



Reprinted
April 15, 2009

ENGROSSED SENATE BILL No. 285

DIGEST OF SB 285 (Updated April 14, 2009 7:04 pm - DI 51)

Citations Affected: IC 5-28; IC 6-1.1; IC 6-2.5; IC 6-9; noncode.

Synopsis: Property tax payments. Provides that an enterprise zone does not expire between December 1, 2008, and December 31, 2014, if the municipal fiscal body where the enterprise zone is located adopts a resolution requesting the enterprise zone board renew the enterprise zone for an additional five years. Limits for first two years the amount by which the assessed value of a reconstructed home may be increased for property tax purposes after being partially or totally destroyed by a disaster. Establishes notice, application, and eligibility verification procedures for standard property tax deductions, including: (1) a requirement that an applicant provide either the last five digits of the applicant's Social Security number or, if the individual does not have a Social Security number, the last five digits of the individual's driver's license number or state identification card number, or of a control number; and (2) a requirement that tax statements in 2010, 2011, and 2012 include a form for taxpayers to use to verify certain deductions and credits to which the taxpayers are entitled. Imposes a civil penalty of 10% of the tax due for a person who wrongly takes a standard
(Continued next page)

Effective: Upon passage; July 1, 2008 (retroactive); December 1, 2008 (retroactive); January 1, 2009 (retroactive); March 1, 2009 (retroactive); July 1, 2009.

Holdman, Hershman, Buck, Taylor

(HOUSE SPONSORS — PEARSON, LEHMAN, PRYOR, MICHAEL)

January 7, 2009, read first time and referred to Committee on Local Government.
January 22, 2009, amended, reported favorably — Do Pass.
January 26, 2009, read second time, ordered engrossed. Engrossed.
January 29, 2009, read third time, passed. Yeas 43, nays 0.

HOUSE ACTION

February 25, 2009, read first time and referred to Committee on Ways and Means.
April 9, 2009, amended, reported — Do Pass.
April 14, 2009, read second time, amended, ordered engrossed.

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deduction or credit. Specifies that any adjustment in tax due resulting from the termination of a standard deduction or homestead credit must be deposited in a nonreverting fund and used only after appropriation by the county fiscal body. Provides that provisional tax bills must reflect the deductions and credits for which owners are eligible under certain circumstances. Specifies that the Lake County assessor may appeal an assessment action taken by the department of local government finance for an industrial facility only after the Lake County fiscal body has approved the proposed expenditures for the appeal. Eliminates a taxpayer notice of assessed value and estimated taxes that would have been required in September each year beginning in 2010. Specifies that a county or township official assessing property has the burden of proof to show that an assessment is correct in an appeal if the assessment resulted from an annual adjustment (trending) and the assessed value of the property increased by more than five percent. Permits a county legislative body to authorize the transmission by electronic mail of property tax statements and related information. Allows for automatic deductions of payments for property taxes and special assessments from any account held by a financial institution, not just from a checking account. Requires a county to distribute to political subdivisions in the county at the normal semiannual distribution date revenue from monthly installment property tax collections. Permits sales taxes that are not collected from a purchaser of goods and become a bad debt that federal law permits the retail merchant or a member of the retail merchant's affiliated group to deduct on a federal income tax return to be deducted by the retail merchant from the sales tax deposits that the retail merchant must remit to the department of state revenue. Permits the department of local government finance to extend the period in which a person may appeal an assessment for an assessment date in 2007 in a county in which reconciling tax statement was issued in 2008.

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Reprinted
April 15, 2009

First Regular Session 116th General Assembly (2009)

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 2008 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 285

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 5-28-15-10, AS ADDED BY P.L.4-2005,
2 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 DECEMBER 1, 2008 (RETROACTIVE)]: Sec. 10. (a) **Subject to**
4 **subsection (b)**, an enterprise zone expires ten (10) years after the day
5 on which it is designated by the board.

6 **(b) In the period beginning December 1, 2008, and ending**
7 **December 31, 2014, an enterprise zone shall not expire under this**
8 **section if the fiscal body of the municipality in which the enterprise**
9 **zone is located adopts a resolution requesting the board to renew**
10 **the enterprise zone for an additional five (5) years. An enterprise**
11 **zone may be renewed at the request of the municipality regardless**
12 **of the number of times that the enterprise zone has been renewed**
13 **under subsections (c) and (d). The fiscal body shall submit a copy**
14 **of the resolution to the board at least sixty (60) days before the**
15 **expiration date of the enterprise zone. The board shall renew an**
16 **enterprise zone in compliance with any request the board receives**
17 **under this subsection. If an enterprise zone is renewed under this**

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1 **subsection after having been renewed under subsection (d), the**
 2 **enterprise zone may not be renewed after the expiration of this**
 3 **final five (5) year period.**

4 (c) The two (2) year period immediately before the day on which the
 5 enterprise zone expires is the phaseout period. During the phaseout
 6 period, the board may review the success of the enterprise zone based
 7 on the following criteria and may, with the consent of the budget
 8 committee, renew the enterprise zone, including all provisions of this
 9 chapter, for five (5) years:

- 10 (1) Increases in capital investment in the zone.
 11 (2) Retention of jobs and creation of jobs in the zone.
 12 (3) Increases in employment opportunities for residents of the
 13 zone.

14 ~~(b)~~ (d) If an enterprise zone is renewed under subsection ~~(a)~~; (c), the
 15 two (2) year period immediately before the day on which the enterprise
 16 zone expires is another phaseout period. During the phaseout period,
 17 the board may review the success of the enterprise zone based on the
 18 criteria set forth in subsection ~~(a)~~ (c) and, with the consent of the
 19 budget committee, may again renew the enterprise zone, including all
 20 provisions of this chapter, for a final period of five (5) years. The zone
 21 may not be renewed after the expiration of this final five (5) year
 22 period.

23 SECTION 2. IC 6-1.1-4-11.5 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: **Sec. 11.5. (a)**
 26 **This section applies to the assessment of a dwelling that:**

- 27 (1) **replaces (either by reconstruction or otherwise) a**
 28 **homestead dwelling that became uninhabitable because the**
 29 **dwelling was at least seventy-five percent (75%) destroyed by**
 30 **fire, wind, flood, or another natural disaster;**
 31 (2) **is located or reconstructed on the same land as the former**
 32 **dwelling with the intent to be occupied as a homestead;**
 33 (3) **is occupied as a homestead within (2) years after the**
 34 **disaster occurs;**
 35 (4) **continues to be occupied as a homestead in each year in**
 36 **which this section is applied; and**
 37 (5) **has a total square footage that is not substantially larger**
 38 **than the dwelling that existed on the homestead immediately**
 39 **before the disaster occurred;**

40 **for an assessment date after February 28, 2009.**

41 (b) **The following definitions apply throughout this section:**

- 42 (1) **"Disaster" refers to the disaster described in subsection**

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- 1 **(a)(1).**
- 2 **(2) "Dwelling" has the meaning set forth in IC 6-1.1-12-37.**
- 3 **(3) "Homestead" has the meaning set forth in IC 6-1.1-12-37.**
- 4 **(4) "Replacement dwelling" refers to a dwelling described in**
- 5 **subsection (a).**
- 6 **(c) The gross assessed value of a replacement dwelling may not**
- 7 **exceed the assessed value of the dwelling that was partially or**
- 8 **totally destroyed on any assessment date through the assessment**
- 9 **date in the first full year in which the replacement dwelling is used**
- 10 **as a homestead. In the immediately following year, if the dwelling**
- 11 **continues to be used as a homestead, the assessed value of the**
- 12 **replacement dwelling may not exceed the sum of:**
- 13 **(1) the assessed value of the dwelling that was partially or**
- 14 **totally destroyed; plus**
- 15 **(2) the greater of zero (0) or fifty percent (50%) of the result**
- 16 **of:**
- 17 **(A) the true tax value of the replacement dwelling, as**
- 18 **determined without regard to this section; minus**
- 19 **(B) the assessed value of the dwelling that was partially or**
- 20 **totally destroyed.**
- 21 **SECTION 3. IC 6-1.1-5.5-5, AS AMENDED BY P.L.144-2008,**
- 22 **SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
- 23 **JULY 1, 2009]: Sec. 5. (a) The department of local government finance**
- 24 **shall prescribe a sales disclosure form for use under this chapter. The**
- 25 **form prescribed by the department of local government finance must**
- 26 **include at least the following information:**
- 27 (1) The key number (as defined in IC 6-1.1-1-8.5) of each parcel.
- 28 (2) With respect to each parcel, whether the entire parcel is being
- 29 conveyed.
- 30 (3) The address of each improved parcel.
- 31 (4) The date of the execution of the form.
- 32 (5) The date the property was transferred.
- 33 (6) Whether the transfer includes an interest in land or
- 34 improvements, or both.
- 35 (7) Whether the transfer includes personal property.
- 36 (8) An estimate of the value of any personal property included in
- 37 the transfer.
- 38 (9) The name, address, and telephone number of:
- 39 (A) each transferor and transferee; and
- 40 (B) the person that prepared the form.
- 41 (10) The mailing address to which the property tax bills or other
- 42 official correspondence should be sent.

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- 1 (11) The ownership interest transferred.
- 2 (12) The classification of the property (as residential, commercial,
- 3 industrial, agricultural, vacant land, or other).
- 4 (13) Subject to subsection (c), the total price actually paid or
- 5 required to be paid in exchange for the conveyance, whether in
- 6 terms of money, property, a service, an agreement, or other
- 7 consideration, but excluding tax payments and payments for legal
- 8 and other services that are incidental to the conveyance.
- 9 (14) The terms of seller provided financing, such as interest rate,
- 10 points, type of loan, amount of loan, and amortization period, and
- 11 whether the borrower is personally liable for repayment of the
- 12 loan.
- 13 (15) Any family or business relationship existing between the
- 14 transferor and the transferee.
- 15 (16) A legal description of each parcel subject to the conveyance.
- 16 (17) Whether the transferee is using the form to claim ~~the~~
- 17 **following one (1) or more deductions under IC 6-1.1-12-44** for
- 18 property taxes first due and payable in a calendar year after 2008.
- 19 (A) ~~One (1) or more deductions under IC 6-1.1-12-44.~~
- 20 (B) ~~The homestead credit under IC 6-1.1-20-9-3.5.~~
- 21 (18) If the transferee uses the form to claim the ~~homestead credit~~
- 22 **standard deduction** under ~~IC 6-1.1-20-9-3.5~~, the name of any
- 23 other county and township in which the transferee of residential
- 24 real property owns or is buying residential real property:
- 25 **IC 6-1.1-12-37, the information required for a standard**
- 26 **deduction under IC 6-1.1-12-37.**
- 27 (19) **Sufficient instructions and information to permit a party**
- 28 **to terminate a standard deduction under IC 6-1.1-12-37 on**
- 29 **any parcel of property on which the party or the spouse of the**
- 30 **party will no longer be eligible for the standard deduction**
- 31 **under IC 6-1.1-12-37 after the party or the party's spouse**
- 32 **begins to reside at the property that is the subject of the sales**
- 33 **disclosure form, including an explanation of the tax**
- 34 **consequences and applicable penalties if a party unlawfully**
- 35 **claims a standard deduction under IC 6-1.1-12-37.**
- 36 ~~(19)~~ (20) Other information as required by the department of local
- 37 government finance to carry out this chapter.
- 38 If a form under this section includes the telephone number or **part or**
- 39 **all of** the Social Security number of a party, the telephone number or
- 40 the Social Security number is confidential.
- 41 (b) The instructions for completing the form described in subsection
- 42 (a) must include the information described in IC 6-1.1-12-43(c)(1).

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1 (c) If the conveyance includes more than one (1) parcel as described
2 in section 3(h) of this chapter, the form:

3 (1) is not required to include the price referred to in subsection
4 (a)(13) for each of the parcels subject to the conveyance; and

5 (2) may state a single combined price for all of those parcels.

6 SECTION 4. IC 6-1.1-8.5-11 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) A taxpayer or
8 the county assessor of the qualifying county in which the industrial
9 facility is located may appeal an assessment by the department of local
10 government finance made under this chapter to the Indiana board. An
11 appeal under this section shall be conducted in the same manner as an
12 appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. An assessment
13 made under this chapter that is not appealed under this section is a final
14 unappealable order of the department of local government finance.

15 (b) The Indiana board shall hold a hearing on the appeal and issue
16 an order within one (1) year after the date the appeal is filed.

17 (c) **The county assessor of a qualifying county may not expend
18 public money appealing an assessment under this section unless the
19 following requirements are met before a petition of review is
20 submitted to the Indiana board:**

21 (1) **The county assessor submits to the county fiscal body a
22 written estimate of the cost of the appeal.**

23 (2) **The county fiscal body adopts a resolution approving the
24 county assessor's proposed expenditure to carry out the
25 appeal.**

26 (3) **The total amount of the proposed expenditure is in
27 accordance with an appropriation made by the county fiscal
28 body in the manner provided by law.**

29 SECTION 5. IC 6-1.1-12-17.8, AS AMENDED BY P.L.144-2008,
30 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2009]: Sec. 17.8. (a) An individual who receives a deduction
32 provided under section 1, 9, 11, 13, 14, 16, ~~or~~ 17.4, ~~or~~ 37 of this
33 chapter in a particular year and who remains eligible for the deduction
34 in the following year is not required to file a statement to apply for the
35 deduction in the following year. **However, for purposes of a
36 deduction under section 37 of this chapter, the county auditor may,
37 in the county auditor's discretion, terminate the deduction for
38 assessment dates after January 15, 2012, if the individual does not
39 comply with the requirement in IC 6-1.1-22-8.1(b)(9), as
40 determined by the county auditor, before January 1, 2013. Before
41 the county auditor terminates the deduction because the taxpayer
42 claiming the deduction did not comply with the requirement in**

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1 **IC 6-1.1-22-8.1(b)(9) before January 1, 2013, the county auditor**
2 **shall mail notice of the proposed termination of the deduction to:**

- 3 **(1) the last known address of each person liable for any**
- 4 **property taxes or special assessment, as shown on the tax**
- 5 **duplicate or special assessment records; or**
- 6 **(2) the last known address of the most recent owner shown in**
- 7 **the transfer book.**

8 (b) An individual who receives a deduction provided under section
9 1, 9, 11, 13, 14, 16, or 17.4 of this chapter in a particular year and who
10 becomes ineligible for the deduction in the following year shall notify
11 the auditor of the county in which the real property, mobile home, or
12 manufactured home for which the individual claims the deduction is
13 located of the individual's ineligibility in the year in which the
14 individual becomes ineligible. **An individual who becomes ineligible**
15 **for a deduction under section 37 of this chapter shall notify the**
16 **county auditor of the county in which the property is located in**
17 **conformity with section 37 of this chapter.**

18 (c) The auditor of each county shall, in a particular year, apply a
19 deduction provided under section 1, 9, 11, 13, 14, 16, ~~or 17.4,~~ **or 37** of
20 this chapter to each individual who received the deduction in the
21 preceding year unless the auditor determines that the individual is no
22 longer eligible for the deduction.

23 (d) An individual who receives a deduction provided under section
24 1, 9, 11, 13, 14, 16, ~~or 17.4,~~ **or 37** of this chapter for property that is
25 jointly held with another owner in a particular year and remains eligible
26 for the deduction in the following year is not required to file a
27 statement to reapply for the deduction following the removal of the
28 joint owner if:

- 29 (1) the individual is the sole owner of the property following the
- 30 death of the individual's spouse;
- 31 (2) the individual is the sole owner of the property following the
- 32 death of a joint owner who was not the individual's spouse; or
- 33 (3) the individual is awarded sole ownership of the property in a
- 34 divorce decree.

35 **However, for purposes of a deduction under section 37 of this**
36 **chapter, if the removal of the joint owner occurs before the date**
37 **that a notice described in IC 6-1.1-22-8.1(b)(9) is sent, the county**
38 **auditor may, in the county auditor's discretion, terminate the**
39 **deduction for assessment dates after January 15, 2012, if the**
40 **individual does not comply with the requirement in**
41 **IC 6-1.1-22-8.1(b)(9), as determined by the county auditor, before**
42 **January 1, 2013. Before the county auditor terminates the**

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1 deduction because the taxpayer claiming the deduction did not
 2 comply with the requirement in IC 6-1.1-22-8.1(b)(9) before
 3 January 1, 2013, the county auditor shall mail notice of the
 4 proposed termination of the deduction to the last known address of
 5 each person liable for any property taxes or special assessment, as
 6 shown on the tax duplicate or special assessment records or the last
 7 known address of the most recent owner shown in the transfer
 8 book.

9 (e) A trust entitled to a deduction under section 9, 11, 13, 14, 16, or
 10 17.4, or 37 of this chapter for real property owned by the trust and
 11 occupied by an individual in accordance with section 17.9 of this
 12 chapter is not required to file a statement to apply for the deduction, if:

- 13 (1) the individual who occupies the real property receives a
 14 deduction provided under section 9, 11, 13, 14, 16, or 17.4, or 37
 15 of this chapter in a particular year; and
 16 (2) the trust remains eligible for the deduction in the following
 17 year.

18 However, for purposes of a deduction under section 37 of this
 19 chapter, the individuals that qualify the trust for a deduction must
 20 comply with the requirement in IC 6-1.1-22-8.1(b)(9) before
 21 January 1, 2013.

22 (f) A cooperative housing corporation (as defined in 26 U.S.C.
 23 216) that is entitled to a deduction under section 37 of this chapter
 24 in the immediately preceding calendar year for a homestead (as
 25 defined in section 37 of this chapter) is not required to file a
 26 statement to apply for the deduction for the current calendar year
 27 if the cooperative housing corporation remains eligible for the
 28 deduction for the current calendar year. However, the county
 29 auditor may, in the county auditor's discretion, terminate the
 30 deduction for assessment dates after January 15, 2012, if the
 31 individual does not comply with the requirement in
 32 IC 6-1.1-22-8.1(b)(9), as determined by the county auditor, before
 33 January 1, 2013. Before the county auditor terminates a deduction
 34 because the taxpayer claiming the deduction did not comply with
 35 the requirement in IC 6-1.1-22-8.1(b)(9) before January 1, 2013,
 36 the county auditor shall mail notice of the proposed termination of
 37 the deduction to:

- 38 (1) the last known address of each person liable for any
 39 property taxes or special assessment, as shown on the tax
 40 duplicate or special assessment records; or
 41 (2) the last known address of the most recent owner shown in
 42 the transfer book.

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(g) An individual who:

(1) was eligible for a homestead credit under IC 6-1.1-20.9 (repealed) for property taxes imposed for the March 1, 2007, or January 15, 2008, assessment date; or

(2) would have been eligible for a homestead credit under IC 6-1.1-20.9 (repealed) for property taxes imposed for the March 1, 2008, or January 15, 2009, assessment date if IC 6-1.1-20.9 had not been repealed;

is not required to file a statement to apply for a deduction under section 37 of this chapter if the individual remains eligible for the deduction in the current year. An individual who filed for a homestead credit under IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if the property is real property), or after January 1, 2008 (if the property is personal property), shall be treated as an individual who has filed for a deduction under section 37 of this chapter. However, the county auditor may, in the county auditor's discretion, terminate the deduction for assessment dates after January 15, 2012, if the individual does not comply with the requirement in IC 6-1.1-22-8.1(b)(9), as determined by the county auditor, before January 1, 2013. Before the county auditor terminates the deduction because the taxpayer claiming the deduction did not comply with the requirement in IC 6-1.1-22-8.1(b)(9) before January 1, 2013, the county auditor shall mail notice of the proposed termination of the deduction to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book.

(h) If a county auditor terminates a deduction because the taxpayer claiming the deduction did not comply with the requirement in IC 6-1.1-22-8.1(b)(9) before January 1, 2013, the county auditor shall reinstate the deduction if the taxpayer provides proof that the taxpayer is eligible for the deduction and is not claiming the deduction for any other property.

SECTION 6. IC 6-1.1-12-37, AS AMENDED BY P.L.146-2008, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 37. (a) The following definitions apply throughout this section:

- (1) "Dwelling" means any of the following:**
 - (A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.**
 - (B) A mobile home that is not assessed as real property that an**

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- 1 individual uses as the individual's residence.
 2 (C) A manufactured home that is not assessed as real property
 3 that an individual uses as the individual's residence.
 4 (2) "Homestead" means an individual's principal place of
 5 residence: ~~that:~~
 6 (A) ~~that~~ is located in Indiana;
 7 (B) ~~the individual:~~ **that:**
 8 (i) **the individual** owns;
 9 (ii) **the individual** is buying under a contract, recorded in
 10 the county recorder's office, that provides that the individual
 11 is to pay the property taxes on the residence; ~~or~~
 12 (iii) **the individual** is entitled to occupy as a
 13 tenant-stockholder (as defined in 26 U.S.C. 216) of a
 14 cooperative housing corporation (as defined in 26 U.S.C.
 15 216); ~~or~~
 16 (iv) **is a residence described in section 17.9 of this**
 17 **chapter that is owned by a trust if the individual is an**
 18 **individual described in section 17.9 of this chapter;** and
 19 (C) ~~that~~ consists of a dwelling and the real estate, not
 20 exceeding one (1) acre, that immediately surrounds that
 21 dwelling.
 22 **The term does not include property owned by a corporation,**
 23 **partnership, limited liability company, or other entity not**
 24 **described in this subdivision.**
 25 (b) Each year an individual who on March 1 of a particular year or,
 26 in the case of a mobile home that is assessed as personal property, the
 27 immediately following January 15, either owns or is buying a
 28 homestead under a contract, recorded in the county recorder's office,
 29 that provides the individual is to pay property taxes on the a homestead
 30 is ~~entitled to~~ **eligible for** a standard deduction from the assessed value
 31 of the homestead **for an assessment date. The deduction provided by**
 32 **this section applies to property taxes first due and payable for an**
 33 **assessment date only if an individual has an interest in the**
 34 **homestead described in subsection (a)(2)(B) on:**
 35 (1) **the assessment date; or**
 36 (2) **any date in the same year after an assessment date that a**
 37 **statement is filed under subsection (e) or section 44 of this**
 38 **chapter, if the property consists of real property.**
 39 **Subject to subsection (c),** the auditor of the county shall record and
 40 make the deduction for the ~~person~~ **individual or entity** qualifying for
 41 the deduction.
 42 (c) Except as provided in section 40.5 of this chapter, the total

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1 amount of the deduction that a person may receive under this section
2 for a particular year is the lesser of:

- 3 (1) sixty percent (60%) of the assessed value of the real property,
- 4 mobile home not assessed as real property, or manufactured home
- 5 not assessed as real property; or
- 6 (2) forty-five thousand dollars (\$45,000).

7 ~~2010;~~

8 (d) A person who has sold real property, a mobile home not assessed
9 as real property, or a manufactured home not assessed as real property
10 to another person under a contract that provides that the contract buyer
11 is to pay the property taxes on the real property, mobile home, or
12 manufactured home may not claim the deduction provided under this
13 section with respect to that real property, mobile home, or
14 manufactured home.

15 (e) **Except as provided in sections 17.8 and 44 of this chapter**
16 **and subject to section 45 of this chapter, an individual who desires**
17 **to claim the deduction provided by this section must file a certified**
18 **statement in duplicate, on forms prescribed by the department of**
19 **local government finance, with the auditor of the county in which**
20 **the homestead is located. The statement must include:**

21 (1) the parcel number or key number of the property and the
22 name of the city, town, or township in which the property is
23 located;

24 (2) the name of any other location in which the applicant or
25 the applicant's spouse owns, is buying, or has a beneficial
26 interest in residential real property;

27 (3) the names of:
28 (A) the applicant and the applicant's spouse (if any):
29 (i) as the names appear in the records of the United
30 States Social Security Administration for the purposes of
31 the issuance of a Social Security card and Social Security
32 number; or
33 (ii) that they use as their legal names when they sign
34 their names on legal documents;

35 if the applicant is an individual; or
36 (B) each individual who qualifies property as a homestead
37 under subsection (a)(2)(B) and the individual's spouse (if
38 any):

39 (i) as the names appear in the records of the United
40 States Social Security Administration for the purposes of
41 the issuance of a Social Security card and Social Security
42 number; or

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1 (ii) that they use as their legal names when they sign
 2 their names on legal documents;
 3 if the applicant is not an individual; and
 4 (4) either:
 5 (A) the last five (5) digits of the applicant's Social Security
 6 number and the last five (5) digits of the Social Security
 7 number of the applicant's spouse (if any); or
 8 (B) if the applicant or the applicant's spouse (if any) does
 9 not have a Social Security number, any of the following for
 10 that individual:
 11 (i) The last five (5) digits of the individual's driver's
 12 license number.
 13 (ii) The last five (5) digits of the individual's state
 14 identification card number.
 15 (iii) If the individual does not have a driver's license or
 16 a state identification card, the last five (5) digits of a
 17 control number that is on a document issued to the
 18 individual by the federal government and determined by
 19 the department of local government finance to be
 20 acceptable.

21 If a form or statement provided to the county auditor under this
 22 section, IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone
 23 number or part or all of the Social Security number of a party or
 24 other number described in subdivision (4)(B) of a party, the
 25 telephone number and the Social Security number or other number
 26 described in subdivision (4)(B) that are included are confidential.
 27 The statement may be filed in person or by mail. If the statement
 28 is mailed, the mailing must be postmarked on or before the last day
 29 for filing. The statement applies for that first year and any
 30 succeeding year for which the deduction is allowed. With respect
 31 to real property, the person must file the statement during the year
 32 for which the person desires to obtain the deduction. With respect
 33 to a mobile home that is not assessed as real property, the person
 34 must file the statement during the twelve (12) months before
 35 March 31 of the year for which the person desires to obtain the
 36 deduction.

37 (f) If an individual who is receiving the deduction provided by
 38 this section or who otherwise qualifies property for a deduction
 39 under this section:
 40 (1) changes the use of the individual's property so that part or
 41 all of the property no longer qualifies for the deduction under
 42 this section; or

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(2) is no longer eligible for a deduction under this section on another parcel of property because:

(A) the individual would otherwise receive the benefit of more than one (1) deduction under this chapter; or

(B) the individual maintains the individual's principal place of residence with another individual who receives a deduction under this section;

the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use, not more than sixty (60) days after the date of that change. An individual who fails to file the statement required by this subsection is liable for any additional taxes that would have been due on the property if the individual had filed the statement as required by this subsection plus a civil penalty equal to ten percent (10%) of the additional taxes due. The civil penalty imposed under this subsection is in addition to any interest and penalties for a delinquent payment that might otherwise be due. This amount becomes part of the property tax liability for purposes of this article. One-tenth (1/10) of the total amount of the civil penalty collected under this subsection shall be transferred by the county to the department of local government finance for use by the department in establishing and maintaining the homestead property data base under subsection (i) and, to the extent there is money remaining, for any other purposes of the department.

~~(e)~~ **(g)** The department of local government finance shall adopt rules or guidelines concerning the application for a deduction under this section.

~~(f)~~ **(h)** This subsection does not apply to property in the first year for which a deduction is claimed under this section if the sole reason that a deduction is claimed on other property is that the individual or married couple maintained a principal residence at the other property on March 1 in the same year in which an application for a deduction is filed under this section or, if the application is for a homestead that is assessed as personal property, on March 1 in the immediately preceding year and the individual or married couple is moving the individual's or married couple's principal residence to the property that is the subject of the application. The county auditor may not grant an individual or a married couple a deduction under this section if:

(1) the individual or married couple, for the same year, claims the deduction on two (2) or more different applications for the deduction; and

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1 (2) the applications claim the deduction for different property.
 2 (i) **The department of local government finance shall provide**
 3 **secure access to county auditors to a homestead property data base**
 4 **that includes access to the homestead owner's name and the**
 5 **numbers required from the homestead owner under subsection**
 6 **(e)(4) for the sole purpose of verifying whether an owner is**
 7 **wrongly claiming a deduction under this chapter or a credit under**
 8 **IC 6-1.1-20.4, IC 6-1.1-20.6, or IC 6-3.5.**

9 (j) **The department of local government finance shall work with**
 10 **county auditors to develop procedures to determine whether a**
 11 **property owner that is claiming a standard deduction or**
 12 **homestead credit is not eligible for the standard deduction or**
 13 **homestead credit because the property owner's principal place of**
 14 **residence is outside Indiana.**

15 SECTION 7. IC 6-1.1-12-43, AS AMENDED BY P.L.145-2008,
 16 SECTION 9, AND AS AMENDED BY P.L.146-2008, SECTION 120,
 17 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2009]: Sec. 43. (a) For purposes of this section:

- 19 (1) "benefit" refers to
 20 ~~(A)~~ a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29,
 21 31, 33, ~~or 34, 37, or 37.5~~ of this chapter; ~~or~~
 22 ~~(B) the homestead credit under IC 6-1.1-20.9-2;~~
 23 (2) "closing agent" means a person that closes a transaction;
 24 (3) "customer" means an individual who obtains a loan in a
 25 transaction; and
 26 (4) "transaction" means a single family residential:
 27 (A) first lien purchase money mortgage transaction; or
 28 (B) refinancing transaction.

29 (b) Before closing a transaction after December 31, 2004, a closing
 30 agent must provide to the customer the form referred to in subsection
 31 (c).

32 (c) Before June 1, 2004, the department of local government finance
 33 shall prescribe the form to be provided by closing agents to customers
 34 under subsection (b). The department shall make the form available to
 35 closing agents, county assessors, county auditors, and county treasurers
 36 in hard copy and electronic form. County assessors, county auditors,
 37 and county treasurers shall make the form available to the general
 38 public. The form must:

- 39 (1) on one (1) side:
 40 (A) list each benefit;
 41 (B) list the eligibility criteria for each benefit; and
 42 (C) indicate that a new application for a deduction under

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section 1 of this chapter is required when residential real property is refinanced;

(2) on the other side indicate:

(A) each action by and ~~(B)~~ each type of documentation from the customer required to file for each benefit; **and**

(B) sufficient instructions and information to permit a party to terminate a standard deduction under section 37 of this chapter on any property on which the party or the spouse of the party will no longer be eligible for the standard deduction under section 37 of this chapter after the party or the party's spouse begins to reside at the property that is the subject of the closing, including an explanation of the tax consequences and applicable penalties, if a party unlawfully claims a standard deduction under section 37 of this chapter; and

(3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the form from other documents typically used in a closing referred to in subsection (b).

(d) A closing agent:

(1) may reproduce the form referred to in subsection (c);

(2) in reproducing the form, must use a print color prescribed by the department of local government finance; and

(3) is not responsible for the content of the form referred to in subsection (c) and shall be held harmless by the department of local government finance from any liability for the content of the form.

(e) This subsection applies to a transaction that is closed after December 31, 2009. In addition to providing the customer the form described in subsection (c) before closing the transaction, a closing agent shall do the following as soon as possible after the closing, and within the time prescribed by the department of insurance under IC 27-7-3-15.5:

(1) To the extent determinable, input the information described in IC 27-7-3-15.5(c)(2) into the system maintained by the department of insurance under IC 27-7-3-15.5.

(2) Submit the form described in IC 27-7-3-15.5(c) to the data base described in IC 27-7-3-15.5(c)(2)(D).

~~(e)~~ (f) A closing agent to which this section applies shall document *its* the closing agent's compliance with this section with respect to each transaction in the form of verification of compliance signed by the customer.

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1 ~~ff~~ (g) Subject to IC 27-7-3-15.5(d), a closing agent is subject to a
2 civil penalty of twenty-five dollars (\$25) for each instance in which the
3 closing agent fails to comply with this section with respect to a
4 customer. The penalty:

5 (1) may be enforced by the state agency that has administrative
6 jurisdiction over the closing agent in the same manner that the
7 agency enforces the payment of fees or other penalties payable to
8 the agency; and

9 (2) shall be paid into:

10 (A) the ~~property tax replacement~~ state general fund, if the
11 closing agent fails to comply with subsection (b); or

12 (B) the home ownership education account established by
13 IC 5-20-1-27, if the closing agent fails to comply with
14 subsection (e) in a transaction that is closed after December
15 31, 2009.

16 (h) A closing agent is not liable for any other damages claimed by
17 a customer because of:

18 (1) the closing agent's mere failure to provide the appropriate
19 document to the customer under subsection (b); or

20 (2) with respect to a transaction that is closed after December 31,
21 2009, the closing agent's failure to input the information or
22 submit the form described in subsection (e).

23 ~~(g)~~ (i) The state agency that has administrative jurisdiction over a
24 closing agent shall:

25 (1) examine the closing agent to determine compliance with this
26 section; and

27 (2) impose and collect penalties under subsection ~~ff~~ (g).

28 SECTION 8. IC 6-1.1-12-44, AS ADDED BY P.L.144-2008,
29 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 2009 (RETROACTIVE)]; Sec. 44. (a) A sales disclosure
31 form under IC 6-1.1-5.5:

32 (1) that is submitted:

33 (A) as a paper form; or

34 (B) electronically;

35 on or before December 31 of a calendar year to the county
36 assessor by or on behalf of the purchaser of a homestead (as
37 defined in ~~IC 6-1.1-20-9-1~~ **section 37 of this chapter**) assessed
38 as real property;

39 (2) that is accurate and complete;

40 (3) that is approved by the county assessor as eligible for filing
41 with the county auditor; and

42 (4) that is filed:

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1 (A) as a paper form; or
 2 (B) electronically;
 3 with the county auditor by or on behalf of the purchaser;
 4 constitutes an application for the deductions provided by sections 26,
 5 29, 33, ~~and 34~~, **and 37** of this chapter with respect to property taxes
 6 first due and payable in the calendar year that immediately succeeds
 7 the calendar year referred to in subdivision (1).

8 (b) Except as provided in subsection (c), if:
 9 (1) the county auditor receives in a calendar year a sales
 10 disclosure form that meets the requirements of subsection (a); and
 11 (2) the homestead for which the sales disclosure form is submitted
 12 is otherwise eligible for a deduction referred to in subsection (a);
 13 the county auditor shall apply the deduction to the homestead for
 14 property taxes first due and payable in the calendar year for which the
 15 homestead qualifies under subsection (a) and in any later year in which
 16 the homestead remains eligible for the deduction.

17 (c) Subsection (b) does not apply if the county auditor, after
 18 receiving a sales disclosure form from or on behalf of a purchaser
 19 under subsection (a)(4), determines that the homestead is ineligible for
 20 the deduction.

21 SECTION 9. IC 6-1.1-15-1, AS AMENDED BY P.L.146-2008,
 22 SECTION 137, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 1. (a) A
 24 taxpayer may obtain a review by the county board of a county or
 25 township official's action with respect to either or both of the following:

- 26 (1) The assessment of the taxpayer's tangible property.
 27 (2) A deduction for which a review under this section is
 28 authorized by any of the following:
 29 (A) IC 6-1.1-12-25.5.
 30 (B) IC 6-1.1-12-28.5.
 31 (C) IC 6-1.1-12-35.5.
 32 (D) IC 6-1.1-12.1-5.
 33 (E) IC 6-1.1-12.1-5.3.
 34 (F) IC 6-1.1-12.1-5.4.

35 (b) At the time that notice of an action referred to in subsection (a)
 36 is given to the taxpayer, the taxpayer shall also be informed in writing
 37 of:

- 38 (1) the opportunity for a review under this section, including a
 39 preliminary informal meeting under subsection (h)(2) with the
 40 county or township official referred to in this subsection; and
 41 (2) the procedures the taxpayer must follow in order to obtain a
 42 review under this section.

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1 (c) In order to obtain a review of an assessment or deduction
 2 effective for the assessment date to which the notice referred to in
 3 subsection (b) applies, the taxpayer must file a notice in writing with
 4 the county or township official referred to in subsection (a) not later
 5 than forty-five (45) days after the date of the notice referred to in
 6 subsection (b).

7 (d) A taxpayer may obtain a review by the county board of the
 8 assessment of the taxpayer's tangible property effective for an
 9 assessment date for which a notice of assessment is not given as
 10 described in subsection (b). To obtain the review, the taxpayer must file
 11 a notice in writing with the township assessor, or the county assessor
 12 if the township is not served by a township assessor. The right of a
 13 taxpayer to obtain a review under this subsection for an assessment
 14 date for which a notice of assessment is not given does not relieve an
 15 assessing official of the duty to provide the taxpayer with the notice of
 16 assessment as otherwise required by this article. ~~For an assessment date~~
 17 ~~in a year before 2009~~; The notice must be filed on or before May 10 of
 18 the year. ~~For an assessment date in a year after 2008, the notice must~~
 19 ~~be filed not later than the later of:~~

20 (1) ~~May 10 of the year; or~~

21 (2) ~~forty-five (45) days after the date of the statement mailed by~~
 22 ~~the county auditor under IC 6-1.1-17-3(b).~~

23 (e) A change in an assessment made as a result of a notice for
 24 review filed by a taxpayer under subsection (d) after the time
 25 prescribed in subsection (d) becomes effective for the next assessment
 26 date. A change in an assessment made as a result of a notice for review
 27 filed by a taxpayer under subsection (c) or (d) remains in effect from
 28 the assessment date for which the change is made until the next
 29 assessment date for which the assessment is changed under this article.

30 (f) The written notice filed by a taxpayer under subsection (c) or (d)
 31 must include the following information:

32 (1) The name of the taxpayer.

33 (2) The address and parcel or key number of the property.

34 (3) The address and telephone number of the taxpayer.

35 (g) The filing of a notice under subsection (c) or (d):

36 (1) initiates a review under this section; and

37 (2) constitutes a request by the taxpayer for a preliminary
 38 informal meeting with the official referred to in subsection (a).

39 (h) A county or township official who receives a notice for review
 40 filed by a taxpayer under subsection (c) or (d) shall:

41 (1) immediately forward the notice to the county board; and

42 (2) attempt to hold a preliminary informal meeting with the

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- 1 taxpayer to resolve as many issues as possible by:
- 2 (A) discussing the specifics of the taxpayer's assessment or
- 3 deduction;
- 4 (B) reviewing the taxpayer's property record card;
- 5 (C) explaining to the taxpayer how the assessment or
- 6 deduction was determined;
- 7 (D) providing to the taxpayer information about the statutes,
- 8 rules, and guidelines that govern the determination of the
- 9 assessment or deduction;
- 10 (E) noting and considering objections of the taxpayer;
- 11 (F) considering all errors alleged by the taxpayer; and
- 12 (G) otherwise educating the taxpayer about:
- 13 (i) the taxpayer's assessment or deduction;
- 14 (ii) the assessment or deduction process; and
- 15 (iii) the assessment or deduction appeal process.
- 16 (i) Not later than ten (10) days after the informal preliminary
- 17 meeting, the official referred to in subsection (a) shall forward to the
- 18 county auditor and the county board the results of the conference on a
- 19 form prescribed by the department of local government finance that
- 20 must be completed and signed by the taxpayer and the official. The
- 21 form must indicate the following:
- 22 (1) If the taxpayer and the official agree on the resolution of all
- 23 assessment or deduction issues in the review, a statement of:
- 24 (A) those issues; and
- 25 (B) the assessed value of the tangible property or the amount
- 26 of the deduction that results from the resolution of those issues
- 27 in the manner agreed to by the taxpayer and the official.
- 28 (2) If the taxpayer and the official do not agree on the resolution
- 29 of all assessment or deduction issues in the review:
- 30 (A) a statement of those issues; and
- 31 (B) the identification of:
- 32 (i) the issues on which the taxpayer and the official agree;
- 33 and
- 34 (ii) the issues on which the taxpayer and the official
- 35 disagree.
- 36 (j) If the county board receives a form referred to in subsection
- 37 (i)(1) before the hearing scheduled under subsection (k):
- 38 (1) the county board shall cancel the hearing;
- 39 (2) the county official referred to in subsection (a) shall give
- 40 notice to the taxpayer, the county board, the county assessor, and
- 41 the county auditor of the assessment or deduction in the amount
- 42 referred to in subsection (i)(1)(B); and

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1 (3) if the matter in issue is the assessment of tangible property,
 2 the county board may reserve the right to change the assessment
 3 under IC 6-1.1-13.
 4 (k) If:
 5 (1) subsection (i)(2) applies; or
 6 (2) the county board does not receive a form referred to in
 7 subsection (i) not later than one hundred twenty (120) days after
 8 the date of the notice for review filed by the taxpayer under
 9 subsection (c) or (d);
 10 the county board shall hold a hearing on a review under this subsection
 11 not later than one hundred eighty (180) days after the date of that
 12 notice. The county board shall, by mail, give notice of the date, time,
 13 and place fixed for the hearing to the taxpayer and the county or
 14 township official with whom the taxpayer filed the notice for review.
 15 The taxpayer and the county or township official with whom the
 16 taxpayer filed the notice for review are parties to the proceeding before
 17 the county board. The county assessor is recused from any action the
 18 county board takes with respect to an assessment determination by the
 19 county assessor.
 20 (l) At the hearing required under subsection (k):
 21 (1) the taxpayer may present the taxpayer's reasons for
 22 disagreement with the assessment or deduction; and
 23 (2) the county or township official with whom the taxpayer filed
 24 the notice for review must present:
 25 (A) the basis for the assessment or deduction decision; and
 26 (B) the reasons the taxpayer's contentions should be denied.
 27 (m) The official referred to in subsection (a) may not require the
 28 taxpayer to provide documentary evidence at the preliminary informal
 29 meeting under subsection (h). The county board may not require a
 30 taxpayer to file documentary evidence or summaries of statements of
 31 testimonial evidence before the hearing required under subsection (k).
 32 If the action for which a taxpayer seeks review under this section is the
 33 assessment of tangible property, the taxpayer is not required to have an
 34 appraisal of the property in order to do the following:
 35 (1) Initiate the review.
 36 (2) Prosecute the review.
 37 (n) The county board shall prepare a written decision resolving all
 38 of the issues under review. The county board shall, by mail, give notice
 39 of its determination not later than one hundred twenty (120) days after
 40 the hearing under subsection (k) to the taxpayer, the official referred to
 41 in subsection (a), the county assessor, and the county auditor.
 42 (o) If the maximum time elapses:

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1 (1) under subsection (k) for the county board to hold a hearing; or
 2 (2) under subsection (n) for the county board to give notice of its
 3 determination;
 4 the taxpayer may initiate a proceeding for review before the Indiana
 5 board by taking the action required by section 3 of this chapter at any
 6 time after the maximum time elapses.

7 **(p) This subsection applies if the assessment for which a notice**
 8 **of review is filed:**

- 9 (1) was the result of an annual adjustment under
 10 IC 6-1.1-4-4.5; and
 11 (2) increased the assessed value of the assessed property by
 12 more than five percent (5%) over the assessed value finally
 13 determined for the immediately preceding assessment date.

14 **The county assessor or township assessor making the assessment**
 15 **has the burden of proving that the assessment is correct.**

16 SECTION 10. IC 6-1.1-17-3, AS AMENDED BY P.L.146-2008,
 17 SECTION 147, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The proper officers of a
 19 political subdivision shall formulate its estimated budget and its
 20 proposed tax rate and tax levy on the form prescribed by the
 21 department of local government finance and approved by the state
 22 board of accounts. The political subdivision shall give notice by
 23 publication to taxpayers of:

- 24 (1) the estimated budget;
 25 (2) the estimated maximum permissible levy;
 26 (3) the current and proposed tax levies of each fund; and
 27 (4) the amounts of excessive levy appeals to be requested.

28 In the notice, the political subdivision shall also state the time and
 29 place at which a public hearing will be held on these items. The notice
 30 shall be published twice in accordance with IC 5-3-1 with the first
 31 publication at least ten (10) days before the date fixed for the public
 32 hearing. Beginning in 2009, the duties required by this subsection must
 33 be completed before August 10 of the calendar year. ~~A political~~
 34 ~~subdivision shall provide the estimated budget and levy information~~
 35 ~~required for the notice under subsection (b) to the county auditor on the~~
 36 ~~schedule determined by the department of local government finance.~~

37 (b) Beginning in 2010, before October 1 of a calendar year, the
 38 county auditor shall mail to the last known address of each person
 39 liable for any property taxes, as shown on the tax duplicate, or to the
 40 last known address of the most recent owner shown in the transfer
 41 book, a statement that includes:

- 42 (1) the assessed valuation as of the assessment date in the current

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1 calendar year of tangible property on which the person will be
 2 liable for property taxes first due and payable in the immediately
 3 succeeding calendar year and notice to the person of the
 4 opportunity to appeal the assessed valuation under
 5 IC 6-1.1-15-1(c) (before July 1, 2008) or IC 6-1.1-15-1 (after June
 6 30, 2008);

7 (2) the amount of property taxes for which the person will be
 8 liable to each political subdivision on the tangible property for
 9 taxes first due and payable in the immediately succeeding
 10 calendar year, taking into account all factors that affect that
 11 liability, including:

12 (A) the estimated budget and proposed tax rate and tax levy
 13 formulated by the political subdivision under subsection (a);

14 (B) any deductions or exemptions that apply to the assessed
 15 valuation of the tangible property;

16 (C) any credits that apply in the determination of the tax
 17 liability; and

18 (D) the county auditor's best estimate of the effects on the tax
 19 liability that might result from actions of:

20 (i) the county board of tax adjustment; or

21 (ii) the department of local government finance;

22 (3) a prominently displayed notation that:

23 (A) the estimate under subdivision (2) is based on the best
 24 information available at the time the statement is mailed; and

25 (B) based on various factors, including potential actions by:

26 (i) the county board of tax adjustment; or

27 (ii) the department of local government finance;

28 it is possible that the tax liability as finally determined will
 29 differ substantially from the estimate;

30 (4) comparative information showing the amount of property
 31 taxes for which the person is liable to each political subdivision
 32 on the tangible property for taxes first due and payable in the
 33 current year; and

34 (5) the date, time, and place at which the political subdivision will
 35 hold a public hearing on the political subdivision's estimated
 36 budget and proposed tax rate and tax levy as required under
 37 subsection (a).

38 (c) The department of local government finance shall:

39 (1) prescribe a form for; and

40 (2) provide assistance to county auditors in preparing;

41 statements under subsection (b). Mailing the statement described in
 42 subsection (b) to a mortgagee maintaining an escrow account for a

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1 person who is liable for any property taxes shall not be construed as
2 compliance with subsection (b):

3 (d) (b) The board of directors of a solid waste management district
4 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
5 conduct the public hearing required under subsection (a):

- 6 (1) in any county of the solid waste management district; and
- 7 (2) in accordance with the annual notice of meetings published
- 8 under IC 13-21-5-2.

9 (e) (c) The trustee of each township in the county shall estimate the
10 amount necessary to meet the cost of township assistance in the
11 township for the ensuing calendar year. The township board shall adopt
12 with the township budget a tax rate sufficient to meet the estimated cost
13 of township assistance. The taxes collected as a result of the tax rate
14 adopted under this subsection are credited to the township assistance
15 fund.

16 (f) (d) This subsection expires January 1, 2009. A county shall adopt
17 with the county budget and the department of local government finance
18 shall certify under section 16 of this chapter a tax rate sufficient to raise
19 the levy necessary to pay the following:

- 20 (1) The cost of child services (as defined in IC 12-19-7-1) of the
- 21 county payable from the family and children's fund.
- 22 (2) The cost of children's psychiatric residential treatment
- 23 services (as defined in IC 12-19-7.5-1) of the county payable from
- 24 the children's psychiatric residential treatment services fund.

25 A budget, tax rate, or tax levy adopted by a county fiscal body or
26 approved or modified by a county board of tax adjustment that is less
27 than the levy necessary to pay the costs described in subdivision (1) or
28 (2) shall not be treated as a final budget, tax rate, or tax levy under
29 section 11 of this chapter.

30 SECTION 11. IC 6-1.1-22-8.1, AS AMENDED BY P.L.3-2008,
31 SECTION 53, AND AS AMENDED BY P.L.146-2008, SECTION
32 251, IS CORRECTED AND AMENDED TO READ AS FOLLOWS
33 [EFFECTIVE JULY 1, 2009]: Sec. 8.1. (a) ~~This section applies only to~~
34 ~~property taxes and special assessments first due and payable after~~
35 ~~December 31, 2007.~~

36 (b) The county treasurer shall:

- 37 (1) **except as provided in subsection (h)**, mail to the last known
- 38 address of each person liable for any property taxes or special
- 39 assessment, as shown on the tax duplicate or special assessment
- 40 records, or to the last known address of the most recent owner
- 41 shown in the transfer book; and
- 42 (2) transmit by written, electronic, or other means to a mortgagee

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1 maintaining an escrow account for a person who is liable for any
 2 property taxes or special assessments, as shown on the tax
 3 duplicate or special assessment records;
 4 a statement in the form required under subsection ~~(c)~~: **(b)**. *However, for*
 5 *property taxes first due and payable in 2008, the county treasurer may*
 6 *choose to use a tax statement that is different from the tax statement*
 7 *prescribed by the department under subsection ~~(c)~~: **(b)**. If a county*
 8 *chooses to use a different tax statement, the county must still transmit*
 9 *(with the tax bill) the statement in either color type or black-and-white*
 10 *type.*

11 ~~(c)~~ **(b)** The department of local government finance shall prescribe
 12 a form, subject to the approval of the state board of accounts, for the
 13 statement under subsection ~~(b)~~ **(a)** that includes at least the following:

- 14 (1) A statement of the taxpayer's current and delinquent taxes and
 15 special assessments.
- 16 (2) A breakdown showing the total property tax and special
 17 assessment liability and the amount of the taxpayer's liability that
 18 will be distributed to each taxing unit in the county.
- 19 (3) An itemized listing for each property tax levy, including:
 20 (A) the amount of the tax rate;
 21 (B) the entity levying the tax owed; and
 22 (C) the dollar amount of the tax owed.
- 23 (4) Information designed to show the manner in which the taxes
 24 and special assessments billed in the tax statement are to be used.
- 25 (5) A comparison showing any change in the assessed valuation
 26 for the property as compared to the previous year.
- 27 (6) A comparison showing any change in the property tax and
 28 special assessment liability for the property as compared to the
 29 previous year. The information required under this subdivision
 30 must identify:
 31 (A) the amount of the taxpayer's liability distributable to each
 32 taxing unit in which the property is located in the current year
 33 and in the previous year; and
 34 (B) the percentage change, if any, in the amount of the
 35 taxpayer's liability distributable to each taxing unit in which
 36 the property is located from the previous year to the current
 37 year.
- 38 (7) An explanation of the following:
 39 (A) ~~The Homestead credit and credits under IC 6-1.1-20.4,~~
 40 **IC 6-3.5-6-13, or another law that are available in the**
 41 **taxing district where the property is located.**
 42 (B) All property tax deductions **that are available in the**

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taxing district where the property is located.
~~(B)~~ **(C)** The procedure and deadline for filing for ~~the any~~
available homestead ~~credit credits~~ **under IC 6-1.1-20.4,**
IC 6-3.5-6-13, or another law and each deduction.
~~(C)~~ **(D)** The procedure that a taxpayer must follow to:
(i) appeal a current assessment; or
(ii) petition for the correction of an error related to the
taxpayer's property tax and special assessment liability.
~~(D)~~ **(E)** The forms that must be filed for an appeal or a petition
described in clause ~~(C)~~: **(D)**.
(F) The procedure and deadline that a taxpayer must
follow and the forms that must be used if a credit or
deduction has been granted for the property and the
taxpayer is no longer eligible for the credit or deduction.

The department of local government finance shall provide the
explanation required by this subdivision to each county treasurer.

(8) A checklist that shows:
(A) ~~the~~ **homestead credit credits under IC 6-1.1-20.4,**
IC 6-3.5-6-13, or another law and all property tax
deductions; and
(B) whether ~~the each~~ homestead credit and ~~each~~ property tax
deduction applies in the current statement for the property
transmitted under subsection ~~(b)~~: **(a)**.

(9) This subdivision applies to any property for which a
deduction or credit is listed under subdivision (8) if the notice
required under this subdivision was not provided to a
taxpayer on a reconciling statement under IC 6-1.1-22.5-12.
The statement must include in 2010, 2011, and 2012 a notice
that must be returned by the taxpayer to the county auditor
with the taxpayer's verification of the items required by this
subdivision. The notice must explain the tax consequences and
applicable penalties if a taxpayer unlawfully claims a
standard deduction under IC 6-1.1-12-37 on:

(A) more than one (1) parcel of property; or
(B) property that is not the taxpayer's principal place of
residence or is otherwise not eligible for the standard
deduction.

The notice must include a place for the taxpayer to indicate,
under penalties of perjury, for each deduction and credit
listed under subdivision (8), whether the property is eligible
for the deduction or credit listed under subdivision (8). The
notice must also include a place for each individual who

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1 **qualifies the property for a deduction or credit listed in**
 2 **subdivision (8) to indicate the name of the individual and the**
 3 **name of the individual's spouse (if any), as the names appear**
 4 **in the records of the United States Social Security**
 5 **Administration for purposes of the issuance of a Social**
 6 **Security card and Social Security number (or that they use as**
 7 **their legal names when they sign their names on legal**
 8 **documents), and either the last five (5) digits of each**
 9 **individual's Social Security number or, if an individual does**
 10 **not have a Social Security number, the numbers required**
 11 **from the individual under IC 6-1.1-12-37(e)(4)(B). The notice**
 12 **must explain that the taxpayer must complete and return the**
 13 **notice with the required information and that failure to**
 14 **complete and return the notice may result in disqualification**
 15 **of property for deductions and credits listed in subdivision (8),**
 16 **must explain how to return the notice, and must be on a**
 17 **separate form printed on paper that is a different color than**
 18 **the tax statement. The notice must be prepared in the form**
 19 **prescribed by the department of local government finance and**
 20 **include any additional information required by the**
 21 **department of local government finance. This subdivision**
 22 **expires January 1, 2014.**

23 ~~(d)~~ **(c)** The county treasurer may mail or transmit the statement one
 24 (1) time each year at least fifteen (15) days before the date on which
 25 the first or only installment is due. Whenever a person's tax liability for
 26 a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of
 27 this chapter, a statement that is mailed must include the date on which
 28 the installment is due and denote the amount of money to be paid for
 29 the installment. Whenever a person's tax liability is due in two (2)
 30 installments, a statement that is mailed must contain the dates on which
 31 the first and second installments are due and denote the amount of
 32 money to be paid for each installment. **If a statement is returned to**
 33 **the county treasurer as undeliverable and the forwarding order is**
 34 **expired, the county treasurer shall notify the county auditor of this**
 35 **fact. Upon receipt of the county treasurer's notice, the county**
 36 **auditor may, at the county auditor's discretion, treat the property**
 37 **as not being eligible for any deductions under IC 6-1.1-12 or any**
 38 **homestead credits under IC 6-1.1-20.4 and IC 6-3.5-6-13.**

39 ~~(e)~~ **(d)** All payments of property taxes and special assessments shall
 40 be made to the county treasurer. The county treasurer, when authorized
 41 by the board of county commissioners, may open temporary offices for
 42 the collection of taxes in cities and towns in the county other than the

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county seat.

~~(f)~~ (e) The county treasurer, county auditor, and county assessor shall cooperate to generate the information to be included in the statement under subsection ~~(c)~~: (b).

~~(g)~~ (f) The information to be included in the statement under subsection ~~(c)~~ (b) must be simply and clearly presented and understandable to the average individual.

~~(h)~~ (g) After December 31, 2007, a reference in a law or rule to IC 6-1.1-22-8 (*expired January 1, 2008, and repealed*) shall be treated as a reference to this section.

(h) Transmission of statements and other information under this subsection applies in a county only if the county legislative body adopts an authorizing ordinance. Subject to subsection (i), in a county in which an ordinance is adopted under this subsection for property taxes and special assessments first due and payable after 2009, a person may direct the county treasurer and county auditor to transmit the following to the person by electronic mail:

(1) A statement that would otherwise be sent by the county treasurer to the person by regular mail under subsection (a)(1), including a statement that reflects installment payment due dates under section 9.5 or 9.7 of this chapter.

(2) A provisional tax statement that would otherwise be sent by the county treasurer to the person by regular mail under IC 6-1.1-22.5-6.

(3) A reconciling tax statement that would otherwise be sent by the county treasurer to the person by regular mail under any of the following:

(A) Section 9 of this chapter.

(B) Section 9.7 of this chapter.

(C) IC 6-1.1-22.5-12, including a statement that reflects installment payment due dates under IC 6-1.1-22.5-18.5.

(4) Any other information that:

(A) concerns the property taxes or special assessments; and

(B) would otherwise be sent:

(i) by the county treasurer or the county auditor to the person by regular mail; and

(ii) before the last date the property taxes or special assessments may be paid without becoming delinquent.

(i) For property with respect to which more than one (1) person is liable for property taxes and special assessments, subsection (h) applies only if all the persons liable for property taxes and special

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1 assessments designate the electronic mail address for only one (1)
 2 individual authorized to receive the statements and other
 3 information referred to in subsection (h).

4 (j) Before 2010, the department of local government finance
 5 shall create a form to be used to implement subsection (h). The
 6 county treasurer and county auditor shall:

7 (1) make the form created under this subsection available to
 8 the public;

9 (2) transmit a statement or other information by electronic
 10 mail under subsection (h) to a person who, at least thirty (30)
 11 days before the anticipated general mailing date of the
 12 statement or other information, files the form created under
 13 this subsection:

14 (A) with the county treasurer; or

15 (B) with the county auditor; and

16 (3) publicize the availability of the electronic mail option
 17 under this subsection through appropriate media in a manner
 18 reasonably designed to reach members of the public.

19 (k) The form referred to in subsection (j) must:

20 (1) explain that a form filed as described in subsection (j)(2)
 21 remains in effect until the person files a replacement form to:

22 (A) change the person's electronic mail address; or

23 (B) terminate the electronic mail option under subsection
 24 (i); and

25 (2) allow a person to do at least the following with respect to
 26 the electronic mail option under subsection (h):

27 (A) Exercise the option.

28 (B) Change the person's electronic mail address.

29 (C) Terminate the option.

30 (D) For a person other than an individual, designate the
 31 electronic mail address for only one (1) individual
 32 authorized to receive the statements and other information
 33 referred to in subsection (h).

34 (E) For property with respect to which more than one (1)
 35 person is liable for property taxes and special assessments,
 36 designate the electronic mail address for only one (1)
 37 individual authorized to receive the statements and other
 38 information referred to in subsection (h).

39 (l) The form created under subsection (j) is considered filed with
 40 the county treasurer or the county auditor on the postmark date.
 41 If the postmark is missing or illegible, the postmark is considered
 42 to be one (1) day before the date of receipt of the form by the

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1 county treasurer or the county auditor.

2 (m) The county treasurer shall maintain a record that shows at
3 least the following:

4 (1) Each person to whom a statement or other information is
5 transmitted by electronic mail under this section.

6 (2) The information included in the statement.

7 (3) Whether the person received the statement.

8 SECTION 12. IC 6-1.1-22-9, AS AMENDED BY P.L.146-2008,
9 SECTION 252, IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) Except as provided in
11 subsections (b) and (c), the property taxes assessed for a year under this
12 article are due in two (2) equal installments on May 10 and November
13 10 of the following year.

14 (b) Subsection (a) does not apply if any of the following apply to the
15 property taxes assessed for the year under this article:

16 (1) Subsection (c).

17 (2) Subsection (d).

18 ~~(3) Subsection (h):~~

19 ~~(4) Subsection (i):~~

20 ~~(5) (3) IC 6-1.1-7-7.~~

21 ~~(6) (4) Section 9.5 of this chapter.~~

22 (5) Section 9.7 of this chapter.

23 (c) A county council may adopt an ordinance to require a person to
24 pay the person's property tax liability in one (1) installment, if the tax
25 liability for a particular year is less than twenty-five dollars (\$25). If the
26 county council has adopted such an ordinance, then whenever a tax
27 statement mailed under section 8.1 of this chapter shows that the
28 person's property tax liability for a year is less than twenty-five dollars
29 (\$25) for the property covered by that statement, the tax liability for
30 that year is due in one (1) installment on May 10 of that year.

31 (d) If the county treasurer receives a copy of an appeal petition
32 under IC 6-1.1-18.5-12(d) before the county treasurer mails or
33 transmits statements under section ~~8.1(b)~~ 8.1 of this chapter, the county
34 treasurer may:

35 (1) mail or transmit the statements without regard to the pendency
36 of the appeal and, if the resolution of the appeal by the department
37 of local government finance results in changes in levies, mail or
38 transmit reconciling statements under subsection (e); or

39 (2) delay the mailing or transmission of statements under section
40 ~~8.1(b)~~ 8.1 of this chapter so that:

41 (A) the due date of the first installment that would otherwise
42 be due under subsection (a) is delayed by not more than sixty

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- 1 (60) days; and
- 2 (B) all statements reflect any changes in levies that result from
- 3 the resolution of the appeal by the department of local
- 4 government finance.
- 5 (e) A reconciling statement under subsection (d)(1) must indicate:
- 6 (1) the total amount due for the year;
- 7 (2) the total amount of the installments paid that did not reflect
- 8 the resolution of the appeal under IC 6-1.1-18.5-12(d) by the
- 9 department of local government finance;
- 10 (3) if the amount under subdivision (1) exceeds the amount under
- 11 subdivision (2), the adjusted amount that is payable by the
- 12 taxpayer:
- 13 (A) as a final reconciliation of all amounts due for the year;
- 14 and
- 15 (B) not later than:
- 16 (i) November 10; or
- 17 (ii) the date or dates established under section 9.5 of this
- 18 chapter; and
- 19 (4) if the amount under subdivision (2) exceeds the amount under
- 20 subdivision (1), that the taxpayer may claim a refund of the excess
- 21 under IC 6-1.1-26.
- 22 (f) If property taxes are not paid on or before the due date, the
- 23 penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent
- 24 taxes.
- 25 (g) Notwithstanding any other law, a property tax liability of less
- 26 than five dollars (\$5) is increased to five dollars (\$5). The difference
- 27 between the actual liability and the five dollar (\$5) amount that appears
- 28 on the statement is a statement processing charge. The statement
- 29 processing charge is considered a part of the tax liability.
- 30 **(h) This subsection applies only if a statement for payment of**
- 31 **property taxes and special assessments by electronic mail is**
- 32 **transmitted to a person under section 8.1(h) of this chapter. If a**
- 33 **response to the transmission of electronic mail to a person indicates**
- 34 **that the electronic mail was not received, the county treasurer shall**
- 35 **mail to the person a hard copy of the statement in the manner**
- 36 **required by section 8.1(a) of this chapter for persons who do not**
- 37 **opt to receive statements by electronic mail. The due date for the**
- 38 **property taxes and special assessments under a statement mailed**
- 39 **to a person under this subsection is the due date indicated in the**
- 40 **statement transmitted to the person by electronic mail.**
- 41 **(i) In a county in which an authorizing ordinance is adopted**
- 42 **under section 8.1(h) of this chapter, a person may direct the county**

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1 **treasurer to transmit a reconciling statement under subsection**
 2 **(d)(1) by electronic mail under section 8.1(h) of this chapter.**

3 SECTION 13. IC 6-1.1-22-9.7, AS ADDED BY P.L.118-2008,
 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2009]: Sec. 9.7. (a) As used in this section, "current year"
 6 refers to the calendar year in which property taxes are first due and
 7 payable and are subject to payment under this section:

8 (1) by automatic deduction from ~~a checking an~~ **account of the**
 9 **taxpayer that is held by a financial institution;** or

10 (2) under a monthly installment plan.

11 (b) As used in this section, "monthly installment plan" means a plan
 12 that:

13 (1) is adopted under this section;

14 (2) provides for the monthly payment of tax liability; and

15 (3) does not involve an automatic deduction from ~~a checking an~~ **an**
 16 **account of the taxpayer that is held by a financial institution.**

17 (c) As used in this section, "preceding year" refers to the calendar
 18 year that immediately precedes the current year.

19 (d) As used in this section, "tax liability" includes liability for
 20 special assessments and refers to liability for property taxes after the
 21 application of all allowed deductions and credits.

22 (e) After June 30, 2009, the county fiscal body (as defined in
 23 IC 36-1-2-6) may at any time adopt an ordinance to allow all county
 24 taxpayers to pay one (1) or more installments of property taxes by any
 25 combination of the following:

26 (1) Automatic monthly deductions from ~~a checking an~~ **account of**
 27 **the taxpayer that is held by a financial institution.**

28 (2) Payments under a monthly installment plan.

29 (f) An ordinance adopted under subsection (e):

30 (1) may apply to more than one (1) calendar year; and

31 (2) must include at least the following:

32 (A) Identification of the property tax installment or
 33 installments for which payment:

34 (i) by automatic deduction from ~~a checking an~~ **account of**
 35 **the taxpayer that is held by a financial institution;** or

36 (ii) under a monthly installment plan;

37 is authorized.

38 (B) Provisions for notice to county taxpayers of the option to
 39 pay one (1) or more property tax installments:

40 (i) by automatic deduction from ~~a checking an~~ **account of**
 41 **the taxpayer that is held by a financial institution;** or

42 (ii) under a monthly installment plan.

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1 (C) Authority for the county treasurer to make available to
2 county taxpayers a form to be completed by a taxpayer and
3 submitted to the county treasurer to:

4 (i) direct the county treasurer to accept payment of the
5 taxpayer's property taxes by automatic deduction from a
6 ~~checking~~ **an account of the taxpayer that is held by a**
7 **financial institution**; and

8 (ii) authorize the **financial** institution that holds the
9 taxpayer's ~~checking~~ account to deduct monthly the
10 appropriate amount from the account and to pay that amount
11 to the county treasurer.

12 However, this clause applies only if the county fiscal body has
13 adopted an ordinance under this section to allow taxpayers to
14 pay property taxes by automatic deductions from a ~~checking~~
15 **an account of the taxpayer that is held by a financial**
16 **institution.**

17 (D) Authority for the county treasurer to accept payment of the
18 taxpayer's property taxes under a monthly installment plan.
19 However, this clause applies only if the county fiscal body has
20 adopted an ordinance under this section to allow taxpayers to
21 pay property taxes by monthly installment payments under a
22 monthly installment plan.

23 An ordinance adopted under subsection (e) may include a provision
24 authorizing taxpayers to make monthly deductions or monthly
25 installment payments in an amount determined by the taxpayer that is
26 different from the amount otherwise determined by the county treasurer
27 under subsection (h), (i), (j), or (k).

28 (g) If an ordinance is adopted under subsection (e) to allow
29 taxpayers to pay property taxes by automatic deductions from a
30 ~~checking~~ **an account of the taxpayer that is held by a financial**
31 **institution**, the county treasurer shall provide to each county taxpayer
32 that submits to the county treasurer the form referred to in subsection
33 (f)(2)(C) a statement that includes at least the following:

- 34 (1) The amount to be deducted monthly from the taxpayer's
- 35 ~~checking~~ account.
- 36 (2) Identification of the day each month, as chosen by the
- 37 taxpayer, when the deduction will be made.
- 38 (3) A calculation of the amount to be deducted.
- 39 (4) An explanation of the manner in which property taxes for the
- 40 current year will be reconciled under subsection (n) and notice
- 41 that any property tax payments for the current year made by the
- 42 taxpayer by means other than automatic deduction from the

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1 taxpayer's ~~checking~~ account will be taken into account in the
 2 reconciliation.
 3 (5) An explanation of the penalties that apply if there are
 4 insufficient funds in the taxpayer's ~~checking~~ account to cover one
 5 (1) or more automatic deductions.
 6 (h) This subsection applies only if the county treasurer determines
 7 that at the time the calculation under subsection (g)(3) is made the
 8 amount of tax liability for the current year has not been determined.
 9 Subject to subsections (i) and (j), the county treasurer shall do the
 10 following:
 11 (1) Determine the following:
 12 (A) For a parcel of real property, the most recently determined
 13 amount of tax liability that applied to the parcel for the
 14 preceding year.
 15 (B) For a personal property return, the most recently
 16 determined amount of tax liability that applied for the personal
 17 property return for the same location for the preceding year.
 18 (C) For distributable property, the most recently determined
 19 amount of tax liability that applied with respect to the
 20 statement filed by the taxpayer under IC 6-1.1-8-19 for the
 21 preceding year.
 22 (D) For a mobile home subject to IC 6-1.1-7, the most recently
 23 determined amount of tax liability that applied to the mobile
 24 home for the preceding year.
 25 (2) Determine the amount of the monthly deduction from the
 26 taxpayer's ~~checking~~ account **of the taxpayer that is held by a**
 27 **financial institution** or the amount due under a monthly
 28 installment plan in the amount determined in the last STEP of the
 29 following STEPS:
 30 STEP ONE: Determine under subdivision (1) the amount of
 31 tax liability that applied for the preceding year.
 32 STEP TWO: Determine the quotient of:
 33 (i) the number of property tax installments for the current
 34 year identified in the ordinance under subsection (f)(2)(A);
 35 divided by
 36 (ii) the total number of property tax installments for the
 37 current year.
 38 STEP THREE: Multiply the STEP ONE result by the STEP
 39 TWO result.
 40 STEP FOUR: Determine the quotient of:
 41 (i) the STEP THREE result; divided by
 42 (ii) the number of monthly deductions or, in the case of

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1 payments under a monthly installment plan, the number of
2 monthly installments.

3 (i) The county treasurer may determine the monthly deduction or the
4 amount of the monthly installment due under a monthly installment
5 plan in an amount different from the amount determined under
6 subsection (h) if the county treasurer determines that changes in
7 circumstances have caused the amount determined under subsection
8 (h) to differ substantially from the tax liability likely to be determined
9 for the current year.

10 (j) This subsection applies only if before an ordinance is adopted
11 under subsection (e) the county treasurer determines to use provisional
12 property tax statements under IC 6-1.1-22.5 for the current year. For
13 purposes of determining the amount of the monthly deduction from the
14 ~~taxpayer's checking~~ **account of the taxpayer that is held by a**
15 **financial institution** or the amount of the taxpayer's monthly
16 installment payment under a monthly installment plan, the county
17 treasurer shall substitute for the tax liability that applied to the parcel
18 for the preceding year under subsection (h) the tax liability to be
19 indicated on the provisional statement.

20 (k) This subsection applies only if the county treasurer determines
21 that at the time the calculation under subsection (g)(3) is made the
22 amount of tax liability for the current year has been determined. The
23 amount of the monthly deduction from the ~~taxpayer's checking~~
24 **account of the taxpayer that is held by a financial institution** or the amount
25 of the taxpayer's monthly installment payment under a monthly
26 installment plan is the amount of the tax liability for the current year
27 payable in the installment or installments identified in the ordinance
28 under subsection (f)(2)(A) divided by the number of monthly
29 deductions.

30 (l) Tax liability paid under this section by automatic deduction from
31 ~~a checking an~~ **account of the taxpayer that is held by a financial**
32 **institution** is not finally discharged and the person has not paid the tax
33 until the taxpayer's ~~checking~~ account is charged for the payment.

34 (m) Penalties apply under IC 6-1.1-37-10 as specified in this section
35 to taxes payable by automatic deduction from ~~a checking an~~ **account**
36 **of the taxpayer that is held by a financial institution** or by monthly
37 installment payments under a monthly installment plan under this
38 section.

39 (n) After the last monthly ~~checking account~~ deduction **from an**
40 **account of a taxpayer that is held by a financial institution** or last
41 monthly installment payment under a monthly installment plan under
42 this section for the current year has been made and after the amount of

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1 tax liability for the current year has been determined, the county
2 treasurer shall issue a reconciling statement to the taxpayer. Each
3 reconciling statement must indicate at least the following:

4 (1) The sum of:

5 (A) the taxpayer's actual tax liability for the current year; plus

6 (B) any penalty that applies for the current year.

7 (2) The total amount paid for the current year by automatic
8 deductions, monthly installment payments under a monthly
9 installment plan, and by means other than automatic deductions
10 or monthly installment payments.

11 (3) If the amount under subdivision (1) exceeds the amount under
12 subdivision (2), the deficiency is payable by the taxpayer:

13 (A) as a final reconciliation of the tax liability; and

14 (B) not later than thirty (30) days after the date of the
15 reconciling statement.

16 (4) If the amount under subdivision (2) exceeds the amount under
17 subdivision (1), that the county treasurer will apply the excess as
18 a credit against the taxpayer's tax liability for the immediately
19 succeeding calendar year unless the taxpayer makes a claim for
20 refund of the excess under IC 6-1.1-26.

21 (o) The county ~~auditor treasurer~~ shall ~~distribute~~ **deposit the** tax
22 collections under this section **under IC 5-13-6-3(a). The collections**
23 **shall remain in the funds in which they are deposited until the**
24 **county auditor makes the distributions** to the appropriate taxing
25 units at the semiannual settlements under IC 6-1.1-27. However, this
26 subsection does not prohibit a county treasurer from making an
27 advance to a political subdivision under IC 5-13-6-3 of a portion of the
28 taxes collected.

29 (p) IC 6-1.1-15:

30 (1) does not apply to a statement provided under subsection (g);
31 and

32 (2) applies to a reconciling statement issued under subsection (n).

33 (q) The following apply to a taxpayer that makes automatic monthly
34 deductions or monthly installments under this section:

35 (1) If a taxpayer makes automatic monthly deductions or monthly
36 installments of property taxes in the amount determined by the
37 county treasurer under subsection (h), (i), (j), or (k), the taxpayer's
38 property tax payments shall not be considered delinquent for
39 purposes of IC 6-1.1-37-10 and the taxpayer is not subject to
40 penalties under that section.

41 (2) If: ~~a taxpayer:~~

42 (A) **a taxpayer** makes automatic monthly deductions or

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1 monthly installments of property taxes in an amount that is
 2 less than the amount determined by the county treasurer under
 3 subsection (h), (i), (j), or (k); and
 4 (B) the total amount of property taxes paid by the taxpayer
 5 under automatic monthly deductions, monthly installments, or
 6 any other method by the May or November due date is less
 7 than the amount determined by the county treasurer under
 8 subsection (h), (i), (j), or (k) that should have been paid by the
 9 taxpayer for the May or November due date;
 10 the penalty provisions of IC 6-1.1-37-10 apply to the delinquent
 11 property taxes.

12 (r) IC 6-1.1-37-10 applies to any amounts due under a reconciling
 13 statement issued under subsection (n) that are not paid within thirty
 14 (30) days after the date of the reconciling statement, as required under
 15 subsection (n)(3).

16 (s) For purposes of IC 6-1.1-24-1(a)(1):
 17 (1) property taxes to be paid by automatic deduction or by
 18 monthly installments under a monthly installment plan under this
 19 section before June of the current year are considered to be the
 20 taxpayer's spring installment of property taxes; and
 21 (2) payment on a reconciling statement issued under subsection
 22 (n) is considered to be due before the due date of the first
 23 installment of property taxes payable in the year immediately
 24 following the current year.

25 SECTION 14. IC 6-1.1-22.5-6, AS AMENDED BY P.L.118-2008,
 26 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2009]: Sec. 6. (a) Except as provided in subsection (c), with
 28 respect to property taxes payable under this article on assessments
 29 determined for the 2003 assessment date or the assessment date in any
 30 later year, the county treasurer may, except as provided by section 7 of
 31 this chapter, use a provisional statement under this chapter if the
 32 county auditor fails to deliver the abstract for that assessment date to
 33 the county treasurer under IC 6-1.1-22-5 before March 16 of the year
 34 following the assessment date.

35 (b) The county treasurer shall give notice of the provisional
 36 statement, including disclosure of the method that is to be used in
 37 determining the tax liability to be indicated on the provisional
 38 statement, by publication one (1) time:

- 39 (1) in the form prescribed by the department of local government
- 40 finance; and
- 41 (2) in the manner described in IC 6-1.1-22-4(b).

42 The notice may be combined with the notice required under section 10

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1 of this chapter.

2 (c) Subsection (a) does not apply if the county auditor fails to
3 deliver the abstract as provided in IC 6-1.1-22-5(b).

4 (d) This subsection applies after June 30, 2009. Immediately upon
5 determining to use provisional statements under subsection (a), the
6 county treasurer shall give notice of the determination to the county
7 fiscal body (as defined in IC 36-1-2-6).

8 **(e) In a county in which an authorizing ordinance is adopted**
9 **under IC 6-1.1-22-8.1(h), a person may direct the county treasurer**
10 **to transmit a provisional statement by electronic mail under**
11 **IC 6-1.1-22-8.1(h).**

12 SECTION 15. IC 6-1.1-22.5-8, AS ADDED BY P.L.1-2004,
13 SECTION 37, AND AS ADDED BY P.L.23-2004, SECTION 40, AND
14 AMENDED BY P.L.219-2007, SECTION 65, IS CORRECTED AND
15 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

16 Sec. 8. (a) A provisional statement must:

- 17 (1) be on a form approved by the state board of accounts;
- 18 (2) except as provided in emergency rules adopted under section
- 19 20 of this chapter **and subsection (b)**, indicate tax liability in the
- 20 amount of ninety percent (90%) of the tax liability that was
- 21 payable in the same year as the assessment date for the property
- 22 for which the provisional statement is issued;

23 (3) indicate:

24 (A) that the tax liability under the provisional statement is
25 determined as described in subdivision (2); and

26 (B) that property taxes billed on the provisional statement:
27 (i) are due and payable in the same manner as property taxes
28 billed on a tax statement under ~~IC 6-1.1-22-8;~~
29 **IC 6-1.1-22-8.1;** and

30 (ii) will be credited against a reconciling statement;

31 (4) include *the following* ~~a~~ *statement in the following or a*
32 *substantially similar form, as determined by the department of*
33 *local government finance:*

34 "Under Indiana law, _____ County (insert county) has elected
35 to send provisional statements because the county did not
36 complete the abstract of the property, assessments, taxes,
37 deductions, and exemptions for taxes payable in (insert year) in
38 each taxing district before March 16, (insert year). The statement
39 is due to be paid in installments on ~~May 10~~ _____ (*insert*
40 *date*) and ~~November 10~~ _____ (*insert date*). The statement is
41 based on ninety percent (90%) of your tax liability for taxes
42 payable in (insert year), subject to adjustment for any new

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1 construction on your property *or any damage to your property*.
 2 After the abstract of property is complete, you will receive a
 3 reconciling statement in the amount of your actual tax liability for
 4 taxes payable in (insert year), minus the amount you pay under
 5 this provisional statement.";

6 (5) indicate liability for:

7 (A) delinquent:

8 (i) taxes; and

9 (ii) special assessments;

10 (B) penalties; and

11 (C) interest;

12 is allowed to appear on the tax statement under ~~IC 6-1.1-22-8~~
 13 **IC 6-1.1-22-8.1** for the *May first* installment of property taxes in
 14 the year in which the provisional tax statement is issued; and

15 (6) include:

16 (A) a checklist that shows:

17 (i) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13,
 18 or another law and all property tax deductions; and

19 (ii) whether each homestead credit and property tax
 20 deduction was applied in the current provisional
 21 statement;

22 (B) an explanation of the procedure and deadline that a
 23 taxpayer must follow and the forms that must be used if a
 24 credit or deduction has been granted for the property and
 25 the taxpayer is no longer eligible for the credit or
 26 deduction; and

27 (C) an explanation of the tax consequences and applicable
 28 penalties if a taxpayer unlawfully claims a standard
 29 deduction under IC 6-1.1-12-37 on:

30 (i) more than one (1) parcel of property; or

31 (ii) property that is not the taxpayer's principal place of
 32 residence or is otherwise not eligible for a standard
 33 deduction; and

34 ~~(6)~~ (7) include any other information the county treasurer
 35 requires.

36 (b) This subsection applies to property taxes first due and
 37 payable for assessment dates after January 15, 2009. The county
 38 may apply a standard deduction, supplemental standard deduction,
 39 or homestead credit calculated by the county's property system on
 40 a provisional bill for a qualified property. If a provisional bill has
 41 been used for property tax billings for two (2) consecutive years
 42 and a property qualifies for a standard deduction, supplemental

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1 **standard deduction, or homestead credit for the second year a**
2 **provisional bill is used, the county shall apply the standard**
3 **deduction, supplemental standard deduction, or homestead credit**
4 **calculated by the county's property system on the provisional bill.**

5 SECTION 16. IC 6-1.1-22.5-9, AS AMENDED BY P.L.219-2007,
6 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2009]: Sec. 9. (a) Except as provided in ~~subsection~~
8 **subsections** (b) ~~subsection~~ **and** (c) and section 12 of this chapter,
9 property taxes billed on a provisional statement are due in two (2)
10 equal installments on May 10 and November 10 of the year following
11 the assessment date covered by the provisional statement.

12 (b) If in a county the notices of general reassessment under
13 IC 6-1.1-4-4 or notices of assessment under IC 6-1.1-4-4.5 for an
14 assessment date in a calendar year are given to the taxpayers in the
15 county after March 26 of the immediately succeeding calendar year, the
16 property taxes that would otherwise be due under subsection (a) on
17 May 10 of the immediately succeeding calendar year are due on the
18 later of:

- 19 (1) May 10 of the immediately succeeding calendar year; or
- 20 (2) forty-five (45) days after the mailing or transmittal of
21 provisional statements.

22 (c) If subsection (b) applies, the property taxes that would otherwise
23 be due under subsection (a) on November 10 of the immediately
24 succeeding calendar year referred to in subsection (b) are due on the
25 later of:

- 26 (1) November 10 of the immediately succeeding calendar year; or
- 27 (2) a date determined by the county treasurer that is not later than
28 December 31 of the immediately succeeding calendar year.

29 **(d) This subsection applies only if a provisional statement for**
30 **payment of property taxes and special assessments by electronic**
31 **mail is transmitted to a person under IC 6-1.1-22-8.1(h). If a**
32 **response to the transmission of electronic mail to a person indicates**
33 **that the electronic mail was not received, the county treasurer shall**
34 **mail to the person a hard copy of the provisional statement in the**
35 **manner required by this chapter for persons who do not opt to**
36 **receive statements by electronic mail. The due date for the**
37 **property taxes and special assessments under a provisional**
38 **statement mailed to a person under this subsection is the due date**
39 **indicated in the statement transmitted to the person by electronic**
40 **mail.**

41 SECTION 17. IC 6-1.1-22.5-12, AS AMENDED BY P.L.146-2008,
42 SECTION 254, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Except as provided by
 2 subsection (c), each reconciling statement must indicate:
 3 (1) the actual property tax liability under this article on the
 4 assessment determined for the assessment date for the property
 5 for which the reconciling statement is issued;
 6 (2) the total amount paid under the provisional statement for the
 7 property for which the reconciling statement is issued;
 8 (3) if the amount under subdivision (1) exceeds the amount under
 9 subdivision (2), that the excess is payable by the taxpayer:
 10 (A) as a final reconciliation of the tax liability; and
 11 (B) not later than:
 12 (i) thirty (30) days after the date of the reconciling
 13 statement;
 14 (ii) if the county treasurer requests in writing that the
 15 commissioner designate a later date, the date designated by
 16 the commissioner; or
 17 (iii) the date specified in an ordinance adopted under section
 18 18.5 of this chapter; and
 19 (4) if the amount under subdivision (2) exceeds the amount under
 20 subdivision (1), that the taxpayer may claim a refund of the excess
 21 under IC 6-1.1-26.
 22 (b) If, upon receipt of the abstract referred to in section 6 of this
 23 chapter, the county treasurer determines that it is possible to complete
 24 the:
 25 (1) preparation; and
 26 (2) mailing or transmittal;
 27 of the reconciling statement at least thirty (30) days before the due date
 28 of the second installment specified in the provisional statement, the
 29 county treasurer may request in writing that the department of local
 30 government finance permit the county treasurer to issue a reconciling
 31 statement that adjusts the amount of the second installment that was
 32 specified in the provisional statement. If the department approves the
 33 county treasurer's request, the county treasurer shall prepare and mail
 34 or transmit the reconciling statement at least thirty (30) days before the
 35 due date of the second installment specified in the provisional
 36 statement.
 37 (c) A reconciling statement prepared under subsection (b) must
 38 indicate:
 39 (1) the actual property tax liability under this article on the
 40 assessment determined for the assessment date for the property
 41 for which the reconciling statement is issued;
 42 (2) the total amount of the first installment paid under the

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1 provisional statement for the property for which the reconciling
 2 statement is issued;
 3 (3) if the amount under subdivision (1) exceeds the amount under
 4 subdivision (2), the adjusted amount of the second installment
 5 that is payable by the taxpayer:
 6 (A) as a final reconciliation of the tax liability; and
 7 (B) not later than:
 8 (i) November 10; or
 9 (ii) if the county treasurer requests in writing that the
 10 commissioner designate a later date, the date designated by
 11 the commissioner; and
 12 (4) if the amount under subdivision (2) exceeds the amount under
 13 subdivision (1), that the taxpayer may claim a refund of the excess
 14 under IC 6-1.1-26.

15 **(d) In a county in which an authorizing ordinance is adopted**
 16 **under IC 6-1.1-22-8.1(h), a person may direct the county treasurer**
 17 **to transmit a reconciling statement by electronic mail under**
 18 **IC 6-1.1-22-8.1(h).**

19 **(e) At the election of a county auditor, a checklist required by**
 20 **IC 6-1.1-22-8.1(b)(8) and a notice required by IC 6-1.1-22-8.1(b)(9)**
 21 **may be sent to a taxpayer with a reconciling statement under this**
 22 **section. This subsection expires January 1, 2013.**

23 SECTION 18. IC 6-1.1-36-17 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2009]: **Sec. 17. (a) As used in this section,**
 26 **"nonreverting fund" refers to a nonreverting fund established**
 27 **under subsection (c).**

28 **(b) Each county auditor who makes a determination that**
 29 **property was not eligible for a standard deduction under**
 30 **IC 6-1.1-12-37 or a homestead credit under IC 6-1.1-20.9**
 31 **(repealed) in a particular year shall notify the county treasurer of**
 32 **the determination. The county auditor shall issue a notice of taxes,**
 33 **interest, and penalties due to the owner and include a statement**
 34 **that the payment is to be made payable to the county auditor. The**
 35 **notice must require full payment of the amount owed within thirty**
 36 **(30) days.**

37 **(c) Each county auditor shall establish a nonreverting fund.**
 38 **Upon collection of the adjustment in tax due (and any interest and**
 39 **penalties on that amount) after the termination of a deduction or**
 40 **credit as specified in subsection (b), the county treasurer shall**
 41 **deposit that amount in the nonreverting fund. Any part of the**
 42 **amount that is not collected by the due date shall be placed on the**

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1 tax duplicate for the affected property and collected in the same
2 manner as other property taxes. The adjustment in tax due (and
3 any interest and penalties on that amount) after the termination of
4 a deduction or credit as specified in subsection (b) shall be
5 deposited in the nonreverting fund only in the first year in which
6 that amount is collected.

7 (d) The amount to be deposited in the nonreverting fund
8 includes adjustments in the tax due as a result of the termination
9 of deductions or credits available only for property that satisfies
10 the eligibility for a standard deduction under IC 6-1.1-12-37 or a
11 homestead credit under IC 6-1.1-20.9 (repealed), including the
12 following:

- 13 (1) Supplemental deductions under IC 6-1.1-12-37.5.
- 14 (2) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-1.1-26,
15 IC 6-3.5-6-13, IC 6-3.5-6-32, IC 6-3.5-7-13.1, or IC 6-3.5-7-26,
16 or any other law.
- 17 (3) Credit for excessive property taxes under IC 6-1.1-20.6-7.5
18 or IC 6-1.1-20.6-8.5.

19 Any amount paid that exceeds the amount required to be deposited
20 in the nonreverting fund shall be distributed as property taxes.

21 (e) Money in the nonreverting fund shall be treated as
22 miscellaneous revenue. Distributions shall be made from the
23 nonreverting fund established under this section upon
24 appropriation by the county fiscal body and shall be made only for
25 the following purposes:

- 26 (1) Fees and other costs incurred by the county auditor to
27 discover property that is eligible for a standard deduction
28 under IC 6-1.1-12-37 or a homestead credit under
29 IC 6-1.1-20.9 (repealed).
- 30 (2) Other expenses of the office of the county auditor.
- 31 (3) The cost of preparing, sending, and processing notices
32 described in IC 6-1.1-22-8.1(b)(9) and checklists or notices
33 described in IC 6-1.1-22.5-12(d).

34 The amount of deposits in a reverting fund, the balance of a
35 nonreverting fund, and expenditures from a reverting fund may
36 not be considered in establishing the budget of the office of the
37 county auditor or in setting property tax levies that will be used in
38 any part to fund the office of the county auditor.

39 SECTION 19. IC 6-2.5-6-9, AS AMENDED BY P.L.162-2006,
40 SECTION 23, AND AS AMENDED BY P.L.184-2006, SECTION 2,
41 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) In determining the

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1 amount of state gross retail and use taxes which a retail merchant must
 2 remit under section 7 of this chapter, the retail merchant shall, subject
 3 to subsections (c) and (d), deduct from the retail merchant's gross retail
 4 income from retail transactions made during a particular reporting
 5 period, an amount equal to the retail merchant's receivables which:

6 (1) resulted from retail transactions in which the retail merchant
 7 did not collect the state gross retail or use tax from the purchaser;

8 (2) resulted from retail transactions on which the retail merchant
 9 has previously paid the state gross retail or use tax liability to the
 10 department; and

11 (3) were written off as an uncollectible debt for federal tax
 12 purposes under Section 166 of the Internal Revenue Code during
 13 the particular reporting period.

14 (b) If a retail merchant deducts a receivable under subsection (a)
 15 and subsequently collects all or part of that receivable, then the retail
 16 merchant shall, subject to subsection (d)(6), include the amount
 17 collected as part of the retail merchant's gross retail income from retail
 18 transactions for the particular reporting period in which the retail
 19 merchant makes the collection.

20 (c) This subsection applies only to retail transactions occurring after
 21 ~~June 30, 2007~~. December 31, 2006. As used in this subsection,
 22 "affiliated group" means any combination of the following:

23 (1) An affiliated group within the meaning provided in Section
 24 1504 of the Internal Revenue Code (except that the ownership
 25 percentage in Section 1504(a)(2) of the Internal Revenue Code
 26 shall be determined using fifty percent (50%) instead of eighty
 27 percent (80%)) or a relationship described in Section 267(b)(11)
 28 of the Internal Revenue Code.

29 (2) Two (2) or more partnerships (as defined in IC 6-3-1-19),
 30 including limited liability companies and limited liability
 31 partnerships, that have the same degree of mutual ownership as
 32 an affiliated group described in subdivision (1), as determined
 33 under the rules adopted by the department.

34 The right to a deduction under this section is not assignable to an
 35 individual or entity that is not part of the same affiliated group as the
 36 assignor.

37 (d) The following provisions apply to a deduction for a receivable
 38 treated as uncollectible debt under subsection (a):

39 (1) The deduction does not include interest.

40 (2) The amount of the deduction shall be determined in the
 41 manner provided by Section 166 of the Internal Revenue Code for
 42 bad debts but shall be adjusted to:

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- 1 (A) exclude:
- 2 ~~(A)~~ (i) financing charges or interest;
- 3 ~~(B)~~ (ii) sales or use taxes charged on the purchase price;
- 4 ~~(C)~~ (iii) uncollectible amounts on property that remain in the
- 5 possession of the seller until the full purchase price is paid;
- 6 ~~(D)~~ (iv) expenses incurred in attempting to collect any debt;
- 7 and
- 8 ~~(E)~~ (v) repossessed property; **and**
- 9 **(B) include amounts previously deducted for federal**
- 10 **income tax purposes under Section 165 of the Internal**
- 11 **Revenue Code by a retail merchant or a member of the**
- 12 **retail merchant's affiliated group (as defined in subsection**
- 13 **(c)) and not previously allowed as a deduction under this**
- 14 **section.**
- 15 (3) The deduction shall be claimed on the return for the period
- 16 during which the receivable is written off as uncollectible in the
- 17 claimant's books and records and is eligible to be deducted for
- 18 federal income tax purposes. For purposes of this subdivision, a
- 19 claimant who is not required to file federal income tax returns
- 20 may deduct an uncollectible receivable on a return filed for the
- 21 period in which the receivable is written off as uncollectible in the
- 22 claimant's books and records and would be eligible for a bad debt
- 23 deduction for federal income tax purposes if the claimant were
- 24 required to file a federal income tax return.
- 25 (4) If the amount of uncollectible receivables claimed as a
- 26 deduction by a retail merchant for a particular reporting period
- 27 exceeds the amount of the retail merchant's taxable sales for that
- 28 reporting period, the retail merchant may file a refund claim
- 29 under IC 6-8.1-9. However, the deadline for the refund claim shall
- 30 be measured from the due date of the return for the reporting
- 31 period on which the deduction for the uncollectible receivables
- 32 could first be claimed.
- 33 (5) If a retail merchant's filing responsibilities have been assumed
- 34 by a certified service provider (as defined in IC 6-2.5-11-2), the
- 35 certified service provider may claim, on behalf of the retail
- 36 merchant, any deduction or refund for uncollectible receivables
- 37 provided by this section. The certified service provider must
- 38 credit or refund the full amount of any deduction or refund
- 39 received to the retail merchant.
- 40 (6) For purposes of reporting a payment received on a previously
- 41 claimed uncollectible receivable, any payments made on a debt or
- 42 account shall be applied first proportionally to the taxable price

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1 of the property and the state gross retail tax or use tax thereon,
2 and secondly to interest, service charges, and any other charges.

3 (7) A retail merchant claiming a deduction for an uncollectible
4 receivable may allocate that receivable among the states that are
5 members of the streamlined sales and use tax agreement if the
6 books and records of the retail merchant support that allocation.

7 SECTION 20. IC 6-9-39-5, AS AMENDED BY P.L.3-2008,
8 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2009]: Sec. 5. (a) The fiscal body of a county may collect a
10 county option dog tax imposed under section 3 of this chapter by any
11 combination of the following methods:

12 (1) By designating one (1) or more persons in the county to
13 collect the tax.

14 (2) By requiring a person who harbors or keeps a taxable dog to
15 submit a complete and accurate county option dog tax return.

16 (3) By a method other than a method described in subdivision (1)
17 or (2) as determined by the fiscal body of the county.

18 (b) A designee under subsection (a)(1) may retain a fee from the tax
19 collected for each taxable dog in an amount determined by the fiscal
20 body not to exceed seventy-five cents (\$0.75). A designee shall remit
21 the balance of the money collected to the county treasurer by the tenth
22 day of each month.

23 (c) If a fiscal body chooses to collect a county option dog tax
24 imposed under section 3 of this chapter by requiring the submission of
25 a county option dog tax return under subsection (a), the county
26 treasurer may include a county option dog tax return form with every
27 property tax statement that is mailed to a person under
28 ~~IC 6-1.1-22-8.1(b)(1)~~. **IC 6-1.1-22-8.1(a)(1)**.

29 (d) The department of local government finance shall prescribe a
30 county option dog tax return form that a county may use for the
31 reporting of county option dog tax liability.

32 SECTION 21. [EFFECTIVE JULY 1, 2009] **(a) The commission
33 on state tax and financing policy established under IC 2-5-3 shall
34 in 2011 study issues related to the notice provided under
35 IC 6-1.1-22-8.1(b)(9), as added by this act, and the termination of
36 deductions under that provision.**

37 **(b) Before November 1, 2011, the commission on state tax and
38 financing policy shall report findings and make recommendations
39 concerning the study topic described in subsection (a) in a final
40 report to the legislative council in an electronic format under
41 IC 5-14-6.**

42 **(c) This SECTION expires July 1, 2012.**



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1 SECTION 22. [EFFECTIVE JULY 1, 2008 (RETROACTIVE)] (a)
2 **The definitions in IC 6-1.1-1 apply throughout this SECTION.**
3 **(b) A reference in this SECTION to IC 6-1.1-15-1 is a reference**
4 **to that section as in effect on July 1, 2008.**
5 **(c) Notwithstanding IC 6-1.1-15-1 and upon petition of the**
6 **county assessor, the commissioner of the department of local**
7 **government finance may extend the appeal deadline for taxpayers**
8 **in a county that receive a reconciling tax statement under**
9 **IC 6-1.1-22.5 based on the assessment date in 2007 and first due**
10 **and payable in 2008 to a date not later than July 1, 2009.**
11 **(d) This SECTION expires January 1, 2010.**
12 SECTION 23. An emergency is declared for this act.

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COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 285, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- Page 1, delete lines 1 through 17.
- Page 2, delete lines 1 through 32.
- Page 8, delete lines 11 through 12.
- Page 8, line 13, delete "(3)" and insert "(2)".
- Page 8, line 20, delete "(4)" and insert "(3)".
- Page 8, line 24, delete "(k)(3)" and insert "(k)(2)".
- Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 285 as introduced.)

LAWSON C, Chairperson

Committee Vote: Yeas 9, Nays 0.

 COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 285, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1 begin a new paragraph and insert:

"SECTION 1. IC 5-28-15-10, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE DECEMBER 1, 2008 (RETROACTIVE)]: Sec. 10. (a) **Subject to subsection (b)**, an enterprise zone expires ten (10) years after the day on which it is designated by the board.

(b) In the period beginning December 1, 2008, and ending December 31, 2014, an enterprise zone shall not expire under this section unless the fiscal body of the municipality in which the enterprise zone is located adopts a resolution requesting the board to allow the enterprise zone to expire. The fiscal body shall submit a copy of the resolution to the board at least sixty (60) days before the expiration date of the enterprise zone (as determined without regard to the moratorium on expirations provided by this

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subsection). The board shall allow an enterprise zone to expire in compliance with any request it receives under this subsection.

(c) The two (2) year period immediately before the day on which the enterprise zone expires is the phaseout period. During the phaseout period, the board may review the success of the enterprise zone based on the following criteria and may, with the consent of the budget committee, renew the enterprise zone, including all provisions of this chapter, for five (5) years:

- (1) Increases in capital investment in the zone.
- (2) Retention of jobs and creation of jobs in the zone.
- (3) Increases in employment opportunities for residents of the zone.

~~(b)~~ (d) If an enterprise zone is renewed under subsection ~~(a)~~ (c), the two (2) year period immediately before the day on which the enterprise zone expires is another phaseout period. During the phaseout period, the board may review the success of the enterprise zone based on the criteria set forth in subsection ~~(a)~~ (c) and, with the consent of the budget committee, may again renew the enterprise zone, including all provisions of this chapter, for a final period of five (5) years. The zone may not be renewed after the expiration of this final five (5) year period.

SECTION 2. IC 6-1.1-8.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) A taxpayer or the county assessor of the qualifying county in which the industrial facility is located may appeal an assessment by the department of local government finance made under this chapter to the Indiana board. An appeal under this section shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. An assessment made under this chapter that is not appealed under this section is a final unappealable order of the department of local government finance.

(b) The Indiana board shall hold a hearing on the appeal and issue an order within one (1) year after the date the appeal is filed.

(c) The county assessor of a qualifying county may not expend public money appealing an assessment under this section unless the following requirements are met before a petition of review is submitted to the Indiana board:

- (1) The county assessor submits to the county fiscal body a written estimate of the cost of the appeal.
- (2) The county fiscal body adopts a resolution approving the county assessor's proposed expenditure to carry out the appeal.
- (3) The total amount of the proposed expenditure is in

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accordance with an appropriation made by the county fiscal body in the manner provided by law.

Page 18, after line 19, begin a new paragraph and insert:

"SECTION 10. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 285 as printed January 23, 2009.)

CRAWFORD, Chair

Committee Vote: yeas 24, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 285 be amended to read as follows:

Page 19, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 10. IC 6-2.5-6-9, AS AMENDED BY P.L.162-2006, SECTION 23, AND AS AMENDED BY P.L.184-2006, SECTION 2, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) In determining the amount of state gross retail and use taxes which a retail merchant must remit under section 7 of this chapter, the retail merchant shall, subject to subsections (c) and (d), deduct from the retail merchant's gross retail income from retail transactions made during a particular reporting period, an amount equal to the retail merchant's receivables which:

- (1) resulted from retail transactions in which the retail merchant did not collect the state gross retail or use tax from the purchaser;
- (2) resulted from retail transactions on which the retail merchant has previously paid the state gross retail or use tax liability to the department; and
- (3) were written off as an uncollectible debt for federal tax purposes under Section 166 of the Internal Revenue Code during the particular reporting period.

(b) If a retail merchant deducts a receivable under subsection (a) and subsequently collects all or part of that receivable, then the retail merchant shall, subject to subsection (d)(6), include the amount collected as part of the retail merchant's gross retail income from retail transactions for the particular reporting period in which the retail merchant makes the collection.

(c) This subsection applies only to retail transactions occurring after



~~June 30, 2007. December 31, 2006.~~ As used in this subsection, "affiliated group" means any combination of the following:

- (1) An affiliated group within the meaning provided in Section 1504 of the Internal Revenue Code (except that the ownership percentage in Section 1504(a)(2) of the Internal Revenue Code shall be determined using fifty percent (50%) instead of eighty percent (80%)) *or a relationship described in Section 267(b)(11) of the Internal Revenue Code.*
- (2) Two (2) or more partnerships (as defined in IC 6-3-1-19), including limited liability companies and limited liability partnerships, that have the same degree of mutual ownership as an affiliated group described in subdivision (1), as determined under the rules adopted by the department.

The right to a deduction under this section is not assignable to an individual or entity that is not part of the same affiliated group as the assignor.

(d) The following provisions apply to a deduction for a receivable treated as uncollectible debt under subsection (a):

- (1) The deduction does not include interest.
- (2) The amount of the deduction shall be determined in the manner provided by Section 166 of the Internal Revenue Code for bad debts but shall be adjusted to:

(A) exclude:

- ~~(A)~~ (i) financing charges or interest;
- ~~(B)~~ (ii) sales or use taxes charged on the purchase price;
- ~~(C)~~ (iii) uncollectible amounts on property that remain in the possession of the seller until the full purchase price is paid;
- ~~(D)~~ (iv) expenses incurred in attempting to collect any debt; and
- ~~(E)~~ (v) repossessed property; **and**

(B) include amounts previously deducted for federal income tax purposes under Section 165 of the Internal Revenue Code by a retail merchant or a member of the retail merchant's affiliated group (as defined in subsection (c)) and not previously allowed as a deduction under this section.

- (3) The deduction shall be claimed on the return for the period during which the receivable is written off as uncollectible in the claimant's books and records and is eligible to be deducted for federal income tax purposes. For purposes of this subdivision, a claimant who is not required to file federal income tax returns may deduct an uncollectible receivable on a return filed for the

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period in which the receivable is written off as uncollectible in the claimant's books and records and would be eligible for a bad debt deduction for federal income tax purposes if the claimant were required to file a federal income tax return.

(4) If the amount of uncollectible receivables claimed as a deduction by a retail merchant for a particular reporting period exceeds the amount of the retail merchant's taxable sales for that reporting period, the retail merchant may file a refund claim under IC 6-8.1-9. However, the deadline for the refund claim shall be measured from the due date of the return for the reporting period on which the deduction for the uncollectible receivables could first be claimed.

(5) If a retail merchant's filing responsibilities have been assumed by a certified service provider (as defined in IC 6-2.5-11-2), the certified service provider may claim, on behalf of the retail merchant, any deduction or refund for uncollectible receivables provided by this section. The certified service provider must credit or refund the full amount of any deduction or refund received to the retail merchant.

(6) For purposes of reporting a payment received on a previously claimed uncollectible receivable, any payments made on a debt or account shall be applied first proportionally to the taxable price of the property and the state gross retail tax or use tax thereon, and secondly to interest, service charges, and any other charges.

(7) A retail merchant claiming a deduction for an uncollectible receivable may allocate that receivable among the states that are members of the streamlined sales and use tax agreement if the books and records of the retail merchant support that allocation.".
Renumber all SECTIONS consecutively.

(Reference is to ESB 285 as printed April 10, 2009.)

WELCH

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 285 be amended to read as follows:

Page 2, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-5.5-5, AS AMENDED BY P.L.144-2008, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The department of local government finance

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shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

- (1) The key number (as defined in IC 6-1.1-1-8.5) of each parcel.
- (2) With respect to each parcel, whether the entire parcel is being conveyed.
- (3) The address of each improved parcel.
- (4) The date of the execution of the form.
- (5) The date the property was transferred.
- (6) Whether the transfer includes an interest in land or improvements, or both.
- (7) Whether the transfer includes personal property.
- (8) An estimate of the value of any personal property included in the transfer.
- (9) The name, address, and telephone number of:
 - (A) each transferor and transferee; and
 - (B) the person that prepared the form.
- (10) The mailing address to which the property tax bills or other official correspondence should be sent.
- (11) The ownership interest transferred.
- (12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).
- (13) Subject to subsection (c), the total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but excluding tax payments and payments for legal and other services that are incidental to the conveyance.
- (14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the loan.
- (15) Any family or business relationship existing between the transferor and the transferee.
- (16) A legal description of each parcel subject to the conveyance.
- (17) Whether the transferee is using the form to claim **the following one (1) or more deductions under IC 6-1.1-12-44** for property taxes first due and payable in a calendar year after 2008.
 - (A) ~~One (1) or more deductions under IC 6-1.1-12-44.~~
 - (B) ~~The homestead credit under IC 6-1.1-20.9-3.5.~~
- (18) If the transferee uses the form to claim the **homestead credit standard deduction** under IC 6-1.1-20.9-3.5, the name of any other county and township in which the transferee of residential

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real property owns or is buying residential real property. IC 6-1.1-12-37, the information required for a standard deduction under IC 6-1.1-12-37.

(19) Sufficient instructions and information to permit a party to terminate a standard deduction under IC 6-1.1-12-37 on any parcel of property on which the party or the spouse of the party will no longer be eligible for the standard deduction under IC 6-1.1-12-37 after the party or the party's spouse begins to reside at the property that is the subject of the sales disclosure form, including an explanation of the tax consequences and applicable penalties if a party unlawfully claims a standard deduction under IC 6-1.1-12-37.

~~(19)~~ **(20) Other information as required by the department of local government finance to carry out this chapter.**

If a form under this section includes the telephone number or **part or all of** the Social Security number of a party, the telephone number or the Social Security number is confidential.

(b) The instructions for completing the form described in subsection (a) must include the information described in IC 6-1.1-12-43(c)(1).

(c) If the conveyance includes more than one (1) parcel as described in section 3(h) of this chapter, the form:

- (1) is not required to include the price referred to in subsection (a)(13) for each of the parcels subject to the conveyance; and
- (2) may state a single combined price for all of those parcels."

Page 2, between lines 40 and 41, begin a new paragraph and insert:
 "SECTION 4. IC 6-1.1-12-17.8, AS AMENDED BY P.L.144-2008, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17.8. (a) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, ~~or~~ 17.4, **or 37** of this chapter in a particular year and who remains eligible for the deduction in the following year is not required to file a statement to apply for the deduction in the following year. **However, for purposes of a deduction under section 37 of this chapter, the county auditor may, in the county auditor's discretion, terminate the deduction for assessment dates after January 15, 2012, if the individual does not comply with the requirement in IC 6-1.1-22-8.1(b)(9), as determined by the county auditor, before January 1, 2013. Before the county auditor terminates the deduction because the taxpayer claiming the deduction did not comply with the requirement in IC 6-1.1-22-8.1(b)(9) before January 1, 2013, the county auditor shall mail notice of the proposed termination of the deduction to:**

- (1) the last known address of each person liable for any

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**property taxes or special assessment, as shown on the tax duplicate or special assessment records; or
(2) the last known address of the most recent owner shown in the transfer book.**

(b) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter in a particular year and who becomes ineligible for the deduction in the following year shall notify the auditor of the county in which the real property, mobile home, or manufactured home for which the individual claims the deduction is located of the individual's ineligibility in the year in which the individual becomes ineligible. **An individual who becomes ineligible for a deduction under section 37 of this chapter shall notify the county auditor of the county in which the property is located in conformity with section 37 of this chapter.**

(c) The auditor of each county shall, in a particular year, apply a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4, or 37 of this chapter to each individual who received the deduction in the preceding year unless the auditor determines that the individual is no longer eligible for the deduction.

(d) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4, or 37 of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the deduction in the following year is not required to file a statement to reapply for the deduction following the removal of the joint owner if:

- (1) the individual is the sole owner of the property following the death of the individual's spouse;
- (2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or
- (3) the individual is awarded sole ownership of the property in a divorce decree.

However, for purposes of a deduction under section 37 of this chapter, if the removal of the joint owner occurs before the date that a notice described in IC 6-1.1-22-8.1(b)(9) is sent, the county auditor may, in the county auditor's discretion, terminate the deduction for assessment dates after January 15, 2012, if the individual does not comply with the requirement in IC 6-1.1-22-8.1(b)(9), as determined by the county auditor, before January 1, 2013. Before the county auditor terminates the deduction because the taxpayer claiming the deduction did not comply with the requirement in IC 6-1.1-22-8.1(b)(9) before January 1, 2013, the county auditor shall mail notice of the

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proposed termination of the deduction to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records or the last known address of the most recent owner shown in the transfer book.

(e) A trust entitled to a deduction under section 9, 11, 13, 14, 16, or 17.4, or 37 of this chapter for real property owned by the trust and occupied by an individual in accordance with section 17.9 of this chapter is not required to file a statement to apply for the deduction, if:

- (1) the individual who occupies the real property receives a deduction provided under section 9, 11, 13, 14, 16, or 17.4, or 37 of this chapter in a particular year; and
- (2) the trust remains eligible for the deduction in the following year.

However, for purposes of a deduction under section 37 of this chapter, the individuals that qualify the trust for a deduction must comply with the requirement in IC 6-1.1-22-8.1(b)(9) before January 1, 2013.

(f) A cooperative housing corporation (as defined in 26 U.S.C. 216) that is entitled to a deduction under section 37 of this chapter in the immediately preceding calendar year for a homestead (as defined in section 37 of this chapter) is not required to file a statement to apply for the deduction for the current calendar year if the cooperative housing corporation remains eligible for the deduction for the current calendar year. However, the county auditor may, in the county auditor's discretion, terminate the deduction for assessment dates after January 15, 2012, if the individual does not comply with the requirement in IC 6-1.1-22-8.1(b)(9), as determined by the county auditor, before January 1, 2013. Before the county auditor terminates a deduction because the taxpayer claiming the deduction did not comply with the requirement in IC 6-1.1-22-8.1(b)(9) before January 1, 2013, the county auditor shall mail notice of the proposed termination of the deduction to:

- (1) the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records; or
- (2) the last known address of the most recent owner shown in the transfer book.

(g) An individual who:

- (1) was eligible for a homestead credit under IC 6-1.1-20.9 (repealed) for property taxes imposed for the March 1, 2007,

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or January 15, 2008, assessment date; or
 (2) would have been eligible for a homestead credit under IC 6-1.1-20.9 (repealed) for property taxes imposed for the March 1, 2008, or January 15, 2009, assessment date if IC 6-1.1-20.9 had not been repealed;

is not required to file a statement to apply for a deduction under section 37 of this chapter if the individual remains eligible for the deduction in the current year. An individual who filed for a homestead credit under IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if the property is real property), or after January 1, 2008 (if the property is personal property), shall be treated as an individual who has filed for a deduction under section 37 of this chapter. However, the county auditor may, in the county auditor's discretion, terminate the deduction for assessment dates after January 15, 2012, if the individual does not comply with the requirement in IC 6-1.1-22-8.1(b)(9), as determined by the county auditor, before January 1, 2013. Before the county auditor terminates the deduction because the taxpayer claiming the deduction did not comply with the requirement in IC 6-1.1-22-8.1(b)(9) before January 1, 2013, the county auditor shall mail notice of the proposed termination of the deduction to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book.

(h) If a county auditor terminates a deduction because the taxpayer claiming the deduction did not comply with the requirement in IC 6-1.1-22-8.1(b)(9) before January 1, 2013, the county auditor shall reinstate the deduction if the taxpayer provides proof that the taxpayer is eligible for the deduction and is not claiming the deduction for any other property.

SECTION 5. IC 6-1.1-12-37, AS AMENDED BY P.L.146-2008, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 37. (a) The following definitions apply throughout this section:

- (1) "Dwelling" means any of the following:
 - (A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.
 - (B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.
 - (C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

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(2) "Homestead" means an individual's principal place of residence: ~~that:~~

(A) ~~that~~ is located in Indiana;

(B) ~~the individual:~~ **that:**

(i) **the individual** owns;

(ii) **the individual** is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; ~~or~~

(iii) **the individual** is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); ~~or~~

(iv) is a residence described in section 17.9 of this chapter that is owned by a trust if the individual is an individual described in section 17.9 of this chapter; and

(C) ~~that~~ consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

The term does not include property owned by a corporation, partnership, limited liability company, or other entity not described in this subdivision.

(b) Each year an individual who on March 1 of a particular year ~~or, in the case of a mobile home that is assessed as personal property, the immediately following January 15;~~ either owns or is buying a homestead under a contract, recorded in the county recorder's office, that provides the individual is to pay property taxes on the a homestead is ~~entitled to~~ **eligible for** a standard deduction from the assessed value of the homestead ~~for an assessment date. The deduction provided by this section applies to property taxes first due and payable for an assessment date only if an individual has an interest in the homestead described in subsection (a)(2)(B) on:~~

(1) the assessment date; or

(2) any date in the same year after an assessment date that a statement is filed under subsection (e) or section 44 of this chapter, if the property consists of real property.

Subject to subsection (c), the auditor of the county shall record and make the deduction for the ~~person~~ **individual or entity** qualifying for the deduction.

(c) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

(1) sixty percent (60%) of the assessed value of the real property,

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mobile home not assessed as real property, or manufactured home not assessed as real property; or

(2) forty-five thousand dollars (\$45,000).

~~2010;~~

(d) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(e) Except as provided in sections 17.8 and 44 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement must include:

(1) the parcel number or key number of the property and the name of the city, town, or township in which the property is located;

(2) the name of any other location in which the applicant or the applicant's spouse owns, is buying, or has a beneficial interest in residential real property;

(3) the names of:

(A) the applicant and the applicant's spouse (if any):

(i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or

(ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is an individual; or

(B) each individual who qualifies property as a homestead under subsection (a)(2)(B) and the individual's spouse (if any):

(i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or

(ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is not an individual; and

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(4) either:

(A) the last five (5) digits of the applicant's Social Security number and the last five (5) digits of the Social Security number of the applicant's spouse (if any); or

(B) if the applicant or the applicant's spouse (if any) does not have a Social Security number, any of the following for that individual:

(i) The last five (5) digits of the individual's driver's license number.

(ii) The last five (5) digits of the individual's state identification card number.

(iii) If the individual does not have a driver's license or a state identification card, the last five (5) digits of a control number that is on a document issued to the individual by the federal government and determined by the department of local government finance to be acceptable.

If a form or statement provided to the county auditor under this section, IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or part or all of the Social Security number of a party or other number described in subdivision (4)(B) of a party, the telephone number and the Social Security number or other number described in subdivision (4)(B) that are included are confidential. The statement may be filed in person or by mail. If the statement is mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the deduction is allowed. With respect to real property, the person must file the statement during the year for which the person desires to obtain the deduction. With respect to a mobile home that is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of the year for which the person desires to obtain the deduction.

(f) If an individual who is receiving the deduction provided by this section or who otherwise qualifies property for a deduction under this section:

(1) changes the use of the individual's property so that part or all of the property no longer qualifies for the deduction under this section; or

(2) is no longer eligible for a deduction under this section on another parcel of property because:

(A) the individual would otherwise receive the benefit of

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**more than one (1) deduction under this chapter; or
(B) the individual maintains the individual's principal place of residence with another individual who receives a deduction under this section;**

the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use, not more than sixty (60) days after the date of that change. An individual who fails to file the statement required by this subsection is liable for any additional taxes that would have been due on the property if the individual had filed the statement as required by this subsection plus a civil penalty equal to ten percent (10%) of the additional taxes due. The civil penalty imposed under this subsection is in addition to any interest and penalties for a delinquent payment that might otherwise be due. This amount becomes part of the property tax liability for purposes of this article. One-tenth (1/10) of the total amount of the civil penalty collected under this subsection shall be transferred by the county to the department of local government finance for use by the department in establishing and maintaining the homestead property data base under subsection (i) and, to the extent there is money remaining, for any other purposes of the department.

(~~e~~) (g) The department of local government finance shall adopt rules or guidelines concerning the application for a deduction under this section.

(~~f~~) (h) This subsection does not apply to property in the first year for which a deduction is claimed under this section if the sole reason that a deduction is claimed on other property is that the individual or married couple maintained a principal residence at the other property on March 1 in the same year in which an application for a deduction is filed under this section or, if the application is for a homestead that is assessed as personal property, on March 1 in the immediately preceding year and the individual or married couple is moving the individual's or married couple's principal residence to the property that is the subject of the application. The county auditor may not grant an individual or a married couple a deduction under this section if:

- (1) the individual or married couple, for the same year, claims the deduction on two (2) or more different applications for the deduction; and**
- (2) the applications claim the deduction for different property.**

(i) The department of local government finance shall provide secure access to county auditors to a homestead property data base

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that includes access to the homestead owner's name and the numbers required from the homestead owner under subsection (e)(4) for the sole purpose of verifying whether an owner is wrongly claiming a deduction under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or IC 6-3.5.

(j) The department of local government finance shall work with county auditors to develop procedures to determine whether a property owner that is claiming a standard deduction or homestead credit is not eligible for the standard deduction or homestead credit because the property owner's principal place of residence is outside Indiana.

SECTION 6. IC 6-1.1-12-43, AS AMENDED BY P.L.145-2008, SECTION 9, AND AS AMENDED BY P.L.146-2008, SECTION 120, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 43. (a) For purposes of this section:

- (1) "benefit" refers to
 - ~~(A)~~ a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29, 31, 33, ~~or 34, 37, or 37.5~~ of this chapter; ~~or~~
 - ~~(B) the homestead credit under IC 6-1.1-20.9-2;~~
- (2) "closing agent" means a person that closes a transaction;
- (3) "customer" means an individual who obtains a loan in a transaction; and
- (4) "transaction" means a single family residential:
 - (A) first lien purchase money mortgage transaction; or
 - (B) refinancing transaction.

(b) Before closing a transaction after December 31, 2004, a closing agent must provide to the customer the form referred to in subsection (c).

(c) Before June 1, 2004, the department of local government finance shall prescribe the form to be provided by closing agents to customers under subsection (b). The department shall make the form available to closing agents, county assessors, county auditors, and county treasurers in hard copy and electronic form. County assessors, county auditors, and county treasurers shall make the form available to the general public. The form must:

- (1) on one (1) side:
 - (A) list each benefit;
 - (B) list the eligibility criteria for each benefit; and
 - (C) indicate that a new application for a deduction under section 1 of this chapter is required when residential real property is refinanced;
- (2) on the other side indicate:

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(A) each action by and ~~(B)~~ each type of documentation from the customer required to file for each benefit; and

(B) sufficient instructions and information to permit a party to terminate a standard deduction under section 37 of this chapter on any property on which the party or the spouse of the party will no longer be eligible for the standard deduction under section 37 of this chapter after the party or the party's spouse begins to reside at the property that is the subject of the closing, including an explanation of the tax consequences and applicable penalties, if a party unlawfully claims a standard deduction under section 37 of this chapter; and

(3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the form from other documents typically used in a closing referred to in subsection (b).

(d) A closing agent:

(1) may reproduce the form referred to in subsection (c);

(2) in reproducing the form, must use a print color prescribed by the department of local government finance; and

(3) is not responsible for the content of the form referred to in subsection (c) and shall be held harmless by the department of local government finance from any liability for the content of the form.

(e) This subsection applies to a transaction that is closed after December 31, 2009. In addition to providing the customer the form described in subsection (c) before closing the transaction, a closing agent shall do the following as soon as possible after the closing, and within the time prescribed by the department of insurance under IC 27-7-3-15.5:

(1) To the extent determinable, input the information described in IC 27-7-3-15.5(c)(2) into the system maintained by the department of insurance under IC 27-7-3-15.5.

(2) Submit the form described in IC 27-7-3-15.5(c) to the data base described in IC 27-7-3-15.5(c)(2)(D).

~~(f)~~ (f) A closing agent to which this section applies shall document *its* the closing agent's compliance with this section with respect to each transaction in the form of verification of compliance signed by the customer.

~~(g)~~ (g) Subject to IC 27-7-3-15.5(d), a closing agent is subject to a civil penalty of twenty-five dollars (\$25) for each instance in which the closing agent fails to comply with this section with respect to a

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customer. The penalty:

(1) may be enforced by the state agency that has administrative jurisdiction over the closing agent in the same manner that the agency enforces the payment of fees or other penalties payable to the agency; and

(2) shall be paid into:

(A) the *property tax replacement state general fund, if the closing agent fails to comply with subsection (b); or*

(B) *the home ownership education account established by IC 5-20-1-27, if the closing agent fails to comply with subsection (e) in a transaction that is closed after December 31, 2009.*

(h) A closing agent is not liable for any other damages claimed by a customer because of:

(1) the closing agent's mere failure to provide the appropriate document to the customer *under subsection (b); or*

(2) *with respect to a transaction that is closed after December 31, 2009, the closing agent's failure to input the information or submit the form described in subsection (e).*

~~(g)~~ (i) The state agency that has administrative jurisdiction over a closing agent shall:

(1) examine the closing agent to determine compliance with this section; and

(2) impose and collect penalties under subsection ~~(f)~~ (g).

SECTION 7. IC 6-1.1-12-44, AS ADDED BY P.L.144-2008, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]; Sec. 44. (a) A sales disclosure form under IC 6-1.1-5.5:

(1) that is submitted:

(A) as a paper form; or

(B) electronically;

on or before December 31 of a calendar year to the county assessor by or on behalf of the purchaser of a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **section 37 of this chapter**) assessed as real property;

(2) that is accurate and complete;

(3) that is approved by the county assessor as eligible for filing with the county auditor; and

(4) that is filed:

(A) as a paper form; or

(B) electronically;

with the county auditor by or on behalf of the purchaser;

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constitutes an application for the deductions provided by sections 26, 29, 33, ~~and 34~~, **and 37** of this chapter with respect to property taxes first due and payable in the calendar year that immediately succeeds the calendar year referred to in subdivision (1).

(b) Except as provided in subsection (c), if:

(1) the county auditor receives in a calendar year a sales disclosure form that meets the requirements of subsection (a); and
 (2) the homestead for which the sales disclosure form is submitted is otherwise eligible for a deduction referred to in subsection (a);
 the county auditor shall apply the deduction to the homestead for property taxes first due and payable in the calendar year for which the homestead qualifies under subsection (a) and in any later year in which the homestead remains eligible for the deduction.

(c) Subsection (b) does not apply if the county auditor, after receiving a sales disclosure form from or on behalf of a purchaser under subsection (a)(4), determines that the homestead is ineligible for the deduction."

Page 3, line 20, delete "IC 6-1.1-22-8.1(i)," and insert "**IC 6-1.1-22-8.1(h)**,".

Page 5, line 16, strike "This section applies only to"

Page 5, strike lines 17 through 18.

Page 5, line 19, strike "(b)".

Page 5, line 20, delete "(i)," and insert "**(h)**,".

Page 5, line 29, strike "(c)." and insert "**(b)**,".

Page 5, line 32, strike "(c)." and insert "**(b)**,".

Page 5, line 35, strike "(c)" and insert "**(b)**,".

Page 5, line 37, strike "(b)" and insert "**(a)**,".

Page 6, delete lines 20 through 36, begin a new line block indented and insert:

"(7) An explanation of the following:

(A) ~~The Homestead credit and credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law that are available in the taxing district where the property is located.~~

(B) All property tax deductions that are available in the taxing district where the property is located.

~~(B)~~ **(C) The procedure and deadline for filing for the any available homestead credit credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law and each deduction.**

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

(i) appeal a current assessment; or

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

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~~(D)~~ (E) The forms that must be filed for an appeal or a petition described in clause ~~(C)~~: (D).

(F) The procedure and deadline that a taxpayer must follow and the forms that must be used if a credit or deduction has been granted for the property and the taxpayer is no longer eligible for the credit or deduction.

The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

(8) A checklist that shows:

(A) ~~the~~ homestead ~~credit credits~~ under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law and all property tax deductions; and

(B) whether ~~the each~~ homestead credit and ~~each~~ property tax deduction applies in the current statement for the property transmitted under subsection ~~(b)~~: (a).

(9) This subdivision applies to any property for which a deduction or credit is listed under subdivision (8) if the notice required under this subdivision was not provided to a taxpayer on a reconciling statement under IC 6-1.1-22.5-12. The statement must include in 2010, 2011, and 2012 a notice that must be returned by the taxpayer to the county auditor with the taxpayer's verification of the items required by this subdivision. The notice must explain the tax consequences and applicable penalties if a taxpayer unlawfully claims a standard deduction under IC 6-1.1-12-37 on:

(A) more than one (1) parcel of property; or

(B) property that is not the taxpayer's principal place of residence or is otherwise not eligible for the standard deduction.

The notice must include a place for the taxpayer to indicate, under penalties of perjury, for each deduction and credit listed under subdivision (8), whether the property is eligible for the deduction or credit listed under subdivision (8). The notice must also include a place for each individual who qualifies the property for a deduction or credit listed in subdivision (8) to indicate the name of the individual and the name of the individual's spouse (if any), as the names appear in the records of the United States Social Security Administration for purposes of the issuance of a Social Security card and Social Security number (or that they use as their legal names when they sign their names on legal documents), and either the last five (5) digits of each

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individual's Social Security number or, if an individual does not have a Social Security number, the numbers required from the individual under IC 6-1.1-12-37(e)(4)(B). The notice must explain that the taxpayer must complete and return the notice with the required information and that failure to complete and return the notice may result in disqualification of property for deductions and credits listed in subdivision (8), must explain how to return the notice, and must be on a separate form printed on paper that is a different color than the tax statement. The notice must be prepared in the form prescribed by the department of local government finance and include any additional information required by the department of local government finance. This subdivision expires January 1, 2014."

Page 6, line 37, strike "(d)" and insert "(c)".

Page 7, line 4, after "installment." insert **"If a statement is returned to the county treasurer as undeliverable and the forwarding order is expired, the county treasurer shall notify the county auditor of this fact. Upon receipt of the county treasurer's notice, the county auditor may, at the county auditor's discretion, treat the property as not being eligible for any deductions under IC 6-1.1-12 or any homestead credits under IC 6-1.1-20.4 and IC 6-3.5-6-13."**

Page 7, line 5, strike "(e)" and insert **"(d)"**.

Page 7, line 10, strike "(f)" and insert **"(e)"**.

Page 7, line 12, strike "(c)." and insert **"(b)."**

Page 7, line 13, strike "(g)" and insert **"(f)"**.

Page 7, line 14, strike "(c)" and insert **"(b)"**.

Page 7, line 16, strike "(h)" and insert **"(g)"**.

Page 7, line 19, delete "(i)" and insert **"(h)"**.

Page 7, line 21, delete "(j)," and insert **"(i),"**

Page 7, line 28, delete "(b)(1)" and insert **"(a)(1)"**.

Page 8, line 8, delete "(j)" and insert **"(i)"**.

Page 8, line 9, delete "(i)" and insert **"(h)"**.

Page 8, line 13, delete "(i)." and insert **"(h)."**

Page 8, line 14, delete "(k)" and insert **"(j)"**.

Page 8, line 15, delete "(i)." and insert **"(h)."**

Page 8, line 20, delete "(i)" and insert **"(h)"**.

Page 8, line 29, delete "(l)" and insert **"(k)"**.

Page 8, line 29, delete "(k)" and insert **"(j)"**.

Page 8, line 30, delete "(k)(2)" and insert **"(j)(2)"**.

Page 8, line 36, delete "(i):" and insert **"(h):"**

Page 9, line 1, delete "(i)." and insert **"(h)."**

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Page 9, line 6, delete "(i)." and insert "**(h)**".

Page 9, line 7, delete "(m)" and insert "**(l)**".

Page 9, line 7, delete "(k)" and insert "**(j)**".

Page 9, line 12, delete "(n)" and insert "**(m)**".

Page 9, between lines 31 and 32, begin a new line block indented and insert:

"(5) Section 9.7 of this chapter."

Page 9, line 42, strike "8.1(b)" and insert "**8.1**".

Page 10, line 7, strike "8.1(b)" and insert "**8.1**".

Page 10, line 41, delete "8.1(i)" and insert "**8.1(h)**".

Page 11, line 3, delete "8.1(b)" and insert "**8.1(a)**".

Page 11, line 9, delete "8.1(i)" and insert "**8.1(h)**".

Page 11, line 11, delete "8.1(i)" and insert "**8.1(h)**".

Page 17, line 18, delete "IC 6-1.1-22-8.1(i)," and insert "**IC 6-1.1-22-8.1(h)**".

Page 17, line 20, delete "IC 6-1.1-22-8.1(i)." and insert "**IC 6-1.1-22-8.1(h)**".

Page 17, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 13. IC 6-1.1-22.5-8, AS ADDED BY P.L.1-2004, SECTION 37, AND AS ADDED BY P.L.23-2004, SECTION 40, AND AMENDED BY P.L.219-2007, SECTION 65, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Sec. 8. **(a)** A provisional statement must:

- (1) be on a form approved by the state board of accounts;
- (2) except as provided in emergency rules adopted under section 20 of this chapter **and subsection (b)**, indicate tax liability in the amount of ninety percent (90%) of the tax liability that was payable in the same year as the assessment date for the property for which the provisional statement is issued;

(3) indicate:

(A) that the tax liability under the provisional statement is determined as described in subdivision (2); and

(B) that property taxes billed on the provisional statement:

- (i) are due and payable in the same manner as property taxes billed on a tax statement under ~~IC 6-1.1-22-8;~~ **IC 6-1.1-22-8.1;** and
- (ii) will be credited against a reconciling statement;

(4) include *the following* ~~a~~ *statement in the following or a substantially similar form, as determined by the department of local government finance:*

"Under Indiana law, _____ County (insert county) has elected to send provisional statements because the county did not

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complete the abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in (insert year) in each taxing district before March 16, (insert year). The statement is due to be paid in installments on ~~May 10~~ _____ (insert date) and ~~November 10~~ _____ (insert date). The statement is based on ninety percent (90%) of your tax liability for taxes payable in (insert year), subject to adjustment for any new construction on your property *or any damage to your property*. After the abstract of property is complete, you will receive a reconciling statement in the amount of your actual tax liability for taxes payable in (insert year), minus the amount you pay under this provisional statement.";

(5) indicate liability for:

- (A) delinquent:
 - (i) taxes; and
 - (ii) special assessments;
- (B) penalties; and
- (C) interest;

is allowed to appear on the tax statement under ~~IC 6-1.1-22-8~~ **IC 6-1.1-22-8.1** for the *May first* installment of property taxes in the year in which the provisional tax statement is issued; ~~and~~

(6) include:

(A) a checklist that shows:

- (i) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law and all property tax deductions; and**
- (ii) whether each homestead credit and property tax deduction was applied in the current provisional statement;**

(B) an explanation of the procedure and deadline that a taxpayer must follow and the forms that must be used if a credit or deduction has been granted for the property and the taxpayer is no longer eligible for the credit or deduction; and

(C) an explanation of the tax consequences and applicable penalties if a taxpayer unlawfully claims a standard deduction under IC 6-1.1-12-37 on:

- (i) more than one (1) parcel of property; or**
- (ii) property that is not the taxpayer's principal place of residence or is otherwise not eligible for a standard deduction; and**

~~(6)~~ **(7) include any other information the county treasurer requires.**

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(b) This subsection applies to property taxes first due and payable for assessment dates after January 15, 2009. The county may apply a standard deduction, supplemental standard deduction, or homestead credit calculated by the county's property system on a provisional bill for a qualified property. If a provisional bill has been used for property tax billings for two (2) consecutive years and a property qualifies for a standard deduction, supplemental standard deduction, or homestead credit for the second year a provisional bill is used, the county shall apply the standard deduction, supplemental standard deduction, or homestead credit calculated by the county's property system on the provisional bill."

Page 18, line 5, delete "IC 6-1.1-22-8.1(i)." and insert "**IC 6-1.1-22-8.1(h).**".

Page 19, line 32, delete "IC 6-1.1-22-8.1(i)," and insert "**IC 6-1.1-22-8.1(h),**".

Page 19, line 34, delete "IC 6-1.1-22-8.1(i)." and insert "**IC 6-1.1-22-8.1(h).**".

Page 19, between lines 34 and 35, a new paragraph and insert:

"(e) At the election of a county auditor, a checklist required by IC 6-1.1-22-8.1(b)(8) and a notice required by IC 6-1.1-22-8.1(b)(9) may be sent to a taxpayer with a reconciling statement under this section. This subsection expires January 1, 2013.

SECTION 16. IC 6-1.1-36-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. (a) As used in this section, "nonreverting fund" refers to a nonreverting fund established under subsection (c).

(b) Each county auditor who makes a determination that property was not eligible for a standard deduction under IC 6-1.1-12-37 or a homestead credit under IC 6-1.1-20.9 (repealed) in a particular year shall notify the county treasurer of the determination. The county auditor shall issue a notice of taxes, interest, and penalties due to the owner and include a statement that the payment is to be made payable to the county auditor. The notice must require full payment of the amount owed within thirty (30) days.

(c) Each county auditor shall establish a nonreverting fund. Upon collection of the adjustment in tax due (and any interest and penalties on that amount) after the termination of a deduction or credit as specified in subsection (b), the county treasurer shall deposit that amount in the nonreverting fund. Any part of the amount that is not collected by the due date shall be placed on the

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tax duplicate for the affected property and collected in the same manner as other property taxes. The adjustment in tax due (and any interest and penalties on that amount) after the termination of a deduction or credit as specified in subsection (b) shall be deposited in the nonreverting fund only in the first year in which that amount is collected.

(d) The amount to be deposited in the nonreverting fund includes adjustments in the tax due as a result of the termination of deductions or credits available only for property that satisfies the eligibility for a standard deduction under IC 6-1.1-12-37 or a homestead credit under IC 6-1.1-20.9 (repealed), including the following:

- (1) Supplemental deductions under IC 6-1.1-12-37.5.
- (2) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-1.1-26, IC 6-3.5-6-13, IC 6-3.5-6-32, IC 6-3.5-7-13.1, or IC 6-3.5-7-26, or any other law.
- (3) Credit for excessive property taxes under IC 6-1.1-20.6-7.5 or IC 6-1.1-20.6-8.5.

Any amount paid that exceeds the amount required to be deposited in the nonreverting fund shall be distributed as property taxes.

(e) Money in the nonreverting fund shall be treated as miscellaneous revenue. Distributions shall be made from the nonreverting fund established under this section upon appropriation by the county fiscal body and shall be made only for the following purposes:

- (1) Fees and other costs incurred by the county auditor to discover property that is eligible for a standard deduction under IC 6-1.1-12-37 or a homestead credit under IC 6-1.1-20.9 (repealed).
- (2) Other expenses of the office of the county auditor.
- (3) The cost of preparing, sending, and processing notices described in IC 6-1.1-22-8.1(b)(9) and checklists or notices described in IC 6-1.1-22.5-12(d).

The amount of deposits in a reverting fund, the balance of a nonreverting fund, and expenditures from a reverting fund may not be considered in establishing the budget of the office of the county auditor or in setting property tax levies that will be used in any part to fund the office of the county auditor.

SECTION 17. IC 6-9-39-5, AS AMENDED BY P.L.3-2008, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The fiscal body of a county may collect a county option dog tax imposed under section 3 of this chapter by any

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combination of the following methods:

- (1) By designating one (1) or more persons in the county to collect the tax.
- (2) By requiring a person who harbors or keeps a taxable dog to submit a complete and accurate county option dog tax return.
- (3) By a method other than a method described in subdivision (1) or (2) as determined by the fiscal body of the county.

(b) A designee under subsection (a)(1) may retain a fee from the tax collected for each taxable dog in an amount determined by the fiscal body not to exceed seventy-five cents (\$0.75). A designee shall remit the balance of the money collected to the county treasurer by the tenth day of each month.

(c) If a fiscal body chooses to collect a county option dog tax imposed under section 3 of this chapter by requiring the submission of a county option dog tax return under subsection (a), the county treasurer may include a county option dog tax return form with every property tax statement that is mailed to a person under ~~IC 6-1.1-22-8.1(b)(1)~~. **IC 6-1.1-22-8.1(a)(1)**.

(d) The department of local government finance shall prescribe a county option dog tax return form that a county may use for the reporting of county option dog tax liability.

SECTION 18. [EFFECTIVE JULY 1, 2009] (a) The commission on state tax and financing policy established under IC 2-5-3 shall in 2011 study issues related to the notice provided under IC 6-1.1-22-8.1(b)(9), as added by this act, and the termination of deductions under that provision.

(b) Before November 1, 2011, the commission on state tax and financing policy shall report findings and make recommendations concerning the study topic described in subsection (a) in a final report to the legislative council in an electronic format under IC 5-14-6.

(c) This SECTION expires July 1, 2012."

Renumber all SECTIONS consecutively.

(Reference is to ESB 285 as printed April 10, 2009.)

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HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 285 be amended to read as follows:

Page 2, delete lines 41 through 42, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-15-1, AS AMENDED BY P.L.146-2008, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A taxpayer may obtain a review by the county board of a county or township official's action with respect to either or both of the following:

- (1) The assessment of the taxpayer's tangible property.
- (2) A deduction for which a review under this section is authorized by any of the following:
 - (A) IC 6-1.1-12-25.5.
 - (B) IC 6-1.1-12-28.5.
 - (C) IC 6-1.1-12-35.5.
 - (D) IC 6-1.1-12.1-5.
 - (E) IC 6-1.1-12.1-5.3.
 - (F) IC 6-1.1-12.1-5.4.

(b) At the time that notice of an action referred to in subsection (a) is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the opportunity for a review under this section, including a preliminary informal meeting under subsection (h)(2) with the county or township official referred to in this subsection; and
- (2) the procedures the taxpayer must follow in order to obtain a review under this section.

(c) In order to obtain a review of an assessment or deduction effective for the assessment date to which the notice referred to in subsection (b) applies, the taxpayer must file a notice in writing with the county or township official referred to in subsection (a) not later than forty-five (45) days after the date of the notice referred to in subsection (b).

(d) A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in subsection (b). To obtain the review, the taxpayer must file a notice in writing with the township assessor, or the county assessor if the township is not served by a township assessor. The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an assessing official of the duty to provide the taxpayer with the notice of

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assessment as otherwise required by this article. ~~For an assessment date in a year before 2009, The notice must be filed on or before May 10 of the year. For an assessment date in a year after 2008, the notice must be filed not later than the later of:~~

- ~~(1) May 10 of the year; or~~
- ~~(2) forty-five (45) days after the date of the statement mailed by the county auditor under IC 6-1.1-17-3(b).~~

(e) A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (d) after the time prescribed in subsection (d) becomes effective for the next assessment date. A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (c) or (d) remains in effect from the assessment date for which the change is made until the next assessment date for which the assessment is changed under this article.

(f) The written notice filed by a taxpayer under subsection (c) or (d) must include the following information:

- (1) The name of the taxpayer.
- (2) The address and parcel or key number of the property.
- (3) The address and telephone number of the taxpayer.

(g) The filing of a notice under subsection (c) or (d):

- (1) initiates a review under this section; and
- (2) constitutes a request by the taxpayer for a preliminary informal meeting with the official referred to in subsection (a).

(h) A county or township official who receives a notice for review filed by a taxpayer under subsection (c) or (d) shall:

- (1) immediately forward the notice to the county board; and
- (2) attempt to hold a preliminary informal meeting with the taxpayer to resolve as many issues as possible by:
 - (A) discussing the specifics of the taxpayer's assessment or deduction;
 - (B) reviewing the taxpayer's property record card;
 - (C) explaining to the taxpayer how the assessment or deduction was determined;
 - (D) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment or deduction;
 - (E) noting and considering objections of the taxpayer;
 - (F) considering all errors alleged by the taxpayer; and
 - (G) otherwise educating the taxpayer about:
 - (i) the taxpayer's assessment or deduction;
 - (ii) the assessment or deduction process; and
 - (iii) the assessment or deduction appeal process.

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(i) Not later than ten (10) days after the informal preliminary meeting, the official referred to in subsection (a) shall forward to the county auditor and the county board the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The form must indicate the following:

(1) If the taxpayer and the official agree on the resolution of all assessment or deduction issues in the review, a statement of:

(A) those issues; and

(B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.

(2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review:

(A) a statement of those issues; and

(B) the identification of:

(i) the issues on which the taxpayer and the official agree; and

(ii) the issues on which the taxpayer and the official disagree.

(j) If the county board receives a form referred to in subsection (i)(1) before the hearing scheduled under subsection (k):

(1) the county board shall cancel the hearing;

(2) the county official referred to in subsection (a) shall give notice to the taxpayer, the county board, the county assessor, and the county auditor of the assessment or deduction in the amount referred to in subsection (i)(1)(B); and

(3) if the matter in issue is the assessment of tangible property, the county board may reserve the right to change the assessment under IC 6-1.1-13.

(k) If:

(1) subsection (i)(2) applies; or

(2) the county board does not receive a form referred to in subsection (i) not later than one hundred twenty (120) days after the date of the notice for review filed by the taxpayer under subsection (c) or (d);

the county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of that notice. The county board shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. The taxpayer and the county or township official with whom the

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taxpayer filed the notice for review are parties to the proceeding before the county board. The county assessor is recused from any action the county board takes with respect to an assessment determination by the county assessor.

(l) At the hearing required under subsection (k):

(1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment or deduction; and

(2) the county or township official with whom the taxpayer filed the notice for review must present:

(A) the basis for the assessment or deduction decision; and

(B) the reasons the taxpayer's contentions should be denied.

(m) The official referred to in subsection (a) may not require the taxpayer to provide documentary evidence at the preliminary informal meeting under subsection (h). The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (k). If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

(1) Initiate the review.

(2) Prosecute the review.

(n) The county board shall prepare a written decision resolving all of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under subsection (k) to the taxpayer, the official referred to in subsection (a), the county assessor, and the county auditor.

(o) If the maximum time elapses:

(1) under subsection (k) for the county board to hold a hearing; or

(2) under subsection (n) for the county board to give notice of its determination;

the taxpayer may initiate a proceeding for review before the Indiana board by taking the action required by section 3 of this chapter at any time after the maximum time elapses.

SECTION 4. IC 6-1.1-17-3, AS AMENDED BY P.L.146-2008, SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

(1) the estimated budget;

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- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund; and
- (4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. Beginning in 2009, the duties required by this subsection must be completed before August 10 of the calendar year. A political subdivision shall provide the estimated budget and levy information required for the notice under subsection (b) to the county auditor on the schedule determined by the department of local government finance.

(b) Beginning in 2010, before October 1 of a calendar year, the county auditor shall mail to the last known address of each person liable for any property taxes, as shown on the tax duplicate, or to the last known address of the most recent owner shown in the transfer book, a statement that includes:

(1) the assessed valuation as of the assessment date in the current calendar year of tangible property on which the person will be liable for property taxes first due and payable in the immediately succeeding calendar year and notice to the person of the opportunity to appeal the assessed valuation under IC 6-1.1-15-1(c) (before July 1, 2008) or IC 6-1.1-15-1 (after June 30, 2008);

(2) the amount of property taxes for which the person will be liable to each political subdivision on the tangible property for taxes first due and payable in the immediately succeeding calendar year, taking into account all factors that affect that liability, including:

(A) the estimated budget and proposed tax rate and tax levy formulated by the political subdivision under subsection (a);

(B) any deductions or exemptions that apply to the assessed valuation of the tangible property;

(C) any credits that apply in the determination of the tax liability; and

(D) the county auditor's best estimate of the effects on the tax liability that might result from actions of:

(i) the county board of tax adjustment; or

(ii) the department of local government finance;

(3) a prominently displayed notation that:

(A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and

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(B) based on various factors, including potential actions by:

- (i) the county board of tax adjustment; or
- (ii) the department of local government finance;

it is possible that the tax liability as finally determined will differ substantially from the estimate;

(4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and

(5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a):

(c) The department of local government finance shall:

- (1) prescribe a form for; and
- (2) provide assistance to county auditors in preparing;

statements under subsection (b): Mailing the statement described in subsection (b) to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with subsection (b):

(d) (b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(e) (c) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(f) (d) This subsection expires January 1, 2009. A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:

- (1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund.
- (2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund.

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A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter."

Delete pages 3 through 4.

Page 5, delete lines 1 through 12.

Page 7, delete lines 40 through 41.

Page 7, line 42, delete "(5)" and insert "(4)".

Renumber all SECTIONS consecutively.

(Reference is to ESB 285 as printed April 10, 2009.)

CLEMENTS

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 285 be amended to read as follows:

Page 1, delete lines 6 through 15, begin a new paragraph and insert:

"(b) In the period beginning December 1, 2008, and ending December 31, 2014, an enterprise zone shall not expire under this section if the fiscal body of the municipality in which the enterprise zone is located adopts a resolution requesting the board to renew the enterprise zone for an additional five (5) years. An enterprise zone may be renewed at the request of the municipality regardless of the number of times that the enterprise zone has been renewed under subsections (c) and (d). The fiscal body shall submit a copy of the resolution to the board at least sixty (60) days before the expiration date of the enterprise zone. The board shall renew an enterprise zone in compliance with any request the board receives under this subsection. If an enterprise zone is renewed under this subsection after having been renewed under subsection (d), the enterprise zone may not be renewed after the expiration of this final five (5) year period."

(Reference is to ESB 285 as printed April 10, 2009.)

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HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 285 be amended to read as follows:

Page 2, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-15-1, AS AMENDED BY P.L.146-2008, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 1. (a) A taxpayer may obtain a review by the county board of a county or township official's action with respect to either or both of the following:

- (1) The assessment of the taxpayer's tangible property.
- (2) A deduction for which a review under this section is authorized by any of the following:
 - (A) IC 6-1.1-12-25.5.
 - (B) IC 6-1.1-12-28.5.
 - (C) IC 6-1.1-12-35.5.
 - (D) IC 6-1.1-12.1-5.
 - (E) IC 6-1.1-12.1-5.3.
 - (F) IC 6-1.1-12.1-5.4.

(b) At the time that notice of an action referred to in subsection (a) is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the opportunity for a review under this section, including a preliminary informal meeting under subsection (h)(2) with the county or township official referred to in this subsection; and
- (2) the procedures the taxpayer must follow in order to obtain a review under this section.

(c) In order to obtain a review of an assessment or deduction effective for the assessment date to which the notice referred to in subsection (b) applies, the taxpayer must file a notice in writing with the county or township official referred to in subsection (a) not later than forty-five (45) days after the date of the notice referred to in subsection (b).

(d) A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in subsection (b). To obtain the review, the taxpayer must file a notice in writing with the township assessor, or the county assessor if the township is not served by a township assessor. The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an assessing official of the duty to provide the taxpayer with the notice of assessment as otherwise required by this article. For an assessment date

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in a year before 2009, the notice must be filed on or before May 10 of the year. For an assessment date in a year after 2008, the notice must be filed not later than the later of:

- (1) May 10 of the year; or
- (2) forty-five (45) days after the date of the statement mailed by the county auditor under IC 6-1.1-17-3(b).

(e) A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (d) after the time prescribed in subsection (d) becomes effective for the next assessment date. A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (c) or (d) remains in effect from the assessment date for which the change is made until the next assessment date for which the assessment is changed under this article.

(f) The written notice filed by a taxpayer under subsection (c) or (d) must include the following information:

- (1) The name of the taxpayer.
- (2) The address and parcel or key number of the property.
- (3) The address and telephone number of the taxpayer.

(g) The filing of a notice under subsection (c) or (d):

- (1) initiates a review under this section; and
- (2) constitutes a request by the taxpayer for a preliminary informal meeting with the official referred to in subsection (a).

(h) A county or township official who receives a notice for review filed by a taxpayer under subsection (c) or (d) shall:

- (1) immediately forward the notice to the county board; and
- (2) attempt to hold a preliminary informal meeting with the taxpayer to resolve as many issues as possible by:
 - (A) discussing the specifics of the taxpayer's assessment or deduction;
 - (B) reviewing the taxpayer's property record card;
 - (C) explaining to the taxpayer how the assessment or deduction was determined;
 - (D) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment or deduction;
 - (E) noting and considering objections of the taxpayer;
 - (F) considering all errors alleged by the taxpayer; and
 - (G) otherwise educating the taxpayer about:
 - (i) the taxpayer's assessment or deduction;
 - (ii) the assessment or deduction process; and
 - (iii) the assessment or deduction appeal process.

(i) Not later than ten (10) days after the informal preliminary

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meeting, the official referred to in subsection (a) shall forward to the county auditor and the county board the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The form must indicate the following:

- (1) If the taxpayer and the official agree on the resolution of all assessment or deduction issues in the review, a statement of:
 - (A) those issues; and
 - (B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.
- (2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review:
 - (A) a statement of those issues; and
 - (B) the identification of:
 - (i) the issues on which the taxpayer and the official agree; and
 - (ii) the issues on which the taxpayer and the official disagree.
- (j) If the county board receives a form referred to in subsection (i)(1) before the hearing scheduled under subsection (k):
 - (1) the county board shall cancel the hearing;
 - (2) the county official referred to in subsection (a) shall give notice to the taxpayer, the county board, the county assessor, and the county auditor of the assessment or deduction in the amount referred to in subsection (i)(1)(B); and
 - (3) if the matter in issue is the assessment of tangible property, the county board may reserve the right to change the assessment under IC 6-1.1-13.
- (k) If:
 - (1) subsection (i)(2) applies; or
 - (2) the county board does not receive a form referred to in subsection (i) not later than one hundred twenty (120) days after the date of the notice for review filed by the taxpayer under subsection (c) or (d);

the county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of that notice. The county board shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. The taxpayer and the county or township official with whom the taxpayer filed the notice for review are parties to the proceeding before

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the county board. The county assessor is recused from any action the county board takes with respect to an assessment determination by the county assessor.

- (l) At the hearing required under subsection (k):
 - (1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment or deduction; and
 - (2) the county or township official with whom the taxpayer filed the notice for review must present:
 - (A) the basis for the assessment or deduction decision; and
 - (B) the reasons the taxpayer's contentions should be denied.

(m) The official referred to in subsection (a) may not require the taxpayer to provide documentary evidence at the preliminary informal meeting under subsection (h). The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (k). If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

- (1) Initiate the review.
- (2) Prosecute the review.

(n) The county board shall prepare a written decision resolving all of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under subsection (k) to the taxpayer, the official referred to in subsection (a), the county assessor, and the county auditor.

- (o) If the maximum time elapses:
 - (1) under subsection (k) for the county board to hold a hearing; or
 - (2) under subsection (n) for the county board to give notice of its determination;

the taxpayer may initiate a proceeding for review before the Indiana board by taking the action required by section 3 of this chapter at any time after the maximum time elapses.

(p) This subsection applies if the assessment for which a notice of review is filed:

- (1) was the result of an annual adjustment under IC 6-1.1-4-4.5; and**
- (2) increased the assessed value of the assessed property by more than five percent (5%) over the assessed value finally determined for the immediately preceding assessment date.**

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The county assessor or township assessor making the assessment has the burden of proving that the assessment is correct."

Renumber all SECTIONS consecutively.

(Reference is to ESB 285 as printed April 10, 2009.)

SMITH M

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 285 be amended to read as follows:

Page 19, between lines 34 and 35, begin a new paragraph and insert:
"SECTION 10. [EFFECTIVE JULY 1, 2008 (RETROACTIVE)] (a)

The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) A reference in this SECTION to IC 6-1.1-15-1 is a reference to that section as in effect on July 1, 2008.

(c) Notwithstanding IC 6-1.1-15-1 and upon petition of the county assessor, the commissioner of the department of local government finance may extend the appeal deadline for taxpayers in a county that receive a reconciling tax statement under IC 6-1.1-22.5 based on the assessment date in 2007 and first due and payable in 2008 to a date not later than July 1, 2009.

(d) This SECTION expires January 1, 2010."

Renumber all SECTIONS consecutively.

(Reference is to ESB 285 as printed April 10, 2009.)

SOLIDAY

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 285 be amended to read as follows:

Page 2, between lines 17 and 18, begin a new paragraph and insert:
"SECTION 2. IC 6-1.1-4-11.5 IS ADDED TO THE INDIANA

CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: **Sec. 11.5. (a)**

This section applies to the assessment of a dwelling that:

- (1) replaces (either by reconstruction or otherwise) a homestead dwelling that became uninhabitable because the**



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- dwelling was at least seventy-five percent (75%) destroyed by fire, wind, flood, or another natural disaster;
- (2) is located or reconstructed on the same land as the former dwelling with the intent to be occupied as a homestead;
- (3) is occupied as a homestead within (2) years after the disaster occurs;
- (4) continues to be occupied as a homestead in each year in which this section is applied; and
- (5) has a total square footage that is not substantially larger than the dwelling that existed on the homestead immediately before the disaster occurred;

for an assessment date after February 28, 2009.

(b) The following definitions apply throughout this section:

- (1) "Disaster" refers to the disaster described in subsection (a)(1).
- (2) "Dwelling" has the meaning set forth in IC 6-1.1-12-37.
- (3) "Homestead" has the meaning set forth in IC 6-1.1-12-37.
- (4) "Replacement dwelling" refers to a dwelling described in subsection (a).

(c) The gross assessed value of a replacement dwelling may not exceed the assessed value of the dwelling that was partially or totally destroyed on any assessment date through the assessment date in the first full year in which the replacement dwelling is used as a homestead. In the immediately following year, if the dwelling continues to be used as a homestead, the assessed value of the replacement dwelling may not exceed the sum of:

- (1) the assessed value of the dwelling that was partially or totally destroyed; plus
- (2) the greater of zero (0) or fifty percent (50%) of the result of:
 - (A) the true tax value of the replacement dwelling, as determined without regard to this section; minus
 - (B) the assessed value of the dwelling that was partially or totally destroyed."

Renumber all SECTIONS consecutively.

(Reference is to ESB 285 as printed April 10, 2009.)

WALORSKI

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