairs; or
 5 (B) a certificate of eligibility issued to the individual by the
 6 Indiana department of veterans' affairs after the Indiana
 7 department of veterans' affairs has determined that the
 8 individual's disability qualifies the individual to receive a
 9 deduction under this section.

10 (b) The surviving spouse of an individual may receive the deduction
 11 provided by this section if the individual would qualify for the deduction
 12 if the individual were alive.

13 (c) One who receives the deduction provided by this section may
 14 not receive the deduction provided by section 16 of this chapter.
 15 However, the individual may receive any other property tax deduction
 16 which the individual is entitled to by law.

17 (d) An individual who has sold real property, a mobile home not
 18 assessed as real property, or a manufactured home not assessed as real
 19 property to another person under a contract that provides that the
 20 contract buyer is to pay the property taxes on the real property, mobile
 21 home, or manufactured home may not claim the deduction provided
 22 under this section against that real property, mobile home, or
 23 manufactured home.

24 SECTION 21. IC 6-1.1-12-14, AS AMENDED BY P.L.272-2003,
 25 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 UPON PASSAGE]: Sec. 14. (a) Except as provided in subsection (c)
 27 and except as provided in section 40.5 of this chapter, an individual may
 28 have the sum of ~~six~~ **twelve** thousand **four hundred eighty** dollars
 29 ~~(\$6,000)~~ **(\$12,480)** deducted from the assessed value of the tangible
 30 property that the individual owns (or the real property, mobile home not
 31 assessed as real property, or manufactured home not assessed as real
 32 property that the individual is buying under a contract that provides that
 33 the individual is to pay property taxes on the real property, mobile
 34 home, or manufactured home if the contract or a memorandum of the
 35 contract is recorded in the county recorder's office) if:

- 36 (1) the individual served in the military or naval forces of the
 37 United States for at least ninety (90) days;
 38 (2) the individual received an honorable discharge;
 39 (3) the individual either:
 40 (A) is totally disabled; or
 41 (B) is at least sixty-two (62) years old and has a disability of at
 42 least ten percent (10%); and
 43 (4) the individual's disability is evidenced by:
 44 (A) a pension certificate or an award of compensation issued
 45 by the United States Department of Veterans Affairs; or
 46 (B) a certificate of eligibility issued to the individual by the

1 Indiana department of veterans' affairs after the Indiana
2 department of veterans' affairs has determined that the
3 individual's disability qualifies the individual to receive a
4 deduction under this section.

5 (b) Except as provided in subsection (c), the surviving spouse of an
6 individual may receive the deduction provided by this section if the
7 individual would qualify for the deduction if the individual were alive.

8 (c) No one is entitled to the deduction provided by this section if the
9 assessed value of the individual's tangible property, as shown by the tax
10 duplicate, exceeds one hundred thirteen thousand dollars (\$113,000).

11 (d) An individual who has sold real property, a mobile home not
12 assessed as real property, or a manufactured home not assessed as real
13 property to another person under a contract that provides that the
14 contract buyer is to pay the property taxes on the real property, mobile
15 home, or manufactured home may not claim the deduction provided
16 under this section against that real property, mobile home, or
17 manufactured home.

18 SECTION 22. IC 6-1.1-12-16, AS AMENDED BY P.L.291-2001,
19 SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 UPON PASSAGE]: Sec. 16. (a) Except as provided in section 40.5 of
21 this chapter, a surviving spouse may have the sum of ~~nine~~ **eighteen**
22 thousand **seven hundred twenty** dollars (~~\$9,000~~) (**\$18,720**) deducted
23 from the assessed value of his or her tangible property, or real property,
24 mobile home not assessed as real property, or manufactured home not
25 assessed as real property that the surviving spouse is buying under a
26 contract that provides that he is to pay property taxes on the real
27 property, mobile home, or manufactured home, if the contract or a
28 memorandum of the contract is recorded in the county recorder's
29 office, and if:

30 (1) the deceased spouse served in the military or naval forces of
31 the United States before November 12, 1918; and

32 (2) the deceased spouse received an honorable discharge.

33 (b) A surviving spouse who receives the deduction provided by this
34 section may not receive the deduction provided by section 13 of this
35 chapter. However, he or she may receive any other deduction which he
36 or she is entitled to by law.

37 (c) An individual who has sold real property, a mobile home not
38 assessed as real property, or a manufactured home not assessed as real
39 property to another person under a contract that provides that the
40 contract buyer is to pay the property taxes on the real property, mobile
41 home, or manufactured home may not claim the deduction provided
42 under this section against that real property, mobile home, or
43 manufactured home.

44 SECTION 23. IC 6-1.1-12-17.4, AS AMENDED BY P.L.272-2003,
45 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
46 UPON PASSAGE]: Sec. 17.4. (a) Except as provided in section 40.5 of

1 this chapter, a World War I veteran who is a resident of Indiana is
 2 entitled to have the sum of ~~nine~~ **eighteen** thousand **seven hundred**
 3 **twenty** dollars ~~(\$9,000)~~ **(\$18,720)** deducted from the assessed
 4 valuation of the real property (including a mobile home that is assessed
 5 as real property), mobile home that is not assessed as real property, or
 6 manufactured home that is not assessed as real property the veteran
 7 owns or is buying under a contract that requires the veteran to pay
 8 property taxes on the real property, if the contract or a memorandum
 9 of the contract is recorded in the county recorder's office, if:

10 (1) the real property, mobile home, or manufactured home is the
 11 veteran's principal residence;

12 (2) the assessed valuation of the real property, mobile home, or
 13 manufactured home does not exceed one hundred sixty-three
 14 thousand dollars (\$163,000); and

15 (3) the veteran owns the real property, mobile home, or
 16 manufactured home for at least one (1) year before claiming the
 17 deduction.

18 (b) An individual may not be denied the deduction provided by this
 19 section because the individual is absent from the individual's principal
 20 residence while in a nursing home or hospital.

21 (c) For purposes of this section, if real property, a mobile home, or
 22 a manufactured home is owned by a husband and wife as tenants by the
 23 entirety, only one (1) deduction may be allowed under this section.
 24 However, the deduction provided in this section applies if either spouse
 25 satisfies the requirements prescribed in subsection (a).

26 (d) An individual who has sold real property, a mobile home not
 27 assessed as real property, or a manufactured home not assessed as real
 28 property to another person under a contract that provides that the
 29 contract buyer is to pay the property taxes on the real property, mobile
 30 home, or manufactured home may not claim the deduction provided
 31 under this section with respect to that real property, mobile home, or
 32 manufactured home.

33 SECTION 24. IC 6-1.1-12-18, AS AMENDED BY P.L.90-2002,
 34 SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 UPON PASSAGE]: Sec. 18. (a) If the assessed value of residential real
 36 property described in subsection (d) is increased because it has been
 37 rehabilitated, the owner may have deducted from the assessed value of
 38 the property an amount not to exceed the lesser of:

39 (1) the total increase in assessed value resulting from the
 40 rehabilitation; or

41 (2) ~~nine~~ **eighteen** thousand **seven hundred twenty** dollars
 42 ~~(\$9,000)~~ **(\$18,720)** per rehabilitated dwelling unit.

43 The owner is entitled to this deduction annually for a five (5) year
 44 period.

45 (b) For purposes of this section, the term "rehabilitation" means

1 significant repairs, replacements, or improvements to an existing
 2 structure which are intended to increase the livability, utility, safety, or
 3 value of the property under rules adopted by the department of local
 4 government finance.

5 (c) For the purposes of this section, the term "owner" or "property
 6 owner" includes any person who has the legal obligation, or has
 7 otherwise assumed the obligation, to pay the real property taxes on the
 8 rehabilitated property.

9 (d) The deduction provided by this section applies only for the
 10 rehabilitation of residential real property which is located within this
 11 state and which is described in one (1) of the following classifications:

12 (1) a single family dwelling if before rehabilitation the assessed
 13 value (excluding any exemptions or deductions) of the
 14 improvements does not exceed ~~eighteen thirty-seven~~ thousand
 15 **four hundred forty** dollars ~~(\$18,000); (\$37,440);~~

16 (2) a two (2) family dwelling if before rehabilitation the assessed
 17 value (excluding exemptions or deductions) of the improvements
 18 does not exceed ~~twenty-four forty-nine~~ thousand **nine hundred**
 19 **twenty** dollars ~~(\$24,000); (\$49,920);~~ and

20 (3) a dwelling with more than two (2) family units if before
 21 rehabilitation the assessed value (excluding any exemptions or
 22 deductions) of the improvements does not exceed ~~nine eighteen~~
 23 thousand **seven hundred twenty** dollars ~~(\$9,000) (\$18,720)~~ per
 24 dwelling unit."

25 Page 23, between lines 21 and 22, begin a new paragraph and insert:
 26 "SECTION 20. IC 6-1.1-12-22, AS AMENDED BY P.L.90-2002,
 27 SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 UPON PASSAGE]: Sec. 22. (a) If the assessed value of property is
 29 increased because it has been rehabilitated and the owner has paid at
 30 least ten thousand dollars (\$10,000) for the rehabilitation, the owner is
 31 entitled to have deducted from the assessed value of the property an
 32 amount equal to fifty percent (50%) of the increase in assessed value
 33 resulting from the rehabilitation. The owner is entitled to this deduction
 34 annually for a five (5) year period. However, the maximum deduction
 35 which a property owner may receive under this section for a particular
 36 year is:

37 (1) ~~sixty one hundred twenty-four~~ thousand **eight hundred**
 38 dollars ~~(\$60,000) (\$124,800)~~ for a single family dwelling unit; or

39 (2) three hundred thousand dollars (\$300,000) for any other type
 40 of property.

41 (b) For purposes of this section, the term "property" means a
 42 building or structure which was erected at least fifty (50) years before
 43 the date of application for the deduction provided by this section. The
 44 term "property" does not include land.

45 (c) For purposes of this section, the term "rehabilitation" means

1 significant repairs, replacements, or improvements to an existing
2 structure that are intended to increase the livability, utility, safety, or
3 value of the property under rules adopted by the department of local
4 government finance."

5 Page 28, between lines 18 and 19, begin a new paragraph and insert:
6 "SECTION 24. IC 6-1.1-12.1-4.1 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.1. (a) Section 4
8 of this chapter applies to economic revitalization areas that are not
9 residentially distressed areas.

10 (b) This subsection applies to economic revitalization areas that are
11 residentially distressed areas. The amount of the deduction that a
12 property owner is entitled to receive under section 3 of this chapter for
13 a particular year equals the lesser of:

14 (1) the assessed value of the improvement to the property after the
15 rehabilitation or redevelopment has occurred; or

16 (2) the following amount:

| TYPE OF DWELLING | AMOUNT |
|---|---|
| One (1) family dwelling | \$36,000 \$74,880 |
| Two (2) family dwelling | \$51,000 \$106,080 |
| Three (3) unit multifamily dwelling | \$75,000 \$156,000 |
| Four (4) unit multifamily dwelling | \$96,000 \$199,680 ". |

21 Page 40, line 1, strike "more than five percent (5%)".

22 Page 40, line 3, delete "." and insert "**by more than the quotient**
23 **determined under IC 6-1.1-18.5-2(b) STEP THREE expressed as a**
24 **percentage.**".

25 Page 40, line 5, after "6-1.1-1-21" delete "," and insert ".".

26 Page 40, line 5, strike "except that the term does not include a
27 school".

28 Page 40, line 6, strike "corporation."

29 Page 55, between lines 3 and 4, begin a new paragraph and insert:

30 "SECTION 45. IC 6-1.1-20-3.1, AS AMENDED BY P.L.178-2002,
31 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JANUARY 1, 2004]: Sec. 3.1. (a) **This section applies only to a**
33 **controlled project for which proper officers of the political**
34 **subdivision make a preliminary determination to issue bonds or**
35 **enter into a lease before January 1, 2004.**

36 (b) A political subdivision may not impose property taxes to pay debt
37 service or lease rentals without completing the following procedures:

38 (1) The proper officers of a political subdivision shall:

39 (A) publish notice in accordance with IC 5-3-1; and

40 (B) send notice by first class mail to any organization that
41 delivers to the officers, before January 1 of that year, an annual
42 written request for such notices;

43 of any meeting to consider adoption of a resolution or an
44 ordinance making a preliminary determination to issue bonds or
45

- 1 enter into a lease and shall conduct a public hearing on a
2 preliminary determination before adoption of the resolution or
3 ordinance.
- 4 (2) When the proper officers of a political subdivision make a
5 preliminary determination to issue bonds or enter into a lease, the
6 officers shall give notice of the preliminary determination by:
- 7 (A) publication in accordance with IC 5-3-1; and
8 (B) first class mail to the organizations described in subdivision
9 (1)(B).
- 10 (3) A notice under subdivision (2) of the preliminary determination
11 of the political subdivision to issue bonds or enter into a lease must
12 include the following information:
- 13 (A) The maximum term of the bonds or lease.
14 (B) The maximum principal amount of the bonds or the
15 maximum lease rental for the lease.
16 (C) The estimated interest rates that will be paid and the total
17 interest costs associated with the bonds or lease.
18 (D) The purpose of the bonds or lease.
19 (E) A statement that any owners of real property within the
20 political subdivision who want to initiate a petition and
21 remonstrance process against the proposed debt service or
22 lease payments must file a petition that complies with
23 subdivisions (4) and (5) not later than thirty (30) days after
24 publication in accordance with IC 5-3-1.
25 (F) With respect to bonds issued or a lease entered into to
26 open:
- 27 (i) a new school facility; or
28 (ii) an existing facility that has not been used for at least
29 three (3) years and that is being reopened to provide
30 additional classroom space;
31 the estimated costs the school corporation expects to incur
32 annually to operate the facility.
- 33 (G) A statement of whether the school corporation expects to
34 appeal as described in IC 6-1.1-19-4.4(a)(4) for an increased
35 adjusted base levy to pay the estimated costs described in
36 clause (F).
- 37 (4) After notice is given, a petition requesting the application of a
38 petition and remonstrance process may be filed by the lesser of:
- 39 (A) two hundred fifty (250) owners of real property within the
40 political subdivision; or
41 (B) ten percent (10%) of the owners of real property within
42 the political subdivision.
- 43 (5) Each petition must be verified under oath by at least one (1)
44 qualified petitioner in a manner prescribed by the state board of
45 accounts before the petition is filed with the county auditor under
46 subdivision (6).

1 (6) Each petition must be filed with the county auditor not more
2 than thirty (30) days after publication under subdivision (2) of the
3 notice of the preliminary determination.

4 (7) The county auditor must file a certificate and each petition
5 with:

6 (A) the township trustee, if the political subdivision is a
7 township, who shall present the petition or petitions to the
8 township board; or

9 (B) the body that has the authority to authorize the issuance of
10 the bonds or the execution of a lease, if the political subdivision
11 is not a township;

12 within fifteen (15) business days of the filing of the petition
13 requesting a petition and remonstrance process. The certificate
14 must state the number of petitioners that are owners of real
15 property within the political subdivision.

16 (c) If a sufficient petition requesting a petition and remonstrance
17 process is not filed by owners of real property as set forth in this
18 section, the political subdivision may issue bonds or enter into a lease
19 by following the provisions of law relating to the bonds to be issued or
20 lease to be entered into.

21 SECTION 46. IC 6-1.1-20-3.2, AS AMENDED BY P.L.178-2002,
22 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JANUARY 1, 2004]: Sec. 3.2. (a) **This section applies only to a
24 controlled project for which proper officers of the political
25 subdivision make a preliminary determination to issue bonds or
26 enter into a lease before January 1, 2004.**

27 (b) If a sufficient petition requesting the application of a petition and
28 remonstrance process has been filed as set forth in section 3.1 of this
29 chapter, a political subdivision may not impose property taxes to pay
30 debt service or lease rentals without completing the following
31 procedures:

32 (1) The proper officers of the political subdivision shall give notice
33 of the applicability of the petition and remonstrance process by:

34 (A) publication in accordance with IC 5-3-1; and

35 (B) first class mail to the organizations described in section
36 ~~3.1(1)(B)~~ **3.1(b)(1)(B)** of this chapter.

37 A notice under this subdivision must include a statement that any
38 owners of real property within the political subdivision who want
39 to petition in favor of or remonstrate against the proposed debt
40 service or lease payments must file petitions and remonstrances in
41 compliance with subdivisions (2) through (4) not earlier than thirty
42 (30) days or later than sixty (60) days after publication in
43 accordance with IC 5-3-1.

44 (2) Not earlier than thirty (30) days or later than sixty (60) days
45 after the notice under subdivision (1) is given:

1 (A) petitions (described in subdivision (3)) in favor of the
2 bonds or lease; and

3 (B) remonstrances (described in subdivision (3)) against the
4 bonds or lease;

5 may be filed by an owner or owners of real property within the
6 political subdivision. Each signature on a petition must be dated
7 and the date of signature may not be before the date on which the
8 petition and remonstrance forms may be issued under subdivision
9 (3). A petition described in clause (A) or a remonstrance described
10 in clause (B) must be verified in compliance with subdivision (4)
11 before the petition or remonstrance is filed with the county auditor
12 under subdivision (4).

13 (3) The state board of accounts shall design and, upon request by
14 the county auditor, deliver to the county auditor or the county
15 auditor's designated printer the petition and remonstrance forms
16 to be used solely in the petition and remonstrance process
17 described in this section. The county auditor shall issue to an
18 owner or owners of real property within the political subdivision
19 the number of petition or remonstrance forms requested by the
20 owner or owners. Each form must be accompanied by
21 instructions detailing the requirements that:

22 (A) the carrier and signers must be owners of real property;

23 (B) the carrier must be a signatory on at least one (1) petition;

24 (C) after the signatures have been collected, the carrier must
25 swear or affirm before a notary public that the carrier
26 witnessed each signature; and

27 (D) govern the closing date for the petition and remonstrance
28 period.

29 Persons requesting forms may not be required to identify
30 themselves and may be allowed to pick up additional copies to
31 distribute to other property owners. The county auditor may not
32 issue a petition or remonstrance form earlier than twenty-nine (29)
33 days after the notice is given under subdivision (1). The county
34 auditor shall certify the date of issuance on each petition or
35 remonstrance form that is distributed under this subdivision.

36 (4) The petitions and remonstrances must be verified in the
37 manner prescribed by the state board of accounts and filed with
38 the county auditor within the sixty (60) day period described in
39 subdivision (2) in the manner set forth in section 3.1 of this
40 chapter relating to requests for a petition and remonstrance
41 process.

42 (5) The county auditor must file a certificate and the petition or
43 remonstrance with the body of the political subdivision charged
44 with issuing bonds or entering into leases within fifteen (15)
45 business days of the filing of a petition or remonstrance under
46 subdivision (4), whichever applies, containing ten thousand

1 (10,000) signatures or less. The county auditor may take an
 2 additional five (5) days to review and certify the petition or
 3 remonstrance for each additional five thousand (5,000) signatures
 4 up to a maximum of sixty (60) days. The certificate must state the
 5 number of petitioners and remonstrators that are owners of real
 6 property within the political subdivision.

7 (6) If a greater number of owners of real property within the
 8 political subdivision sign a remonstrance than the number that
 9 signed a petition, the bonds petitioned for may not be issued or the
 10 lease petitioned for may not be entered into. The proper officers
 11 of the political subdivision may not make a preliminary
 12 determination to issue bonds or enter into a lease for the controlled
 13 project defeated by the petition and remonstrance process under
 14 this section or any other controlled project that is not substantially
 15 different within one (1) year after the date of the county auditor's
 16 certificate under subdivision (5). Withdrawal of a petition carries
 17 the same consequences as a defeat of the petition.

18 (7) After a political subdivision has gone through the petition and
 19 remonstrance process set forth in this section, the political
 20 subdivision is not required to follow any other remonstrance or
 21 objection procedures under any other law (including section 5 of
 22 this chapter) relating to bonds or leases designed to protect
 23 owners of real property within the political subdivision from the
 24 imposition of property taxes to pay debt service or lease rentals.
 25 However, the political subdivision must still receive the approval
 26 of the department of local government finance required by
 27 IC 6-1.1-18.5-8 or IC 6-1.1-19-8.

28 SECTION 47. IC 6-1.1-20-3.5 IS ADDED TO THE INDIANA
 29 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 30 JANUARY 1, 2004]: **Sec. 3.5. (a) This section applies only to a
 31 controlled project for which proper officers of the political
 32 subdivision make a preliminary determination to issue bonds or
 33 enter into a lease after December 31, 2003.**

34 **(b) A political subdivision may not impose property taxes to pay
 35 debt service or lease rentals without completing the following
 36 remonstrance procedures:**

37 **(1) The proper officers of a political subdivision shall:**

38 **(A) publish notice in accordance with IC 5-3-1; and**

39 **(B) send notice by first class mail to any organization that
 40 delivers to the officers, before January 1 of that year, an
 41 annual written request for such notices;**

42 **of any meeting to consider adoption of an ordinance or a
 43 resolution making a preliminary determination to issue
 44 bonds or enter into a lease and shall conduct a public hearing
 45 on a preliminary determination before adoption of the**

- 1 ordinance or resolution.
- 2 (2) When the proper officers of a political subdivision make
- 3 a preliminary determination to issue bonds or enter into a
- 4 lease, the officers shall give notice of the preliminary
- 5 determination by:
- 6 (A) publication in accordance with IC 5-3-1; and
- 7 (B) first class mail to the organizations described in
- 8 subdivision (1)(B).
- 9 (3) A notice under subdivision (2) of the preliminary
- 10 determination of the political subdivision to issue bonds or
- 11 enter into a lease must include the following information:
- 12 (A) The maximum term of the bonds or lease.
- 13 (B) The maximum principal amount of the bonds or the
- 14 maximum lease rental for the lease.
- 15 (C) The estimated interest rates that will be paid and the
- 16 total interest costs associated with the bonds or lease.
- 17 (D) The purpose of the bonds or lease.
- 18 (E) A statement that the proposed debt service or lease
- 19 payments must be approved in a local public question held
- 20 under section 3.6 of this chapter.
- 21 (F) With respect to bonds issued or a lease entered into to
- 22 open:
- 23 (i) a new school facility; or
- 24 (ii) an existing facility that has not been used for at
- 25 least three (3) years and that is being reopened to
- 26 provide additional classroom space;
- 27 the estimated costs the school corporation expects to incur
- 28 annually to operate the facility.
- 29 (G) A statement of whether the school corporation expects
- 30 to appeal as described in IC 6-1.1-19-4.4(a)(4) for an
- 31 increased adjusted base levy to pay the estimated costs
- 32 described in clause (F).
- 33 SECTION 48. IC 6-1.1-20-3.6 IS ADDED TO THE INDIANA
- 34 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
- 35 JANUARY 1, 2004]: Sec. 3.6. (a) This section applies only to a
- 36 controlled project for which proper officers of the political
- 37 subdivision make a preliminary determination to issue bonds or
- 38 enter into a lease after December 31, 2003.
- 39 (b) A political subdivision may not impose property taxes to pay
- 40 debt service or lease rentals unless the political subdivision's
- 41 proposed debt service or lease rental is approved in a local public
- 42 question held under the remonstrance procedures in this section.
- 43 (c) The following question shall be submitted to the voters at

1 **the election conducted under this section:**

2 "Shall _____ (insert the name of the political subdivision)
3 issue bonds or enter a lease to finance _____ (insert
4 the name of the controlled project)?".

5 (d) The county auditor shall certify the public question
6 described in subsection (c) under IC 3-10-9-3 to the county
7 election board of the county that contains the greatest percentage
8 of population of the political subdivision. The public question shall
9 be placed on the ballot at the next primary or general election in
10 which the all of the voters of the political subdivision are entitled
11 to vote after the question is certified.

12 (e) The circuit court clerk shall certify the results of the public
13 question to the following:

14 (1) The county auditor of each county in which the political
15 subdivision is located.

16 (2) The department of local government finance.

17 (f) If a majority of the voters voting on the public question vote
18 in favor of the public question, the department of local
19 government finance shall take prompt and appropriate steps to
20 notify the political subdivision that the political subdivision is
21 authorized to issue the proposed bonds or enter into the proposed
22 lease rental.

23 (g) If a majority of the voters voting on the public question
24 vote in opposition to the public question, both of the following
25 apply:

26 (1) The political subdivision may not issue the proposed bonds
27 or enter into the proposed lease rental.

28 (2) Another public question under this section may not be
29 submitted to the voters sooner than one (1) year after the
30 date of the election.

31 (h) IC 3, to the extent not inconsistent with this section, applies
32 to an election held under this section.

33 SECTION 49. IC 6-1.1-20-9, AS AMENDED BY P.L.90-2002,
34 SECTION 196, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JANUARY 1, 2004]: Sec. 9. (a) When the proper officers of a political
36 subdivision decide to issue bonds payable from property taxes to
37 finance a public improvement, they shall adopt an ordinance or
38 resolution which sets forth their determination to issue the bonds.
39 Except as provided in subsection (b), the political subdivision may not
40 advertise for or receive bids for the construction of the improvement
41 until ~~the expiration of the latter of:~~ **after:**

42 (1) **the expiration of** the time period within which taxpayers may
43 file a petition for review of or a remonstrance the proposed issue
44 **in the case of a proposed issue that is subject to section 3.1**

1 **of this chapter;**
 2 **(2) the proposed issue is approved in a local public question**
 3 **held under the remonstrance procedures in section 3.6 of this**
 4 **chapter in the case of a proposed issue that is subject to**
 5 **section 3.5 of this chapter; or**
 6 ~~(2)~~ **(3) the time period during which a petition for review of the**
 7 proposed issue is pending before the department of local
 8 government finance.

9 (b) When a petition for review of a proposed issue is pending before
 10 the department of local government finance, the department may order
 11 the political subdivision to advertise for and receive bids for the
 12 construction of the public improvement. When the department of local
 13 government finance issues such an order, the political subdivision shall
 14 file a bid report with the department within five (5) days after the bids
 15 are received, and the department shall render a final decision on the
 16 proposed issue within fifteen (15) days after it receives the bid report.
 17 Notwithstanding the provisions of this subsection, a political subdivision
 18 may not enter into a contract for the construction of a public
 19 improvement while a petition for review of the bond issue which is to
 20 finance the improvement is pending before the department of local
 21 government finance.

22 SECTION 51. IC 6-1.1-21-3, AS AMENDED BY P.L. 192-2002(ss),
 23 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 UPON PASSAGE]: Sec. 3. (a) The department, with the assistance of
 25 the auditor of state and the department of local government finance,
 26 shall determine an amount equal to the eligible property tax replacement
 27 amount, which is the estimated property tax replacement.

28 (b) The department of local government finance shall certify to the
 29 department the amount of:

30 **(1) property tax deduction replacement credits provided**
 31 **under IC 6-1.1-21.9 that are allowed by the county for the**
 32 **particular calendar year; and**

33 **(2) homestead credits provided under IC 6-1.1-20.9 which are**
 34 **allowed by the county for the particular calendar year.**

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

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

- 1 STEP TWO: Divide:
- 2 (A) that part of the estimated property tax replacement amount
- 3 attributable to the taxing district; by
- 4 (B) the STEP ONE sum.
- 5 STEP THREE: Multiply:
- 6 (A) the STEP TWO quotient; times
- 7 (B) the taxes levied in the taxing district that are allocated to a
- 8 special fund under IC 6-1.1-39-5.
- 9 (d) The sum of the amounts determined under subsections (a)
- 10 through (c) is the particular county's estimated distribution for the
- 11 calendar year.
- 12 SECTION 52. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003,
- 13 SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12,
- 14 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
- 15 [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department
- 16 shall allocate from the property tax replacement fund an amount equal
- 17 to the sum of:
- 18 (1) each county's total eligible property tax replacement amount
- 19 for that year; plus
- 20 (2) the total amount of homestead tax credits that are provided
- 21 under IC 6-1.1-20.9 and allowed by each county for that year;
- 22 plus
- 23 (3) an amount for each county that has one (1) or more taxing
- 24 districts that contain all or part of an economic development
- 25 district that meets the requirements of section 5.5 of this chapter.
- 26 This amount is the sum of the amounts determined under the
- 27 following STEPS for all taxing districts in the county that contain
- 28 all or part of an economic development district:
- 29 STEP ONE: Determine that part of the sum of the amounts
- 30 under section 2(g)(1)(A) and 2(g)(2) of this chapter that is
- 31 attributable to the taxing district.
- 32 STEP TWO: Divide:
- 33 (A) that part of the subdivision (1) amount that is attributable
- 34 to the taxing district; by
- 35 (B) the STEP ONE sum.
- 36 STEP THREE: Multiply:
- 37 (A) the STEP TWO quotient; times
- 38 (B) the taxes levied in the taxing district that are allocated to
- 39 a special fund under IC 6-1.1-39-5; **plus**
- 40 **(4) the total amount of property tax deduction replacement**
- 41 **credits that are provided under IC 6-1.1-21.9 and allowed by**
- 42 **each county for that year.**
- 43 (b) Except as provided in subsection (e), between March 1 and
- 44 August 31 of each year, the department shall distribute to each county
- 45 treasurer from the property tax replacement fund one-half (1/2) of the

1 estimated distribution for that year for the county. Between September
 2 1 and December 15 of that year, the department shall distribute to each
 3 county treasurer from the property tax replacement fund the remaining
 4 one-half (1/2) of each estimated distribution for that year. The amount
 5 of the distribution for each of these periods shall be according to a
 6 schedule determined by the property tax replacement fund board under
 7 section 10 of this chapter. The estimated distribution for each county
 8 may be adjusted from time to time by the department to reflect any
 9 changes in the total county tax levy upon which the estimated
 10 distribution is based.

11 (c) On or before December 31 of each year or as soon thereafter as
 12 possible, the department shall make a final determination of the amount
 13 which should be distributed from the property tax replacement fund to
 14 each county for that calendar year. This determination shall be known
 15 as the final determination of distribution. The department shall distribute
 16 to the county treasurer or receive back from the county treasurer any
 17 deficit or excess, as the case may be, between the sum of the
 18 distributions made for that calendar year based on the estimated
 19 distribution and the final determination of distribution. The final
 20 determination of distribution shall be based on the auditor's abstract filed
 21 with the auditor of state, adjusted for postabstract adjustments included
 22 in the December settlement sheet for the year, and such additional
 23 information as the department may require.

24 (d) All distributions provided for in this section shall be made on
 25 warrants issued by the auditor of state drawn on the treasurer of state.
 26 If the amounts allocated by the department from the property tax
 27 replacement fund exceed in the aggregate the balance of money in the
 28 fund, then the amount of the deficiency shall be transferred from the
 29 state general fund to the property tax replacement fund, and the auditor
 30 of state shall issue a warrant to the treasurer of state ordering the
 31 payment of that amount. However, any amount transferred under this
 32 section from the general fund to the property tax replacement fund
 33 shall, as soon as funds are available in the property tax replacement
 34 fund, be retransferred from the property tax replacement fund to the
 35 state general fund, and the auditor of state shall issue a warrant to the
 36 treasurer of state ordering the replacement of that amount.

37 (e) Except as provided in subsection (I), the department shall not
 38 distribute under subsection (b) and section 10 of this chapter the money
 39 attributable to the county's property reassessment fund if:

40 (1) by the date the distribution is scheduled to be made, ~~(1)~~ the
 41 county auditor has not sent a certified statement required to be
 42 sent by that date under IC 6-1.1-17-1 to the department of local
 43 government finance; ~~or~~

44 (2) by the deadline under IC 36-2-9-20, the county auditor has not
 45 transmitted data as required under that section; **or**

46 ~~(2)~~ **(3) the county assessor has not forwarded to the department**

1 **of local government finance** *the duplicate copies of all*
 2 *approved exemption applications required to be forwarded by that*
 3 *date under IC 6-1.1-11-8(a).*

4 (f) Except as provided in subsection (I), if the elected township
 5 assessors in the county, the elected township assessors and the county
 6 assessor, or the county assessor has not transmitted to the department
 7 of local government finance by October 1 of the year in which the
 8 distribution is scheduled to be made the data for all townships in the
 9 county required to be transmitted under IC 6-1.1-4-25(b), the state
 10 board or the department shall not distribute under subsection (b) and
 11 section 10 of this chapter a part of the money attributable to the
 12 county's property reassessment fund. The portion not distributed is the
 13 amount that bears the same proportion to the total potential distribution
 14 as the number of townships in the county for which data was not
 15 transmitted by ~~August 1~~ *October 1* as described in this section bears to
 16 the total number of townships in the county.

17 (g) Money not distributed ~~under subsection (e)~~ *for the reasons stated*
 18 *in subsection (e)(1) and (e)(2)* shall be distributed to the county when:

19 (1) the county auditor sends to the department of local
 20 government finance the certified statement required to be sent
 21 under IC 6-1.1-17-1; and

22 (2) the county assessor forwards to the department of local
 23 government finance the approved exemption applications required
 24 to be forwarded under IC 6-1.1-11-8(a);

25 with respect to which the failure to send *or forward* resulted in the
 26 withholding of the distribution under subsection (e).

27 (h) Money not distributed under subsection (f) shall be distributed
 28 to the county when the elected township assessors in the county, the
 29 elected township assessors and the county assessor, or the county
 30 assessor transmits to the department of local government finance the
 31 data required to be transmitted under IC 6-1.1-4-25(b) with respect to
 32 which the failure to transmit resulted in the withholding of the
 33 distribution under subsection (f).

34 (I) The restrictions on distributions under subsections (e) and (f) do
 35 not apply if the department of local government finance determines that:

36 (1) the failure of:

37 (A) a county auditor to send a certified statement; *or*

38 (B) a county assessor to forward copies of all approved
 39 exemption applications;

40 as described in subsection (e); or

41 (2) the failure of an official to transmit data as described in
 42 subsection (f);

43 is justified by unusual circumstances.

44 SECTION 53. IC 6-1.1-21.9 IS ADDED TO THE INDIANA CODE
 45 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
 46 PASSAGE]:

Chapter 21.9. Property Tax Deduction Replacement Credits

Sec. 1. This chapter applies to the following:

- (1) A property tax deduction increment.**
- (2) A qualified property tax deduction.**

Sec. 2. The definitions set forth in IC 6-1.1-21 apply throughout this chapter.

Sec. 3. As used in this chapter, "county property tax deduction replacement amount" means the sum of a particular county's taxpayer property tax deduction replacement credits.

Sec. 4.(a) This section applies only to a property tax deduction available under this article that is:

- (1) in effect on November 1, 2003; and**
- (2) increased in value by the general assembly after November 18, 2003, and before March 14, 2004.**

(b) As used in this chapter, "property tax deduction increment" means"

- (1) the value of a property tax deduction available under this article (as in effect after October 31, 2003); minus**
- (2) the value of the property tax deduction described in subdivision (1) before November 1, 2003.**

Sec. 5. As used in this chapter, "qualified property tax deduction" means a property tax deduction enacted by the general assembly after November 1, 2003, and before March 14, 2004.

Sec. 6. As used in this chapter, "taxpayer's property tax deduction replacement credit" means the amount determined in the last of the following STEPS:

STEP ONE: Determine the sum of a particular taxpayer's property tax deduction increments.

STEP TWO: Determine the sum of the taxpayer's qualified property tax deductions.

STEP THREE: Determine the sum of the STEP ONE and STEP TWO results.

STEP FOUR: Multiply the STEP THREE result by the total net tax rate applicable in the taxpayer's taxing district.

Sec. 7. (a) The department, with the assistance of the auditor of state and the department of local government finance, shall determine for each county an amount equal to the county property tax deduction replacement amount.

Sec. 8. For purposes of calculating tax rates, the county auditor shall add the sum of each county taxpayer's:

- (1) property tax deduction increments; and**
- (2) qualified property tax deductions;**

to the county's net assessed value.

1 **Sec. 9. For purposes of calculating a particular taxpayer's tax**
 2 **bill, the county treasurer shall add the sum of the taxpayer's:**

3 **(1) property tax deduction increments; and**

4 **(2) qualified property tax deductions;**

5 **to the taxpayer's net assessed value.**

6 **Sec. 10. (a) Each year the taxpayers of each county shall**
 7 **receive a credit for property tax deduction replacement in the**
 8 **amount of each taxpayer's property tax deduction replacement**
 9 **credit amount for taxes which under IC 6-1.1-22-9 are due and**
 10 **payable in May and November of that year. The credit shall be**
 11 **applied to each installment of taxes. The dollar amount of the**
 12 **credit for each taxpayer shall be determined by the county**
 13 **auditor, based on data furnished by the department of local**
 14 **government finance."**

15 Page 58, between lines 15 and 16, begin a new paragraph and insert:

16 **"(e) If the county treasurer transmits a statement of current**
 17 **and delinquent taxes and special assessments to a mortgagee**
 18 **under subsection (a)(2) for taxes first due and payable after**
 19 **December 31, 2004, the county treasurer shall mail the following**
 20 **information to the last known address of each person liable for**
 21 **the property taxes or special assessments or to the last known**
 22 **address of the most recent owner shown in the transfer book:**

23 **(1) A breakdown showing the total property tax and special**
 24 **assessment liability and the percentage of the taxpayer's**
 25 **liability that will be distributed to each taxing unit in the**
 26 **county.**

27 **(2) A comparison showing any change in the assessed**
 28 **valuation for the property as compared to the previous year.**

29 **(3) A comparison showing any change in the property tax and**
 30 **special assessment liability for the property as compared to**
 31 **the previous year. The information required under this**
 32 **subdivision must identify the change in the amount of**
 33 **property taxes and special assessments imposed by each**
 34 **taxing unit in which the property is located.**

35 **(4) An explanation of the following:**

36 **(A) The homestead credit and all property tax deductions.**

37 **(B) The procedure and deadline for filing for the**
 38 **homestead credit and each deduction.**

39 **(C) The procedure that a taxpayer must follow to:**

40 **(i) appeal a current assessment; or**

41 **(ii) petition for the correction of an error related to the**
 42 **taxpayer's property tax and special assessment liability.**

43 **(D) The forms that must be filed in an appeal or petition**

1 **described in clause (C).**
 2 **The department of local government finance shall provide**
 3 **the explanation required by this subdivision to each county**
 4 **treasurer.**

5 **The information required under this subsection must be simply**
 6 **and clearly presented and understandable to the average**
 7 **individual.**

8 **(f) The county treasurer of a county that incurs computer**
 9 **programming or printing costs directly related to mailing**
 10 **information under subsection (e) shall submit an itemized**
 11 **statement of the costs to the department of local government**
 12 **finance for reimbursement from the state. A claim submitted**
 13 **under this section shall be paid by the treasurer of state on**
 14 **warrant of the auditor of state."**

15 Page 76, between lines 32 and 33, begin a new paragraph and insert:
 16 "SECTION 61. IC 6-3-1-3.5, AS AMENDED BY P.L. 105-2003,
 17 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 3.5. When used in this article, the term
 19 "adjusted gross income" shall mean the following:

20 (a) In the case of all individuals, "adjusted gross income" (as defined
 21 in Section 62 of the Internal Revenue Code), modified as follows:

22 (1) Subtract income that is exempt from taxation under this article
 23 by the Constitution and statutes of the United States.

24 (2) Add an amount equal to any deduction or deductions allowed
 25 or allowable pursuant to Section 62 of the Internal Revenue Code
 26 for taxes based on or measured by income and levied at the state
 27 level by any state of the United States.

28 (3) Subtract one thousand dollars (\$1,000), or in the case of a
 29 joint return filed by a husband and wife, subtract for each spouse
 30 one thousand dollars (\$1,000).

31 (4) Subtract one thousand dollars (\$1,000) for:

32 (A) each of the exemptions provided by Section 151(c) of the
 33 Internal Revenue Code;

34 (B) each additional amount allowable under Section 63(f) of the
 35 Internal Revenue Code; and

36 (C) the spouse of the taxpayer if a separate return is made by
 37 the taxpayer and if the spouse, for the calendar year in which
 38 the taxable year of the taxpayer begins, has no gross income
 39 and is not the dependent of another taxpayer.

40 (5) Subtract:

41 (A) one thousand five hundred dollars (\$1,500) for each of the
 42 exemptions allowed under Section 151(c)(1)(B) of the Internal
 43 Revenue Code for taxable years beginning after December 31,
 44 1996; and

45 (B) five hundred dollars (\$500) for each additional amount

- 1 allowable under Section 63(f)(1) of the Internal Revenue Code
2 if the adjusted gross income of the taxpayer, or the taxpayer
3 and the taxpayer's spouse in the case of a joint return, is less
4 than forty thousand dollars (\$40,000).
5 This amount is in addition to the amount subtracted under
6 subdivision (4).
7 (6) Subtract an amount equal to the lesser of:
8 (A) that part of the individual's adjusted gross income (as
9 defined in Section 62 of the Internal Revenue Code) for that
10 taxable year that is subject to a tax that is imposed by a political
11 subdivision of another state and that is imposed on or measured
12 by income; or
13 (B) two thousand dollars (\$2,000).
14 (7) Add an amount equal to the total capital gain portion of a lump
15 sum distribution (as defined in Section 402(e)(4)(D) of the
16 Internal Revenue Code) if the lump sum distribution is received by
17 the individual during the taxable year and if the capital gain portion
18 of the distribution is taxed in the manner provided in Section 402
19 of the Internal Revenue Code.
20 (8) Subtract any amounts included in federal adjusted gross
21 income under Section 111 of the Internal Revenue Code as a
22 recovery of items previously deducted as an itemized deduction
23 from adjusted gross income.
24 (9) Subtract any amounts included in federal adjusted gross
25 income under the Internal Revenue Code which amounts were
26 received by the individual as supplemental railroad retirement
27 annuities under 45 U.S.C. 231 and which are not deductible under
28 subdivision (1).
29 (10) Add an amount equal to the deduction allowed under Section
30 221 of the Internal Revenue Code for married couples filing joint
31 returns if the taxable year began before January 1, 1987.
32 (11) Add an amount equal to the interest excluded from federal
33 gross income by the individual for the taxable year under Section
34 128 of the Internal Revenue Code if the taxable year began before
35 January 1, 1985.
36 (12) Subtract an amount equal to the amount of federal Social
37 Security and Railroad Retirement benefits included in a taxpayer's
38 federal gross income by Section 86 of the Internal Revenue Code.
39 (13) In the case of a nonresident taxpayer or a resident taxpayer
40 residing in Indiana for a period of less than the taxpayer's entire
41 taxable year, the total amount of the deductions allowed pursuant
42 to subdivisions (3), (4), (5), and (6) shall be reduced to an amount
43 which bears the same ratio to the total as the taxpayer's income
44 taxable in Indiana bears to the taxpayer's total income.
45 (14) In the case of an individual who is a recipient of assistance
46 under IC 12-10-6-1, ~~IC 12-10-6-2~~, **IC 12-10-6-2.1**, IC 12-15-2-2,

- 1 or IC 12-15-7, subtract an amount equal to that portion of the
 2 individual's adjusted gross income with respect to which the
 3 individual is not allowed under federal law to retain an amount to
 4 pay state and local income taxes.
- 5 (15) In the case of an eligible individual, subtract the amount of a
 6 Holocaust victim's settlement payment included in the individual's
 7 federal adjusted gross income.
- 8 (16) For taxable years beginning after December 31, 1999,
 9 subtract an amount equal to the portion of any premiums paid
 10 during the taxable year by the taxpayer for a qualified long term
 11 care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the
 12 taxpayer's spouse, or both.
- 13 (17) Subtract an amount equal to the lesser of:
- 14 (A) **for a taxable year:**
- 15 (i) **including any part of 2004, the amount determined**
 16 **under subsection (f); and**
- 17 (ii) **beginning after December 31, 2004,** two thousand five
 18 hundred dollars (\$2,500); or
- 19 (B) the amount of property taxes that are paid during the
 20 taxable year in Indiana by the individual on the individual's
 21 principal place of residence.
- 22 (18) Subtract an amount equal to the amount of a September 11
 23 terrorist attack settlement payment included in the individual's
 24 federal adjusted gross income.
- 25 (19) Add or subtract the amount necessary to make the adjusted
 26 gross income of any taxpayer that owns property for which bonus
 27 depreciation was allowed in the current taxable year or in an earlier
 28 taxable year equal to the amount of adjusted gross income that
 29 would have been computed had an election not been made under
 30 Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply
 31 bonus depreciation to the property in the year that it was placed in
 32 service.
- 33 (b) In the case of corporations, the same as "taxable income" (as
 34 defined in Section 63 of the Internal Revenue Code) adjusted as follows:
- 35 (1) Subtract income that is exempt from taxation under this article
 36 by the Constitution and statutes of the United States.
- 37 (2) Add an amount equal to any deduction or deductions allowed
 38 or allowable pursuant to Section 170 of the Internal Revenue
 39 Code.
- 40 (3) Add an amount equal to any deduction or deductions allowed
 41 or allowable pursuant to Section 63 of the Internal Revenue Code
 42 for taxes based on or measured by income and levied at the state
 43 level by any state of the United States.
- 44 (4) Subtract an amount equal to the amount included in the
 45 corporation's taxable income under Section 78 of the Internal

1 Revenue Code.
2 (5) Add or subtract the amount necessary to make the adjusted
3 gross income of any taxpayer that owns property for which bonus
4 depreciation was allowed in the current taxable year or in an earlier
5 taxable year equal to the amount of adjusted gross income that
6 would have been computed had an election not been made under
7 Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply
8 bonus depreciation to the property in the year that it was placed in
9 service.

10 (c) In the case of life insurance companies (as defined in Section
11 816(a) of the Internal Revenue Code) that are organized under Indiana
12 law, the same as "life insurance company taxable income" (as defined
13 in Section 801 of the Internal Revenue Code), adjusted as follows:

14 (1) Subtract income that is exempt from taxation under this article
15 by the Constitution and statutes of the United States.

16 (2) Add an amount equal to any deduction allowed or allowable
17 under Section 170 of the Internal Revenue Code.

18 (3) Add an amount equal to a deduction allowed or allowable
19 under Section 805 or Section 831(c) of the Internal Revenue Code
20 for taxes based on or measured by income and levied at the state
21 level by any state.

22 (4) Subtract an amount equal to the amount included in the
23 company's taxable income under Section 78 of the Internal
24 Revenue Code.

25 (5) Add or subtract the amount necessary to make the adjusted
26 gross income of any taxpayer that owns property for which bonus
27 depreciation was allowed in the current taxable year or in an earlier
28 taxable year equal to the amount of adjusted gross income that
29 would have been computed had an election not been made under
30 Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply
31 bonus depreciation to the property in the year that it was placed in
32 service.

33 (d) In the case of insurance companies subject to tax under Section
34 831 of the Internal Revenue Code and organized under Indiana law, the
35 same as "taxable income" (as defined in Section 832 of the Internal
36 Revenue Code), adjusted as follows:

37 (1) Subtract income that is exempt from taxation under this article
38 by the Constitution and statutes of the United States.

39 (2) Add an amount equal to any deduction allowed or allowable
40 under Section 170 of the Internal Revenue Code.

41 (3) Add an amount equal to a deduction allowed or allowable
42 under Section 805 or Section 831(c) of the Internal Revenue Code
43 for taxes based on or measured by income and levied at the state
44 level by any state.

45 (4) Subtract an amount equal to the amount included in the
46 company's taxable income under Section 78 of the Internal

1 Revenue Code.
 2 (5) Add or subtract the amount necessary to make the adjusted
 3 gross income of any taxpayer that owns property for which bonus
 4 depreciation was allowed in the current taxable year or in an earlier
 5 taxable year equal to the amount of adjusted gross income that
 6 would have been computed had an election not been made under
 7 Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply
 8 bonus depreciation to the property in the year that it was placed in
 9 service.

10 (e) In the case of trusts and estates, "taxable income" (as defined for
 11 trusts and estates in Section 641(b) of the Internal Revenue Code)
 12 adjusted as follows:

13 (1) Subtract income that is exempt from taxation under this article
 14 by the Constitution and statutes of the United States.

15 (2) Subtract an amount equal to the amount of a September 11
 16 terrorist attack settlement payment included in the federal adjusted
 17 gross income of the estate of a victim of the September 11
 18 terrorist attack or a trust to the extent the trust benefits a victim
 19 of the September 11 terrorist attack.

20 (3) Add or subtract the amount necessary to make the adjusted
 21 gross income of any taxpayer that owns property for which bonus
 22 depreciation was allowed in the current taxable year or in an earlier
 23 taxable year equal to the amount of adjusted gross income that
 24 would have been computed had an election not been made under
 25 Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply
 26 bonus depreciation to the property in the year that it was placed in
 27 service.

28 **(f) This subsection applies only to the extent that an individual**
 29 **paid property taxes in 2004 that were imposed for the March 1,**
 30 **2002, assessment date or the January 15, 2003, assessment date.**
 31 **The maximum amount of the deduction under subsection (a)(17)**
 32 **is equal to the amount determined under STEP FIVE of the**
 33 **following formula:**

34 **STEP ONE: Determine the amount of property taxes that the**
 35 **taxpayer paid after December 31, 2003, for property taxes**
 36 **imposed for the March 1, 2002, assessment date and the**
 37 **January 15, 2003, assessment date.**

38 **STEP TWO: Determine the amount of property taxes that**
 39 **the taxpayer paid for the March 1, 2003, assessment date and**
 40 **the January 15, 2004, assessment date.**

41 **STEP THREE: Determine the result of the STEP ONE amount**
 42 **divided by the STEP TWO amount.**

43 **STEP FOUR: Multiply the STEP THREE amount by two**
 44 **thousand five hundred dollars (\$2,500).**

45 **STEP FIVE: Determine the sum of the STEP THREE amount**

1 **and two thousand five hundred dollars (\$2,500)."**
2 Page 111, between lines 6 and 7, begin a new paragraph and insert:
3 **"SECTION 91. [EFFECTIVE UPON PASSAGE] IC 6-1.1-22-8(e),**
4 **as added by this act, applies to statements prepared and mailed for**
5 **property taxes and special assessments first due and payable after**
6 **December 31, 2004.**
7 SECTION 92. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-12-9,
8 IC 6-1.1-12-11, IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16,
9 IC 6-1.1-12-17.4, IC 6-1.1-12-18, IC 6-1.1-12-22, IC 6-1.1-12.1-4.1,
10 IC 6-1.1-21-3, and IC 6-1.1-21-4, all as amended by this act, apply
11 only to property taxes first due and payable after December 31,
12 2003.

- 1 **(b) IC 6-1.1-21.9, as added by this act, applies only to property**
- 2 **taxes first due and payable after December 31, 2003."**
- 3 Renumber all SECTIONS consecutively.
 (Reference is to HB 1001 as printed November 18, 2003.)

Representative Espich