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# HOUSE BILL No. 1315

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-21-2.

**Synopsis:** Property tax replacement for public assistance levies. Provides for a 100% property tax replacement credit for the amount by which certain public assistance levies increased after 2005.

**Effective:** July 1, 2004.

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January 15, 2004, read first time and referred to Committee on Ways and Means.

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Second Regular Session 113th General Assembly (2004)

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 2003 Regular Session of the General Assembly.

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# HOUSE BILL No. 1315



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, AS AMENDED BY P.L.1-2004,
- 2 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2004]: Sec. 2. As used in this chapter:
- 4 (a) "Taxpayer" means a person who is liable for taxes on property
- 5 assessed under this article.
- 6 (b) "Taxes" means property taxes payable in respect to property
- 7 assessed under this article. The term does not include special
- 8 assessments, penalties, or interest, but does include any special charges
- 9 which a county treasurer combines with all other taxes in the
- 10 preparation and delivery of the tax statements required under
- 11 IC 6-1.1-22-8(a).
- 12 (c) "Department" means the department of state revenue.
- 13 (d) "Auditor's abstract" means the annual report prepared by each
- 14 county auditor which under IC 6-1.1-22-5, is to be filed on or before
- 15 March 1 of each year with the auditor of state.
- 16 (e) "Mobile home assessments" means the assessments of mobile
- 17 homes made under IC 6-1.1-7.



1 (f) "Postabstract adjustments" means adjustments in taxes made  
 2 subsequent to the filing of an auditor's abstract which change  
 3 assessments therein or add assessments of omitted property affecting  
 4 taxes for such assessment year.

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

6 (1) the remainder of:

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

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

15 (i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after  
 16 December 31, 1982; plus

17 (ii) the sum of any increases in property tax levies of taxing  
 18 units of the county that result from any other appeals  
 19 described in IC 6-1.1-18.5-13 filed after December 31,  
 20 1983; plus

21 (iii) IC 6-1.1-18.6-3 (~~family and children in need of~~  
 22 ~~services), and delinquent children who are wards of the~~  
 23 ~~county); if the amount of the increase first affected~~  
 24 **property taxes first due and payable before January 1,**  
 25 **2006; plus**

26 (iv) **IC 6-1.1-18.6-4 (children's psychiatric residential**  
 27 **treatment services), if the amount of the increase first**  
 28 **affected property taxes first due and payable before**  
 29 **January 1, 2006; minus**

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

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

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

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

40 (iii) does not constitute debt entered into for the purpose of  
 41 building, repairing, or altering school buildings for which  
 42 the requirements of IC 20-5-52 were satisfied prior to

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1 January 1, 1984; minus  
 2 (E) the amount of property taxes imposed in the county for the  
 3 stated assessment year under the authority of IC 21-2-6  
 4 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a  
 5 cumulative building fund whose property tax rate was initially  
 6 established or reestablished for a stated assessment year that  
 7 succeeds the 1983 stated assessment year; minus  
 8 (F) the remainder of:  
 9 (i) the total property taxes imposed in the county for the  
 10 stated assessment year under authority of IC 21-2-6  
 11 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a  
 12 cumulative building fund whose property tax rate was not  
 13 initially established or reestablished for a stated assessment  
 14 year that succeeds the 1983 stated assessment year; minus  
 15 (ii) the total property taxes imposed in the county for the  
 16 1984 stated assessment year under the authority of IC 21-2-6  
 17 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a  
 18 cumulative building fund whose property tax rate was not  
 19 initially established or reestablished for a stated assessment  
 20 year that succeeds the 1983 stated assessment year; minus  
 21 (G) the amount of property taxes imposed in the county for the  
 22 stated assessment year under:  
 23 (i) IC 21-2-15 for a capital projects fund; plus  
 24 (ii) IC 6-1.1-19-10 for a racial balance fund; plus  
 25 (iii) IC 20-14-13 for a library capital projects fund; plus  
 26 (iv) IC 20-5-17.5-3 for an art association fund; plus  
 27 (v) IC 21-2-17 for a special education preschool fund; plus  
 28 (vi) IC 21-2-11.6 for a referendum tax levy fund; plus  
 29 (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in  
 30 a school corporation's maximum permissible general fund  
 31 levy for certain transfer tuition costs; plus  
 32 (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase  
 33 in a school corporation's maximum permissible general fund  
 34 levy for transportation operating costs; minus  
 35 (H) the amount of property taxes imposed by a school  
 36 corporation that is attributable to the passage, after 1983, of a  
 37 referendum for an excessive tax levy under IC 6-1.1-19,  
 38 including any increases in these property taxes that are  
 39 attributable to the adjustment set forth in IC 6-1.1-19-1.5 or  
 40 any other law; minus  
 41 (I) for each township in the county, the lesser of:  
 42 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)

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1 STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE,  
 2 whichever is applicable, plus the part, if any, of the  
 3 township's ad valorem property tax levy for calendar year  
 4 1989 that represents increases in that levy that resulted from  
 5 an appeal described in IC 6-1.1-18.5-13(4) filed after  
 6 December 31, 1982; or  
 7 (ii) the amount of property taxes imposed in the township for  
 8 the stated assessment year under the authority of  
 9 IC 36-8-13-4; minus  
 10 (J) for each participating unit in a fire protection territory  
 11 established under IC 36-8-19-1, the amount of property taxes  
 12 levied by each participating unit under IC 36-8-19-8 and  
 13 IC 36-8-19-8.5 less the maximum levy limit for each of the  
 14 participating units that would have otherwise been available  
 15 for fire protection services under IC 6-1.1-18.5-3 and  
 16 IC 6-1.1-18.5-19 for that same year; minus  
 17 (K) for each county, the sum of:  
 18 (i) the amount of property taxes imposed in the county for  
 19 the repayment of loans under IC 12-19-5-6 (repealed) that is  
 20 included in the amount determined under IC 12-19-7-4(a)  
 21 STEP SEVEN for property taxes payable in 1995, or for  
 22 property taxes payable in each year after 1995, the amount  
 23 determined under IC 12-19-7-4(b); and  
 24 (ii) the amount of property taxes imposed in the county  
 25 attributable to appeals granted under IC 6-1.1-18.6-3 that is  
 26 included in the amount determined under IC 12-19-7-4(a)  
 27 STEP SEVEN for property taxes payable in 1995, or the  
 28 amount determined under IC 12-19-7-4(b) for property taxes  
 29 payable in each year after 1995; plus  
 30 (2) all taxes to be paid in the county in respect to mobile home  
 31 assessments currently assessed for the year in which the taxes  
 32 stated in the abstract are to be paid; plus  
 33 (3) the amounts, if any, of county adjusted gross income taxes that  
 34 were applied by the taxing units in the county as property tax  
 35 replacement credits to reduce the individual levies of the taxing  
 36 units for the assessment year, as provided in IC 6-3.5-1.1; plus  
 37 (4) the amounts, if any, by which the maximum permissible ad  
 38 valorem property tax levies of the taxing units of the county were  
 39 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated  
 40 assessment year; plus  
 41 (5) the difference between:  
 42 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;

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- 1 minus
- 2 (B) the amount the civil taxing units' levies were increased
- 3 because of the reduction in the civil taxing units' base year
- 4 certified shares under IC 6-1.1-18.5-3(e).
- 5 (h) "December settlement sheet" means the certificate of settlement
- 6 filed by the county auditor with the auditor of state, as required under
- 7 IC 6-1.1-27-3.
- 8 (i) "Tax duplicate" means the roll of property taxes which each
- 9 county auditor is required to prepare on or before March 1 of each year
- 10 under IC 6-1.1-22-3.
- 11 (j) "Eligible property tax replacement amount" is equal to the sum
- 12 of the following:
- 13 (1) Sixty percent (60%) of the total county tax levy imposed by
- 14 each school corporation in a county for its general fund for a
- 15 stated assessment year.
- 16 (2) **For property taxes first due and payable in 2006 and**
- 17 **thereafter, one hundred percent (100%) of a taxpayer's tax**
- 18 **liability in a calendar year due to the amount by which the**
- 19 **total county tax levy increased after 2005 for any of the**
- 20 **following for a stated assessment year:**
- 21 (A) **County medical assistance to wards fund**
- 22 **(IC 12-13-8-2).**
- 23 (B) **County hospital care for the indigent fund**
- 24 **(IC 12-16-14-1).**
- 25 (C) **Family and children's fund (IC 12-19-7-3).**
- 26 (D) **Children's psychiatric residential treatment services**
- 27 **fund (IC 12-19-7.5-5).**
- 28 (E) **Community mental health centers under IC 12-29.**
- 29 (F) **Community mental retardation and other**
- 30 **developmental disabilities centers under IC 12-29.**
- 31 (G) **Township assistance (IC 12-20).**
- 32 (H) **Children with special health care needs county fund**
- 33 **(IC 16-35-3-1).**
- 34 (3) Twenty percent (20%) of the total county tax levy (less sixty
- 35 percent (60%) of the levy for the general fund of a school
- 36 corporation that is part of the total county tax levy) **tax liability**
- 37 **described in subdivision (1) and one hundred percent (100%)**
- 38 **of the tax liability described in (2))** imposed in a county on real
- 39 property for a stated assessment year.
- 40 ~~(3)~~ (4) Twenty percent (20%) of the total county tax levy (less
- 41 sixty percent (60%) of the levy for the general fund of a school
- 42 corporation that is part of the total county tax levy) **tax liability**

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1           **described in subdivision (1) and one hundred percent (100%)**  
 2           **of the tax liability described in (2))** imposed in a county on  
 3           tangible personal property, excluding business personal property,  
 4           for an assessment year.

5           (k) "Business personal property" means tangible personal property  
 6           (other than real property) that is being:  
 7               (1) held for sale in the ordinary course of a trade or business; or  
 8               (2) held, used, or consumed in connection with the production of  
 9               income.

10          (l) "Taxpayer's property tax replacement credit amount" means the  
 11          sum of the following:  
 12               (1) Sixty percent (60%) of a taxpayer's tax liability in a calendar  
 13               year for taxes imposed by a school corporation for its general fund  
 14               for a stated assessment year.  
 15               (2) **For property taxes first due and payable in 2006 and**  
 16               **thereafter, one hundred percent (100%) of a taxpayer's tax**  
 17               **liability in a calendar year due to the amount by which the**  
 18               **total county tax levy increased after 2005 for any of the**  
 19               **following for a stated assessment year:**  
 20                   (A) **County medical assistance to wards fund**  
 21                   **(IC 12-13-8-2).**  
 22                   (B) **County hospital care for the indigent fund**  
 23                   **(IC 12-16-14-1).**  
 24                   (C) **Family and children's fund (IC 12-19-7-3).**  
 25                   (D) **Children's psychiatric residential treatment services**  
 26                   **fund (IC 12-19-7.5-5).**  
 27                   (E) **Community mental health centers under IC 12-29.**  
 28                   (F) **Community mental retardation and other**  
 29                   **developmental disabilities centers under IC 12-29.**  
 30                   (G) **Township assistance (IC 12-20).**  
 31                   (H) **Children with special health care needs county fund**  
 32                   **(IC 16-35-3-1).**  
 33               (3) Twenty percent (20%) of a taxpayer's tax liability for a stated  
 34               assessment year for a total county tax levy (less sixty percent  
 35               (60%) of the levy for the general fund of a school corporation that  
 36               is part of the total county tax levy) **tax liability described in**  
 37               **subdivision (1) and one hundred percent (100%) of the tax**  
 38               **liability described in (2))** on real property.  
 39               (4) Twenty percent (20%) of a taxpayer's tax liability for a  
 40               stated assessment year for a total county tax levy (less sixty  
 41               percent (60%) of the levy for the general fund of a school  
 42               corporation that is part of the total county tax levy) **tax liability**

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1           **described in subdivision (1) and one hundred percent (100%)**  
2           **of the tax liability described in (2))** on tangible personal  
3           property other than business personal property.  
4           (m) "Tax liability" means tax liability as described in section 5 of  
5           this chapter.  
6           (n) "General school operating levy" means the ad valorem property  
7           tax levy of a school corporation in a county for the school corporation's  
8           general fund.

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