

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1059, 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:

- 1 Replace the effective dates in SECTIONS 1 through 6 with
- 2 "[EFFECTIVE JULY 1, 2010]".
- 3 Page 2, delete lines 13 through 42, begin a new paragraph and
- 4 insert:
- 5 "SECTION 2. IC 6-1.1-22.5-6, AS AMENDED BY P.L.87-2009,
- 6 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 JULY 1, 2010]: Sec. 6. (a) Except as provided in ~~subsection (c)~~
- 8 **subsections (b) and (e)**, with respect to property taxes payable under
- 9 this article on assessments determined for the 2003 assessment date or
- 10 the assessment date in any later year, the **county council or** county
- 11 treasurer may, except as provided by section 7 of this chapter, ~~use~~
- 12 **determine that** a provisional statement under this chapter **shall be**
- 13 **used** if the county auditor fails to deliver the abstract for that
- 14 assessment date to the county treasurer under IC 6-1.1-22-5 before
- 15 March 16 of the year following the assessment date **(for property**
- 16 **taxes first due and payable before 2011) or April 15 of the year**
- 17 **following the assessment date (for property taxes first due and**
- 18 **payable after 2010).**
- 19 **(b) This subsection applies to property taxes first due and**
- 20 **payable after 2010. The county treasurer shall, if property tax bills**
- 21 **were delayed in the immediately preceding year (unless a**

1 **provisional statement was used in that immediately preceding**
 2 **year), use a provisional statement under this chapter if the county**
 3 **council or county treasurer determines that the county auditor has**
 4 **failed or will fail to deliver the abstract for that assessment date to**
 5 **the county treasurer under IC 6-1.1-22-5 before April 15 of the**
 6 **year following the assessment date. The first installment under a**
 7 **provisional statement under this subsection is due and payable not**
 8 **later than June 10.**

9 **(c) The amount to be billed for each installment of the**
 10 **provisional statement is the amount determined under section 9 of**
 11 **this chapter.**

12 ~~(b)~~ **(d)** The county treasurer shall give notice of the provisional
 13 statement, including disclosure of the method that is to be used in
 14 determining the tax liability to be indicated on the provisional
 15 statement, by publication one (1) time:

16 (1) in the form prescribed by the department of local government
 17 finance; and

18 (2) in the manner described in IC 6-1.1-22-4(b).

19 The notice may be combined with the notice required under section 10
 20 of this chapter.

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

23 **(f) Section 7 of this chapter does not apply to a provisional bill**
 24 **required by subsection (b).**

25 ~~(d)~~ **(g)** This subsection applies after June 30, 2009. Immediately
 26 upon determining to use provisional statements under subsection (a) **or**
 27 **determining that provisional statements are required by subsection**
 28 **(b)**, the county treasurer shall give notice of the determination to the
 29 county fiscal body (as defined in IC 36-1-2-6).

30 ~~(e)~~ **(h)** In a county in which an authorizing ordinance is adopted
 31 under IC 6-1.1-22-8.1(h), a person may direct the county treasurer to
 32 transmit a provisional statement by electronic mail under
 33 IC 6-1.1-22-8.1(h)."

34 Page 3, delete lines 1 through 3.

35 Page 3, line 6, after "(a)" insert "**This section does not apply to a**
 36 **provisional statement issued under section 6(b) of this chapter.**".

37 Page 3, line 9, after "6(b)" insert "**6(d)**".

38 Page 3, line 9, reset in roman "or".

39 Page 4, delete lines 26 through 42, begin a new paragraph and
 40 insert:

41 "SECTION 4. IC 6-1.1-22.5-8, AS AMENDED BY
 42 P.L.182-2009(ss), SECTION 161, IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 8. (a) Subject to
 2 subsection (c), a provisional statement must:

3 (1) be on a form prescribed by the department of local
 4 government finance;

5 (2) except as provided in emergency rules adopted under section
 6 20 of this chapter and subsection (b):

7 (A) for property taxes **first due and payable after 2010 and**
 8 billed using a provisional statement under section 6 of this
 9 chapter, indicate:

10 **(i) that the first installment of the taxpayer's tax liability**
 11 **in the is an amount of not more than one hundred percent**
 12 **(100%) equal to fifty percent (50%) of the tax liability that**
 13 **was payable in the same year as the assessment date for the**
 14 **property for which the provisional statement is issued,**
 15 **subject to any adjustments to the tax liability as prescribed**
 16 **by the department of local government finance, including**
 17 **adjustments for any new construction on the property,**
 18 **any damage to the property, and any necessary**
 19 **adjustments for credits, deductions, or local option**
 20 **income taxes; and**

21 **(ii) that the second installment will either be an amount**
 22 **specified in a reconciling statement or, if a reconciling**
 23 **statement is not sent until after the second installment is**
 24 **due, an amount equal to fifty percent (50%) of the tax**
 25 **liability that was payable in the same year as the**
 26 **assessment date for the property for which the**
 27 **provisional statement is issued, subject to any**
 28 **adjustments to the tax liability as prescribed by the**
 29 **department of local government finance, including**
 30 **adjustments for any new construction on the property,**
 31 **any damage to the property, and any necessary**
 32 **adjustments for credits, deductions, or local option**
 33 **income taxes; and**

34 (B) for property taxes billed using a provisional statement
 35 under section 6.5 of this chapter, except as provided in
 36 subsection (d), indicate tax liability in an amount determined
 37 by the department of local government finance based on:

38 (i) subject to subsection (c), for the cross-county entity, the
 39 property tax rate of the cross-county entity for taxes first due
 40 and payable in the immediately preceding calendar year; and

41 (ii) for all other taxing units that make up the taxing district
 42 or taxing districts that comprise the cross-county area, the

1 property tax rates of the taxing units for taxes first due and
2 payable in the current calendar year;

3 (3) indicate:

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

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

7 (i) are due and payable in the same manner as property taxes
8 billed on a tax statement under IC 6-1.1-22-8.1; and

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

10 (4) for property taxes billed using a provisional statement under
11 section 6 of this chapter, include a statement in the following or
12 a substantially similar form, as determined by the department of
13 local government finance:

14 "Under Indiana law, _____ County (insert county) has sent
15 provisional statements because the county did not complete the
16 abstract of the property, assessments, taxes, deductions, and
17 exemptions for taxes payable in (insert year) in each taxing
18 district before:

19 (A) March 16, (insert year), **in the case of property taxes**
20 **first due and payable before 2011; or**

21 (B) April 15, (insert year), **in the case of property taxes**
22 **first due and payable after 2010.**

23 The statement is due to be paid in installments on _____
24 (insert date) and _____ (insert date). ~~The statement is based~~
25 ~~on _____ percent (____%) (insert percentage)~~ **The first**
26 **installment is equal to fifty percent (50%)** of your tax liability
27 for taxes payable in _____ (insert year), subject to adjustment to
28 the tax liability as prescribed by the department of local
29 government finance and adjustment for any new construction on
30 your property, ~~or~~ any damage to your property, **and any**
31 **necessary adjustments for credits, deductions, or local option**
32 **income taxes. The second installment will either be an amount**
33 **specified in a reconciling statement that will be sent to you, or**
34 **(if a reconciling statement is not sent until after the second**
35 **installment is due) an amount equal to fifty percent (50%) of**
36 **your tax liability for taxes payable in _____ (insert year),**
37 **subject to adjustment to the tax liability as prescribed by the**
38 **department of local government finance and adjustment for**
39 **any new construction on your property, any damage to your**
40 **property, and any necessary adjustments for credits,**
41 **deductions, or local option income taxes.** After the abstract of
42 property is complete, you will receive a reconciling statement in

1 the amount of your actual tax liability for taxes payable in (insert
 2 year), minus the amount you pay under this provisional
 3 statement.";

4 (5) for property taxes billed using a provisional statement under
 5 section 6.5 of this chapter, include a statement in the following or
 6 a substantially similar form, as determined by the department of
 7 local government finance:

8 "Under Indiana law, _____ County (insert county) has elected
 9 to send provisional statements for the territory of
 10 _____ (insert cross-county entity) located in
 11 _____ County (insert county) because the property tax rate for
 12 _____ (insert cross-county entity) was not available
 13 in time to prepare final tax statements. The statement is due to be
 14 paid in installments on _____ (insert date) and _____
 15 (insert date). The statement is based on the property tax rate of
 16 _____ (insert cross-county entity) for taxes first
 17 due and payable in _____ (insert immediately preceding calendar
 18 year). After the property tax rate of _____ (insert
 19 cross-county entity) is determined, you will receive a reconciling
 20 statement in the amount of your actual tax liability for taxes
 21 payable in _____ (insert year), minus the amount you pay under
 22 this provisional statement.";

23 **(6) in the case of a reconciling statement only**, indicate liability
 24 for:

25 (A) delinquent:
 26 (i) taxes; and
 27 (ii) special assessments;
 28 (B) penalties; and
 29 (C) interest;

30 is allowed to appear on the tax statement under IC 6-1.1-22-8.1
 31 for the first installment of property taxes in the year in which the
 32 provisional tax statement is issued;

33 **(7) in the case of a reconciling statement only**, include:

34 (A) a checklist that shows:
 35 (i) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
 36 another law and all property tax deductions; and
 37 (ii) whether each homestead credit and property tax
 38 deduction was applied in the current provisional statement;
 39 (B) an explanation of the procedure and deadline that a
 40 taxpayer must follow and the forms that must be used if a
 41 credit or deduction has been granted for the property and the
 42 taxpayer is no longer eligible for the credit or deduction; and

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

- 4 (i) more than one (1) parcel of property; or
 5 (ii) property that is not the taxpayer's principal place of
 6 residence or is otherwise not eligible for a standard
 7 deduction; and
 8 (8) include any other information the county treasurer requires.

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

20 (c) For purposes of this section, property taxes that are:

- 21 (1) first due and payable in the current calendar year on a
 22 provisional statement under section 6 or 6.5 of this chapter; and
 23 (2) based on property taxes first due and payable in the
 24 immediately preceding calendar year or on a percentage of those
 25 property taxes;

26 are determined after excluding from the property taxes first due and
 27 payable in the immediately preceding calendar year property taxes
 28 imposed by one (1) or more taxing units in which the tangible property
 29 is located that are attributable to a levy that no longer applies for
 30 property taxes first due and payable in the current calendar year.

31 (d) If there was no property tax rate of the cross-county entity for
 32 taxes first due and payable in the immediately preceding calendar year
 33 for use under subsection (a)(2)(B), the department of local government
 34 finance shall provide an estimated tax rate calculated to approximate
 35 the actual tax rate that will apply when the tax rate is finally
 36 determined."

37 Delete pages 5 through 6.

38 Page 7, delete lines 1 through 29.

39 Page 7, line 34, after "on" insert ":

40 (1)".

41 Page 7, line 36, after "statement" delete "." and insert ", for
 42 **property taxes first due and payable before 2011; and**

1 **(2) June 10 and November 10 of the year following the**
2 **assessment date covered by the provisional statement, for**
3 **property taxes first due and payable after 2010."**

4 Page 9, delete line 35.

5 Renumber all SECTIONS consecutively.

(Reference is to HB 1059 as reprinted January 26, 2010.)

and when so amended that said bill do pass .

Committee Vote: Yeas 10, Nays 0.

Senator Hershman, Chairperson