
HOUSE BILL No. 1563

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12-9; IC 6-1.1-12-10.1;
IC 6-1.1-20.6-8.5.

Synopsis: Property tax deduction for elderly. For the property tax deduction for individuals age 65 and older: (1) eliminates the adjusted gross income and assessed value limitations; (2) establishes a delayed 2009 deduction filing deadline for mobile homes and manufactured homes; and (3) provides that receiving the supplemental deduction to the standard deduction does not result in ineligibility for the deduction for individuals age 65 and older.

Effective: January 1, 2009 (retroactive).

Duncan

January 16, 2009, read first time and referred to Committee on Ways and Means.

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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.

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HOUSE BILL No. 1563



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

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

1 SECTION 1. IC 6-1.1-12-9, AS AMENDED BY P.L.144-2008,
2 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2009 (RETROACTIVE)]: Sec. 9. (a) An individual may
4 obtain a deduction from the assessed value of the individual's real
5 property, or mobile home or manufactured home which is not assessed
6 as real property, if:
7 (1) the individual is at least sixty-five (65) years of age on or
8 before December 31 of the calendar year preceding the year in
9 which the deduction is claimed;
10 (2) the combined adjusted gross income (as defined in Section 62
11 of the Internal Revenue Code) of:
12 (A) the individual and the individual's spouse; or
13 (B) the individual and all other individuals with whom:
14 (i) the individual shares ownership; or
15 (ii) the individual is purchasing the property under a
16 contract;
17 as joint tenants or tenants in common;



1 for the calendar year preceding the year in which the deduction is
 2 claimed did not exceed twenty-five thousand dollars (\$25,000);
 3 ~~(3)~~ **(2)** the individual has owned the real property, mobile home,
 4 or manufactured home for at least one (1) year before claiming
 5 the deduction; or the individual has been buying the real property,
 6 mobile home, or manufactured home under a contract that
 7 provides that the individual is to pay the property taxes on the real
 8 property, mobile home, or manufactured home for at least one (1)
 9 year before claiming the deduction, and the contract or a
 10 memorandum of the contract is recorded in the county recorder's
 11 office;
 12 ~~(4)~~ **(3)** the individual and **any all other** individuals covered by
 13 subdivision ~~(2)(B)~~ **with whom:**
 14 **(A) the individual shares ownership; or**
 15 **(B) the individual is purchasing the property under a**
 16 **contract;**
 17 **as joint tenants or tenants in common** reside on the real
 18 property, mobile home, or manufactured home;
 19 ~~(5)~~ the assessed value of the real property, mobile home, or
 20 manufactured home does not exceed one hundred eighty-two
 21 thousand four hundred thirty dollars (\$182,430);
 22 ~~(6)~~ **(4)** the individual receives no other property tax deduction for
 23 the year in which the deduction is claimed, except the deductions
 24 provided by sections 1, 37, **37.5**, and 38 of this chapter; and
 25 ~~(7)~~ **(5)** the person:
 26 ~~(1)~~ **(A)** owns the real property, mobile home, or manufactured
 27 home; or
 28 ~~(2)~~ **(B)** is buying the real property, mobile home, or
 29 manufactured home under contract;
 30 on the date the statement required by section 10.1 of this chapter
 31 is filed.
 32 (b) Except as provided in subsection (h), in the case of real property,
 33 an individual's deduction under this section equals the lesser of:
 34 (1) one-half (1/2) of the assessed value of the real property; or
 35 (2) twelve thousand four hundred eighty dollars (\$12,480).
 36 (c) Except as provided in subsection (h) and section 40.5 of this
 37 chapter, in the case of a mobile home that is not assessed as real
 38 property or a manufactured home which is not assessed as real
 39 property, an individual's deduction under this section equals the lesser
 40 of:
 41 (1) one-half (1/2) of the assessed value of the mobile home or
 42 manufactured home; or

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1 (2) twelve thousand four hundred eighty dollars (\$12,480).
 2 (d) An individual may not be denied the deduction provided under
 3 this section because the individual is absent from the real property,
 4 mobile home, or manufactured home while in a nursing home or
 5 hospital.
 6 (e) For purposes of this section, **subject to subsection (h)**, if real
 7 property, a mobile home, or a manufactured home is owned by:
 8 (1) tenants by the entirety;
 9 (2) joint tenants; or
 10 (3) tenants in common;
 11 only one (1) deduction may be allowed. However, the age requirement
 12 is satisfied if any one (1) of the tenants is at least sixty-five (65) years
 13 of age.
 14 (f) A surviving spouse is entitled to the deduction provided by this
 15 section if:
 16 (1) the surviving spouse is at least sixty (60) years of age on or
 17 before December 31 of the calendar year preceding the year in
 18 which the deduction is claimed;
 19 (2) the surviving spouse's deceased husband or wife was at least
 20 sixty-five (65) years of age at the time of a death;
 21 (3) the surviving spouse has not remarried; and
 22 (4) the surviving spouse satisfies the requirements prescribed in
 23 subsection (a)(2) through ~~(a)(7)~~: **(a)(5)**.
 24 (g) An individual who has sold real property to another person
 25 under a contract that provides that the contract buyer is to pay the
 26 property taxes on the real property may not claim the deduction
 27 provided under this section against that real property.
 28 (h) In the case of ~~tenants covered by subsection (a)(2)(B)~~; **an**
 29 **individual and other individuals with whom:**
 30 **(1) the individual shares ownership; or**
 31 **(2) the individual is purchasing the property under a contract;**
 32 **as joint tenants or tenants in common**, if all of the tenants are not at
 33 least sixty-five (65) years of age, the deduction allowed under this
 34 section shall be reduced by an amount equal to the deduction
 35 multiplied by a fraction. The numerator of the fraction is the number of
 36 tenants who are not at least sixty-five (65) years of age, and the
 37 denominator is the total number of tenants.
 38 SECTION 2. IC 6-1.1-12-10.1, AS AMENDED BY P.L.144-2008,
 39 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2009 (RETROACTIVE)]: Sec. 10.1. (a) Except as
 41 provided in section 17.8 of this chapter and subject to section 45 of this
 42 chapter, an individual who desires to claim the deduction provided by

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1 section 9 of this chapter must file a sworn statement, on forms
 2 prescribed by the department of local government finance, with the
 3 auditor of the county in which the real property, mobile home, or
 4 manufactured home is located. With respect to real property, the
 5 statement must be filed during the year for which the individual wishes
 6 to obtain the deduction. With respect to a mobile home that is not
 7 assessed as real property or a manufactured home that is not assessed
 8 as real property, the statement must be filed:

9 **(1) for 2009, before July 1, 2009; and**

10 **(2) after 2009**, during the twelve (12) months before March 31 of
 11 each year for which the individual wishes to obtain the deduction.

12 The statement may be filed in person or by mail. If mailed, the mailing
 13 must be postmarked on or before the last day for filing.

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

20 ~~(1)~~ the source and exact amount of gross income received by the
 21 individual and the individual's spouse during the preceding
 22 calendar year;

23 ~~(2)~~ **(1)** the description and assessed value of the real property,
 24 mobile home, or manufactured home;

25 ~~(3)~~ **(2)** the individual's full name and complete residence address;

26 ~~(4)~~ **(3)** the record number and page where the contract or
 27 memorandum of the contract is recorded if the individual is
 28 buying the real property, mobile home, or manufactured home on
 29 contract; and

30 ~~(5)~~ **(4)** any additional information which the department of local
 31 government finance may require.

32 ~~(c)~~ In order to substantiate the deduction statement, the applicant
 33 shall submit for inspection by the county auditor a copy of the
 34 applicant's and a copy of the applicant's spouse's income tax returns for
 35 the preceding calendar year. If either was not required to file an income
 36 tax return, the applicant shall subscribe to that fact in the deduction
 37 statement.

38 SECTION 3. IC 6-1.1-20.6-8.5, AS ADDED BY P.L.146-2008,
 39 SECTION 225, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8.5. (a)
 41 This section applies to property taxes first due and payable for a
 42 calendar year after December 31, 2008. This section applies to an

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- 1 individual who:
- 2 (1) qualified for a standard deduction granted under
- 3 IC 6-1.1-12-37 for the individual's homestead property in the
- 4 immediately preceding calendar year (or was married at the time
- 5 of death to a deceased spouse who qualified for a standard
- 6 deduction granted under IC 6-1.1-12-37 for the individual's
- 7 homestead property in the immediately preceding calendar year);
- 8 and
- 9 (2) qualifies for a standard deduction granted under
- 10 IC 6-1.1-12-37 for the same homestead property in the current
- 11 calendar year.
- 12 (b) An individual is entitled to an additional credit under this section
- 13 for property taxes first due and payable for a calendar year on a
- 14 homestead if the homestead qualifies as qualified homestead property
- 15 for the calendar year and the filing requirements under subsection (e)
- 16 are met.
- 17 (c) The amount of the credit is equal to the greater of zero (0) or the
- 18 result of:
- 19 (1) the property tax liability first due and payable on the qualified
- 20 homestead property for the calendar year; minus
- 21 (2) the result of:
- 22 (A) the property tax liability first due and payable on the
- 23 qualified homestead property for the immediately preceding
- 24 year; multiplied by
- 25 (B) one and two hundredths (1.02).
- 26 However, property tax liability imposed on any improvements to or
- 27 expansion of the homestead property after the assessment date for
- 28 which property tax liability described in subdivision (2) was imposed
- 29 shall not be considered in determining the credit granted under this
- 30 section in the current calendar year.
- 31 (d) The following adjusted gross income limits apply to an
- 32 individual who claims a credit under this section:
- 33 (1) In the case of an individual who files a single return, the
- 34 adjusted gross income (as defined in Section 62 of the Internal
- 35 Revenue Code) of the individual claiming the exemption may not
- 36 exceed thirty thousand dollars (\$30,000).
- 37 (2) In the case of an individual who files a joint income tax return
- 38 with the individual's spouse, the combined adjusted gross income
- 39 (as defined in Section 62 of the Internal Revenue Code) of the
- 40 individual and the individual's spouse may not exceed forty
- 41 thousand dollars (\$40,000).
- 42 (e) **Subject to subsection (g)**, applications for a credit under this

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1 section shall be filed in the manner provided for an application for a
 2 deduction under ~~IC 6-1.1-12-9~~. **IC 6-1.1-12-10.1**. However, an
 3 individual who remains eligible for the credit in the following year is
 4 not required to file a statement to apply for the credit in the following
 5 year. An individual who receives a credit under this section in a
 6 particular year and who becomes ineligible for the credit in the
 7 following year shall notify the auditor of the county in which the
 8 homestead is located of the individual's ineligibility before June 11 of
 9 the year in which the individual becomes ineligible.

10 (f) The auditor of each county shall, in a particular year, apply a
 11 credit provided under this section to each individual who received the
 12 credit in the preceding year unless the auditor determines that the
 13 individual is no longer eligible for the credit.

14 **(g) In addition to the information required by IC 6-1.1-12-10.1,**
 15 **an application for a credit under this section must include:**

16 (1) **the source and exact amount of adjusted gross income**
 17 **received by the individual and the individual's spouse during**
 18 **the calendar year that immediately precedes the calendar**
 19 **year in which the application is filed; and**

20 (2) **the most recently determined assessed value of the**
 21 **property for which the credit is claimed.**

22 SECTION 4. [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]
 23 **IC 6-1.1-12-9, IC 6-1.1-12-10.1, and IC 6-1.1-20.6-8.5, all as**
 24 **amended by this act, apply only to:**

25 (1) **with respect to a mobile home that is not assessed as real**
 26 **property or a manufactured home that is not assessed as real**
 27 **property, property taxes first due and payable after 2008; and**

28 (2) **with respect to real property, property taxes first due and**
 29 **payable after 2009.**

30 SECTION 5. **An emergency is declared for this act.**

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