

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1835 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-1.1-17-1 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) On or before
- 5 August 1 of each year, the county auditor shall send a certified
- 6 statement, under the seal of the board of county commissioners, to the
- 7 fiscal officer of each political subdivision of the county and the
- 8 department of local government finance. The statement shall contain:
- 9 (1) information concerning the assessed valuation in the political
- 10 subdivision for the next calendar year;
- 11 (2) an estimate of the taxes to be distributed to the political
- 12 subdivision during the last six (6) months of the current calendar
- 13 year;
- 14 (3) the current assessed valuation as shown on the abstract of
- 15 charges;
- 16 (4) the average growth in assessed valuation in the political
- 17 subdivision over the preceding three (3) budget years, excluding
- 18 years in which a general reassessment occurs, determined
- 19 according to procedures established by the department of local
- 20 government finance; ~~and~~
- 21 **(5) information concerning credits applicable under**
- 22 **IC 6-1.1-21-5.8 to taxes first due and payable in the next**
- 23 **calendar year; and**
- 24 ~~(5)~~ **(6)** any other information at the disposal of the county auditor
- 25 that might affect the assessed value used in the budget adoption

- 1 process.
- 2 (b) The estimate of taxes to be distributed shall be based on:
- 3 (1) the abstract of taxes levied and collectible for the current
- 4 calendar year, less any taxes previously distributed for the
- 5 calendar year; and
- 6 (2) any other information at the disposal of the county auditor
- 7 which might affect the estimate.
- 8 (c) The fiscal officer of each political subdivision shall present the
- 9 county auditor's statement to the proper officers of the political
- 10 subdivision.
- 11 **(d) The officers of a political subdivision shall adjust the**
- 12 **assessed value used in setting rates for the taxes first due and**
- 13 **payable in a calendar year in which credits apply under**
- 14 **IC 6-1.1-21-5.8 to eliminate or minimize levy reductions that would**
- 15 **otherwise result from the application of those credits."**
- 16 Page 3, between lines 25 and 26, begin a new paragraph and insert:
- 17 "SECTION 3. IC 6-1.1-21-5.8 IS ADDED TO THE INDIANA
- 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 19 [EFFECTIVE UPON PASSAGE]: **Sec. 5.8. (a) The following**
- 20 **definitions apply throughout this section:**
- 21 (1) "Adjusted gross income" has the meaning set forth in
- 22 IC 6-3-1-3.5.
- 23 (2) "Assets":
- 24 (A) include:
- 25 (i) real property, other than the homestead with respect
- 26 to which a qualifying individual applies for a credit
- 27 under this section;
- 28 (ii) cash;
- 29 (iii) savings accounts;
- 30 (iv) stocks;
- 31 (v) bonds; and
- 32 (vi) any other investment; and
- 33 (B) do not include:
- 34 (i) the cash value of life insurance policies on the life of
- 35 the qualifying individual or the qualifying individual's
- 36 spouse; and
- 37 (ii) tangible personal property.
- 38 (3) "Fiscal body" has the meaning set forth in IC 36-1-2-6.
- 39 (4) "Homestead" has the meaning set forth in
- 40 IC 6-1.1-20.9-1(2).
- 41 (5) "Household income" means the combined adjusted gross
- 42 income of the qualifying individual and the qualifying
- 43 individual's spouse.
- 44 (6) "Net property tax bill" means the amount of property
- 45 taxes currently due and payable in a particular calendar year
- 46 after the application of all deductions and credits, except for
- 47 the credit provided by this section and the credit provided by

1 section 5.7 of this chapter, as evidenced by the tax statement
2 referred to in IC 6-1.1-22-8.

3 (7) "Net worth" means the remainder of:

- 4 (A) the sum of the current market value of all assets; minus
- 5 (B) all outstanding liabilities.

6 (8) "Qualifying individual" means an individual:

7 (A) who is liable for the payment of property taxes on a
8 qualifying homestead;

9 (B) whose adjusted gross income for the individual's most
10 recent taxable year that ends before the date on which the
11 claim is filed under subsection (e) is less than seventy-five
12 thousand dollars (\$75,000); and

13 (C) who is not married and has a net worth, or has a net
14 worth in combination with the net worth of the individual's
15 spouse, of less than two hundred thousand dollars
16 (\$200,000) as of December 31 of:

17 (i) with respect to real property, the year that precedes
18 by two (2) years the year for which the individual wishes
19 to obtain the credit under this section; and

20 (ii) with respect to a mobile home that is not assessed as
21 real property or a manufactured home that is not
22 assessed as real property, the year that immediately
23 precedes the year for which the individual wishes to
24 obtain the credit under this section.

25 (9) "Qualifying homestead" means a homestead:

26 (A) that a qualifying individual owned; or

27 (B) on which a qualifying individual assumed liability for
28 the payment of property taxes;

29 at least five (5) years before the assessment date for the
30 homestead in the year for which the qualifying individual
31 wishes to obtain the credit under this section and that has an
32 assessed value of not more than one hundred eighty thousand
33 dollars (\$180,000) as of the assessment date for the homestead
34 in the year that immediately precedes the year for which the
35 qualifying individual wishes to obtain the credit under this
36 section.

37 (10) "Taxable year" has the meaning set forth in IC 6-3-1-16.

38 (b) The credit provided by this section applies in a county for
39 property taxes first due and payable in a calendar year only if the
40 county fiscal body of the county adopts an ordinance to apply the
41 credit before April 1 of the immediately preceding calendar year.
42 An ordinance adopted under this subsection may authorize the
43 credit for more than one (1) year.

44 (c) Except as provided in subsection (d), each year a qualifying
45 individual in a county in which the credit provided by this section
46 is authorized under subsection (b) may receive a credit against the

1 net property tax bill on the individual's qualifying homestead. The
 2 amount of the credit to which a qualifying individual is entitled
 3 equals the lesser of two thousand dollars (\$2,000) or the remainder
 4 of:

5 (1) the amount of the net property tax bill without the
 6 application of the credit provided by this section; minus

7 (2) the following percentage of the qualifying individual's
 8 adjusted gross income for the qualifying individual's most
 9 recent taxable year that ends before the date on which the
 10 claim is filed under subsection (e):

11 (A) Five percent (5%) if the adjusted gross income is less
 12 than twenty thousand dollars (\$20,000).

13 (B) Seven percent (7%) if the adjusted gross income is at
 14 least twenty thousand dollars (\$20,000) but less than fifty
 15 thousand dollars (\$50,000).

16 (C) Nine percent (9%) if the adjusted gross income is at
 17 least fifty thousand dollars (\$50,000) but less than
 18 seventy-five thousand dollars (\$75,000).

19 (d) If the qualifying individual resides in the qualifying
 20 homestead with the qualifying individual's spouse, those
 21 individuals are together entitled to one (1) credit under this section
 22 for the qualifying homestead. The amount of the credit is
 23 determined under subsection (c), except that the household income
 24 is substituted for the qualifying individual's adjusted gross income.

25 (e) A qualifying individual or a qualifying individual and the
 26 qualifying individual's spouse who desire to claim the credit
 27 provided by this section must file a certified statement in duplicate,
 28 on forms prescribed by the department of local government
 29 finance, with the auditor of the county in which the qualifying
 30 homestead is located. With respect to real property, the statement
 31 must be filed after January 1 and before May 11 of the year before
 32 the year for which the qualifying individual or the qualifying
 33 individual and the qualifying individual's spouse wish to obtain the
 34 credit under this section. For a mobile home that is not assessed as
 35 real property or a manufactured home that is not assessed as real
 36 property, the statement must be filed after January 1 and before
 37 March 2 of the year for which the qualifying individual or the
 38 qualifying individual and the qualifying individual's spouse wish to
 39 obtain the credit under this section. The statement must contain the
 40 following information:

41 (1) The full name or names and complete address of the
 42 qualifying individual or the qualifying individual and the
 43 qualifying individual's spouse.

44 (2) A description of the qualifying homestead.

45 (3) The amount of:

46 (A) the qualifying individual's adjusted gross income

- 1 referred to in subsection (c)(2); or
 2 (B) if subsection (d) applies, the household income referred
 3 to in subsection (d) of the qualifying individual and the
 4 qualifying individual's spouse.
- 5 (4) The name of any other county and township in which the
 6 qualifying individual or the qualifying individual's spouse
 7 owns or is buying on contract:
 8 (A) real property; or
 9 (B) a:
 10 (i) mobile home; or
 11 (ii) manufactured home;
 12 that is not assessed as real property.
- 13 (5) The record number and page where the contract or
 14 memorandum of the contract is recorded if the qualifying
 15 homestead is under contract purchase.
- 16 (6) Proof of net worth as of the date specified in subsection
 17 (a)(8)(C):
 18 (A) in a form determined by the department of local
 19 government finance; and
 20 (B) including:
 21 (i) income tax returns or other evidence detailing gross
 22 income; and
 23 (ii) other documentation as determined by the
 24 department of local government finance.
- 25 (7) Any other information required by the department of local
 26 government finance.
- 27 (f) The auditor of a county with whom a statement is filed under
 28 subsection (e) shall immediately prepare and transmit a copy of the
 29 statement to the auditor of any other county if the qualifying
 30 individual who claims the credit or the qualifying individual's
 31 spouse owns or is buying property located in the other county as
 32 described in subsection (e)(4). The auditor of the other county
 33 described in subsection (e)(4) shall note on the copy of the
 34 statement whether a credit has been claimed under this section for
 35 a qualifying homestead located in the auditor's county. The auditor
 36 shall then return the copy to the auditor of the first county.
- 37 (g) Subject to subsection (h), if a proper certified credit
 38 statement is filed under subsection (e), the county auditor shall
 39 allow the credit and shall apply the credit equally against each
 40 installment of property taxes. The county auditor shall include the
 41 amount of the credit applied against each installment of property
 42 taxes on the tax statement required under IC 6-1.1-22-8.
- 43 (h) If the qualifying homestead qualifies for the credit under
 44 IC 6-1.1-20.6 and a statement to claim the credit under this section
 45 is filed under subsection (e), the county auditor shall:
 46 (1) determine from the person who filed the statement

1 **whether the person elects to have applied:**

2 **(A) the credit under this section; or**

3 **(B) the credit under IC 6-1.1-20.6; and**

4 **(2) apply only the credit elected by that person as determined**
 5 **under subdivision (1).**

6 **(i) If an individual knowingly or intentionally files a false**
 7 **statement under this section, the individual must pay the amount**
 8 **of any credit the individual received because of the false statement,**
 9 **plus interest at the rate of ten percent (10%) per year, to the county**
 10 **auditor for distribution to the taxing units of the county in the same**
 11 **proportion that property taxes are distributed.**

12 SECTION 4. IC 6-1.1-21-7 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) Notwithstanding
 14 IC 6-1.1-26, any taxpayer who is entitled to a credit under this chapter
 15 or who has properly filed for and is entitled to a credit under
 16 IC 6-1.1-20.9, and who, without taking the credit, pays in full the taxes
 17 to which the credit applies, is entitled to a refund, without interest, of
 18 an amount equal to the amount of the credit. However, if the taxpayer,
 19 at the time a refund is claimed, owes any other taxes, interest, or
 20 penalties payable to the county treasurer to whom the taxes subject to
 21 the credit were paid, then the credit shall be first applied in full or
 22 partial payment of the other taxes, interest, and penalties and the
 23 balance, if any, remaining after that application is available as a refund
 24 to the taxpayer.

25 (b) Any taxpayer entitled to a refund under this section **other than**
 26 **a refund based on a credit under 5.8 of this chapter** shall be paid
 27 that refund from proceeds of the property tax replacement fund.
 28 However, with respect to any refund attributable to a homestead credit,
 29 the refund shall be paid from that fund only to the extent that the
 30 percentage homestead credit the taxpayer was entitled to receive for a
 31 year does not exceed the percentage credit allowed in
 32 IC 6-1.1-20.9-2(d) for that same year. Any refund in excess of that
 33 amount shall be paid from the county's revenue distributions received
 34 under IC 6-3.5-6.

35 (c) The state board of accounts shall establish an appropriate
 36 procedure to simplify and expedite the method for claiming these
 37 refunds and for the payments thereof, as provided for in this section,
 38 which procedure is the exclusive procedure for the processing of the
 39 refunds. The procedure shall, however, require the filing of claims for
 40 the refunds by not later than June 1 of the year following the payment
 41 of the taxes to which the credit applied.

42 SECTION 5. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-21-5.8, as**
 43 **added by this act, applies only to property taxes first due and**
 44 **payable after December 31, 2005.**

45 SECTION 6. [EFFECTIVE UPON PASSAGE] **(a)**
 46 **Notwithstanding IC 6-1.1-21-5.8(b), as added by this act, a county**
 47 **council may adopt an ordinance before July 1, 2005, to apply the**

- 1 **credit authorized under IC 6-1.1-21-5.8, as added by this act, for**
2 **property taxes first due and payable in 2006.**
3 **(b) If a county fiscal body adopts an ordinance under subsection**
4 **(a), a qualifying individual or a qualifying individual and the**
5 **qualifying individual's spouse who desire to claim the credit with**
6 **respect to real property for property taxes first due and payable in**
7 **2006 may file the application for the credit referred to in**
8 **IC 6-1.1-21-5.8(e), as added by this act, before August 1, 2005.**
9 **(c) This SECTION expires December 31, 2006."**
10 Renumber all SECTIONS consecutively.
 (Reference is to HB 1835 as printed February 22, 2005.)

Representative Hoy