

## SENATE BILL No. 284

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12.

**Synopsis:** Property tax deduction for seniors. Removes income and assessed value restrictions on the property tax deduction for individuals who are at least 65 years of age. Provides that the amount of the deduction is the greater of: (1) the difference between the assessed value of the property in a particular year and the assessed value of the property in a base year; or (2) the amount of the deduction as it is calculated under current law. Makes conforming amendments.

**Effective:** January 1, 2008.

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January 11, 2007, read first time and referred to Committee on Tax and Fiscal Policy.

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Introduced

First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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## SENATE BILL No. 284

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-1.1-12-9 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. (a) An  
3 individual may obtain a deduction from the assessed value of the  
4 individual's real property, or mobile home or manufactured home  
5 which is not assessed as real property, if:  
6 (1) the individual is at least sixty-five (65) years of age on or  
7 before December 31 of the calendar year preceding the year in  
8 which the deduction is claimed;  
9 (2) the combined adjusted gross income (as defined in Section 62  
10 of the Internal Revenue Code) of:  
11 (A) the individual and the individual's spouse; or  
12 (B) the individual and all other individuals with whom:  
13 (i) the individual shares ownership; or  
14 (ii) the individual is purchasing the property under a  
15 contract;  
16 as joint tenants or tenants in common;  
17 for the calendar year preceding the year in which the deduction is



1            ~~claimed did not exceed twenty-five thousand dollars (\$25,000);~~  
 2            ~~(3)~~ **(2)** the individual has owned the real property, mobile home,  
 3            or manufactured home for at least one (1) year before claiming  
 4            the deduction; or the individual has been buying the real property,  
 5            mobile home, or manufactured home under a contract that  
 6            provides that the individual is to pay the property taxes on the real  
 7            property, mobile home, or manufactured home for at least one (1)  
 8            year before claiming the deduction, and the contract or a  
 9            memorandum of the contract is recorded in the county recorder's  
 10           office;

11           ~~(4)~~ **(3)** the:

- 12                **(A) individual and the individual's spouse; or**
- 13                **(B) individual and all other individuals with whom:**
  - 14                    **(i) the individual shares ownership; or**
  - 15                    **(ii) the individual is purchasing the property under a**
  - 16                    **contract;**

17                **as joint tenants or tenants in common;**  
 18            and any individuals covered by subdivision ~~(2)~~**(B)** reside on the  
 19            real property, mobile home, or manufactured home; **and**  
 20            ~~(5)~~ the assessed value of the real property, mobile home, or  
 21            manufactured home does not exceed one hundred forty-four  
 22            thousand dollars (~~\$144,000~~); and

23            ~~(6)~~ **(4)** the individual receives no other property tax deduction for  
 24            the year in which the deduction is claimed, except the deductions  
 25            provided by sections 1, 37, and 38 of this chapter.

26            (b) Except as provided in subsection (h), in the case of real property,  
 27            an individual's deduction under this section equals the **greater of:**

- 28                **(1) the amount determined under subsection (i); or**
- 29                **(2) the lesser of:**
  - 30                    ~~(1)~~ **(A)** one-half (1/2) of the assessed value of the real
  - 31                    property; or
  - 32                    ~~(2)~~ **(B)** twelve thousand four hundred eighty dollars (\$12,480).

33            (c) Except as provided in subsection (h), ~~and section 40.5 of this~~  
 34            ~~chapter;~~ in the case of a mobile home that is not assessed as real  
 35            property or a manufactured home which is not assessed as real  
 36            property, an individual's deduction under this section equals **the**  
 37            **greater of:**

- 38                **(1) the amount determined under subsection (i); or**
- 39                **(2) the lesser of:**
  - 40                    ~~(1)~~ **(A)** one-half (1/2) of the assessed value of the mobile home
  - 41                    or manufactured home; or
  - 42                    ~~(2)~~ **(B)** twelve thousand four hundred eighty dollars (\$12,480).

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1 (d) An individual may not be denied the deduction provided under  
2 this section because the individual is absent from the real property,  
3 mobile home, or manufactured home while in a nursing home or  
4 hospital.

5 (e) For purposes of this section, if real property, a mobile home, or  
6 a manufactured home is owned by:

- 7 (1) tenants by the entirety;
- 8 (2) joint tenants; or
- 9 (3) tenants in common;

10 only one (1) deduction may be allowed. However, the age requirement  
11 is satisfied if any one (1) of the tenants is at least sixty-five (65) years  
12 of age.

13 (f) A surviving spouse is entitled to the deduction provided by this  
14 section if:

- 15 (1) the surviving spouse is at least sixty (60) years of age on or  
16 before December 31 of the calendar year preceding the year in  
17 which the deduction is claimed;
- 18 (2) the surviving spouse's deceased husband or wife was at least  
19 sixty-five (65) years of age at the time of a death;
- 20 (3) the surviving spouse has not remarried; and
- 21 (4) the surviving spouse satisfies the requirements prescribed in  
22 subsection (a)(2) through ~~(a)(6)~~: **(a)(4)**.

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

27 (h) In the case of tenants ~~covered~~ **described** by subsection ~~(a)(2)(B)~~;  
28 **(a)(3)(B)**, if all of the tenants are not at least sixty-five (65) years of  
29 age, the deduction allowed under this section shall be reduced by an  
30 amount equal to the deduction multiplied by a fraction. The numerator  
31 of the fraction is the number of tenants who are not at least sixty-five  
32 (65) years of age, and the denominator is the total number of tenants.

33 **(i) To calculate the amount of a deduction allowed under this  
34 section, the county auditor shall determine the difference between:**

- 35 **(1) the assessed value of the individual's real property, mobile  
36 home, or manufactured home for a particular assessment  
37 year; minus**
- 38 **(2) the assessed value of the individual's real property, mobile  
39 home, or manufactured home for the individual's base  
40 assessment year.**

41 **(j) An individual's base assessment year is:**  
42 **(1) 2007, in the case of an individual who on March 1, 2007,**

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1           **resided on the real property, mobile home, or manufactured**  
 2           **home; or**  
 3           **(2) in the case of an individual who on March 1, 2007, did not**  
 4           **reside on the real property, mobile home, or manufactured**  
 5           **home, the first assessment year in which on March 1 the**  
 6           **individual resided on the real property, mobile home, or**  
 7           **manufactured home.**

8           SECTION 2. IC 6-1.1-12-10.1, AS AMENDED BY P.L.154-2006,  
 9           SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10          JANUARY 1, 2008]: Sec. 10.1. (a) Except as provided in section 17.8  
 11          of this chapter, an individual who desires to claim the deduction  
 12          provided by section 9 of this chapter must file a sworn statement, on  
 13          forms prescribed by the department of local government finance, with  
 14          the auditor of the county in which the real property, mobile home, or  
 15          manufactured home is located. With respect to real property, the  
 16          statement must be filed during the twelve (12) months before June 11  
 17          of each year for which the individual wishes to obtain the deduction.  
 18          With respect to a mobile home that is not assessed as real property or  
 19          a manufactured home that is not assessed as real property, the  
 20          statement must be filed between January 15 and March 31, inclusive  
 21          of each year for which the individual wishes to obtain the deduction.  
 22          The statement may be filed in person or by mail. If mailed, the mailing  
 23          must be postmarked on or before the last day for filing.

24          (b) The statement referred to in subsection (a) shall be in affidavit  
 25          form or require verification under penalties of perjury. The statement  
 26          must be filed in duplicate if the applicant owns, or is buying under a  
 27          contract, real property, a mobile home, or a manufactured home subject  
 28          to assessment in more than one (1) county or in more than one (1)  
 29          taxing district in the same county. The statement shall contain:

- 30               ~~(1)~~ the source and exact amount of gross income received by the
- 31               individual and the individual's spouse during the preceding
- 32               calendar year;
- 33               ~~(2)~~ (1) the description and assessed value of the real property,
- 34               mobile home, or manufactured home;
- 35               ~~(3)~~ (2) the individual's full name and complete residence address;
- 36               ~~(4)~~ (3) the record number and page where the contract or
- 37               memorandum of the contract is recorded if the individual is
- 38               buying the real property, mobile home, or manufactured home on
- 39               contract; and
- 40               ~~(5)~~ (4) any additional information which the department of local
- 41               government finance may require.

42          ~~(c)~~ In order to substantiate the deduction statement, the applicant

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1 shall submit for inspection by the county auditor a copy of the  
2 applicant's and a copy of the applicant's spouse's income tax returns for  
3 the preceding calendar year. If either was not required to file an income  
4 tax return, the applicant shall subscribe to that fact in the deduction  
5 statement.

6 SECTION 3. IC 6-1.1-12-40.5 IS AMENDED TO READ AS  
7 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 40.5.  
8 Notwithstanding any other provision, **(a) Except as provided in**  
9 **subsection (b)**, the sum of the deductions provided under this chapter  
10 to a mobile home that is not assessed as real property or to a  
11 manufactured home that is not assessed as real property may not  
12 exceed one-half (1/2) of the assessed value of the mobile home or  
13 manufactured home.

14 **(b) The amount of a deduction allowed under section 9 of this**  
15 **chapter for:**

- 16 **(1) a mobile home that is not assessed as real property; or**
  - 17 **(2) a manufactured home that is not assessed as real property;**
- 18 **is not subject to the maximum amount of deductions imposed by**  
19 **subsection (a).**

20 SECTION 4. [EFFECTIVE JANUARY 1, 2008] IC 6-1.1-12-9 and  
21 IC 6-1.1-12-40.5, both as amended by this act, apply to assessment  
22 dates occurring after February 28, 2007, for property taxes first  
23 due and payable after December 31, 2007.

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