

Adopted	Rejected
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# COMMITTEE REPORT

<b>YES:</b>	<b>20</b>
<b>NO:</b>	<b>0</b>

## MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1270, 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:*

- 1           Page 1, between the enacting clause and line 1, begin a new
- 2           paragraph and insert:
- 3           "SECTION 1. IC 6-1.1-1-14.5 IS ADDED TO THE INDIANA
- 4           CODE AS A **NEW SECTION TO READ AS FOLLOWS**
- 5           [EFFECTIVE JULY 1, 2011]: **Sec. 14.5. "Qualified installment**
- 6           **contract" means a contract for the purchase of real property that**
- 7           **complies with each of the following requirements:**
- 8           (1) **The contract or a memorandum of the contract is**
- 9           **recorded in the county recorder's office of the county in which**
- 10           **the real property, mobile home, or manufactured home is**
- 11           **located.**
- 12           (2) **The contract requires the buyer to pay the property taxes**
- 13           **on the real property.**
- 14           (3) **The contract specifies the total contract price.**

1           **(4) The contract requires the seller to issue a deed or other**  
 2           **evidence of title to the buyer upon the buyer's payment of the**  
 3           **total contract price.**

4           SECTION 2. IC 6-1.1-12-1, AS AMENDED BY P.L.81-2010,  
 5           SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6           JULY 1, 2011]: Sec. 1. (a) Each year a person who is a resident of this  
 7           state may receive a deduction from the assessed value of:

8                   (1) mortgaged real property, an installment loan financed mobile  
 9                   home that is not assessed as real property, or an installment loan  
 10                   financed manufactured home that is not assessed as real property,  
 11                   with the mortgage or installment loan instrument recorded with  
 12                   the county recorder's office, that the person owns;

13                   (2) real property, a mobile home that is not assessed as real  
 14                   property, or a manufactured home that is not assessed as real  
 15                   property that the person is buying under a **qualified installment**  
 16                   contract; ~~with the contract or a memorandum of the contract~~  
 17                   ~~recorded in the county recorder's office, which provides that the~~  
 18                   ~~person is to pay the property taxes on the real property, mobile~~  
 19                   ~~home, or manufactured home; or~~

20                   (3) real property, a mobile home that is not assessed as real  
 21                   property, or a manufactured home that the person owns or is  
 22                   buying on a **qualified installment** contract ~~described in~~  
 23                   ~~subdivision (2)~~ on which the person has a home equity line of  
 24                   credit that is recorded in the county recorder's office.

25           (b) Except as provided in section 40.5 of this chapter, the total  
 26           amount of the deduction which the person may receive under this  
 27           section for a particular year is:

28                   (1) the balance of the mortgage or contract indebtedness  
 29                   (including a home equity line of credit) on the assessment date of  
 30                   that year;

31                   (2) one-half (1/2) of the assessed value of the real property,  
 32                   mobile home, or manufactured home; or

33                   (3) three thousand dollars (\$3,000);

34           whichever is least.

35           (c) A person who has sold real property, a mobile home not assessed  
 36           as real property, or a manufactured home not assessed as real property  
 37           to another person under a **qualified installment** contract ~~which~~  
 38           ~~provides that the contract buyer is to pay the property taxes on the real~~

1 ~~property, mobile home, or manufactured home~~ may not claim the  
 2 deduction provided under this section with respect to that real property,  
 3 mobile home, or manufactured home.

4 (d) The person must:

5 (1) own the real property, mobile home, or manufactured home;

6 or

7 (2) be buying the real property, mobile home, or manufactured  
 8 home under a **qualified installment** contract;

9 on the date the statement is filed under section 2 of this chapter.

10 SECTION 3. IC 6-1.1-12-2, AS AMENDED BY P.L.81-2010,  
 11 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2011]: Sec. 2. (a) Except as provided in section 17.8 of this  
 13 chapter and subject to section 45 of this chapter, for a person to qualify  
 14 for the deduction provided by section 1 of this chapter a statement must  
 15 be filed under subsection (b) or (c). Regardless of the manner in which  
 16 a statement is filed, the mortgage, **qualified installment** contract, or  
 17 memorandum (including a home equity line of credit) must be recorded  
 18 with the county recorder's office to qualify for a deduction under  
 19 section 1 of this chapter.

20 (b) Subject to subsection (c), to apply for the deduction under  
 21 section 1 of this chapter with respect to real property, the person  
 22 recording the mortgage, home equity line of credit, **qualified**  
 23 **installment** contract, or memorandum of the contract with the county  
 24 recorder may file a written statement with the county recorder  
 25 containing the information described in subsection (e)(1), (e)(2), (e)(3),  
 26 (e)(4), (e)(6), (e)(7), and (e)(8). The statement must be prepared on the  
 27 form prescribed by the department of local government finance and be  
 28 signed by the property owner or contract purchaser under the penalties  
 29 of perjury. The form must have a place for the county recorder to insert  
 30 the record number and page where the mortgage, home equity line of  
 31 credit, **qualified installment** contract, or memorandum of the contract  
 32 is recorded. Upon receipt of the form and the recording of the  
 33 mortgage, home equity line of credit, **qualified installment** contract,  
 34 or memorandum of the contract, the county recorder shall insert on the  
 35 form the record number and page where the mortgage, home equity line  
 36 of credit, **qualified installment** contract, or memorandum of the  
 37 contract is recorded and forward the completed form to the county  
 38 auditor. The county recorder may not impose a charge for the county

1 recorder's duties under this subsection. The statement must be  
 2 completed and dated in the calendar year for which the person wishes  
 3 to obtain the deduction and filed with the county recorder on or before  
 4 January 5 of the immediately succeeding calendar year.

5 (c) With respect to:

6 (1) real property as an alternative to a filing under subsection (b);

7 or

8 (2) a mobile home that is not assessed as real property or a  
 9 manufactured home that is not assessed as real property;

10 to apply for a deduction under section 1 of this chapter, a person who  
 11 desires to claim the deduction may file a statement in duplicate, on  
 12 forms prescribed by the department of local government finance, with  
 13 the auditor of the county in which the real property, mobile home not  
 14 assessed as real property, or manufactured home not assessed as real  
 15 property is located. With respect to real property the statement must be  
 16 completed and dated in the calendar year for which the person wishes  
 17 to obtain the deduction and filed with the county auditor on or before  
 18 January 5 of the immediately succeeding calendar year. With respect  
 19 to a mobile home that is not assessed as real property or a  
 20 manufactured home that is not assessed as real property, the statement  
 21 must be filed during the twelve (12) months before March 31 of each  
 22 year for which the individual wishes to obtain the deduction. The  
 23 statement may be filed in person or by mail. If mailed, the mailing must  
 24 be postmarked on or before the last day for filing. In addition to the  
 25 statement required by this subsection, a contract buyer who desires to  
 26 claim the deduction must submit a copy of the recorded **qualified**  
 27 **installment** contract or recorded memorandum of the contract, which  
 28 must contain a legal description sufficient to meet the requirements of  
 29 IC 6-1.1-5, with the first statement that the buyer files under this  
 30 section with respect to a particular parcel of real property.

31 (d) Upon receipt of:

32 (1) the statement under subsection (b); or

33 (2) the statement under subsection (c) and the recorded **qualified**  
 34 **installment** contract or recorded memorandum of the contract;

35 the county auditor shall assign a separate description and identification  
 36 number to the parcel of real property being sold under the **qualified**  
 37 **installment** contract.

38 (e) The statement referred to in subsections (b) and (c) must be

1 verified under penalties for perjury. The statement must contain the  
2 following information:

- 3 (1) The balance of the person's mortgage, home equity line of  
4 credit, or **qualified installment** contract indebtedness that is  
5 recorded in the county recorder's office on the assessment date of  
6 the year for which the deduction is claimed.
- 7 (2) The assessed value of the real property, mobile home, or  
8 manufactured home.
- 9 (3) The full name and complete residence address of the person  
10 and of the mortgagee or contract seller.
- 11 (4) The name and residence of any assignee or bona fide owner or  
12 holder of the mortgage, home equity line of credit, or **qualified**  
13 **installment** contract, if known, and if not known, the person shall  
14 state that fact.
- 15 (5) The record number and page where the mortgage, **qualified**  
16 **installment** contract, or memorandum of the contract is recorded.
- 17 (6) A brief description of the real property, mobile home, or  
18 manufactured home which is encumbered by the mortgage or  
19 home equity line of credit or sold under the **qualified installment**  
20 contract.
- 21 (7) If the person is not the sole legal or equitable owner of the real  
22 property, mobile home, or manufactured home, the exact share of  
23 the person's interest in it.
- 24 (8) The name of any other county in which the person has applied  
25 for a deduction under this section and the amount of deduction  
26 claimed in that application.
- 27 (f) The authority for signing a deduction application filed under this  
28 section may not be delegated by the real property, mobile home, or  
29 manufactured home owner or contract buyer to any person except upon  
30 an executed power of attorney. The power of attorney may be contained  
31 in the recorded mortgage, **qualified installment** contract, or  
32 memorandum of the contract, or in a separate instrument.
- 33 (g) A closing agent (as defined in section 43(a)(2) of this chapter)  
34 is not liable for any damages claimed by the property owner or contract  
35 purchaser because of:
- 36 (1) the closing agent's failure to provide the written statement  
37 described in subsection (b);
- 38 (2) the closing agent's failure to file the written statement

- 1 described in subsection (b);  
 2 (3) any omission or inaccuracy in the written statement described  
 3 in subsection (b) that is filed with the county recorder by the  
 4 closing agent; or  
 5 (4) any determination made with respect to a property owner's or  
 6 contract purchaser's eligibility for the deduction under section 1  
 7 of this chapter.

8 (h) The county recorder may not refuse to record a mortgage,  
 9 **qualified installment** contract, or memorandum because the written  
 10 statement described in subsection (b):

- 11 (1) is not included with the mortgage, home equity line of credit,  
 12 **qualified installment** contract, or memorandum of the contract;  
 13 (2) does not contain the signatures required by subsection (b);  
 14 (3) does not contain the information described in subsection (e);  
 15 or  
 16 (4) is otherwise incomplete or inaccurate.

17 (i) The form prescribed by the department of local government  
 18 finance under subsection (b) and the instructions for the form must  
 19 both include a statement:

- 20 (1) that explains that a person is not entitled to a deduction under  
 21 section 1 of this chapter unless the person has a balance on the  
 22 person's mortgage or contract indebtedness that is recorded in the  
 23 county recorder's office (including any home equity line of credit  
 24 that is recorded in the county recorder's office) that is the basis for  
 25 the deduction; and  
 26 (2) that specifies the penalties for perjury.

27 (j) The department of local government finance shall develop a  
 28 notice:

- 29 (1) that must be displayed in a place accessible to the public in  
 30 the office of each county auditor;  
 31 (2) that includes the information described in subsection (i); and  
 32 (3) that explains that the form prescribed by the department of  
 33 local government finance to claim the deduction under section 1  
 34 of this chapter must be signed by the property owner or contract  
 35 purchaser under the penalties of perjury.

36 SECTION 4. IC 6-1.1-12-9, AS AMENDED BY P.L.113-2010,  
 37 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 JULY 1, 2011]: Sec. 9. (a) An individual may obtain a deduction from

- 1 the assessed value of the individual's real property, or mobile home or  
2 manufactured home which is not assessed as real property, if:
- 3 (1) the individual is at least sixty-five (65) years of age on or  
4 before December 31 of the calendar year preceding the year in  
5 which the deduction is claimed;
  - 6 (2) the combined adjusted gross income (as defined in Section 62  
7 of the Internal Revenue Code) of:
    - 8 (A) the individual and the individual's spouse; or
    - 9 (B) the individual and all other individuals with whom:
      - 10 (i) the individual shares ownership; or
      - 11 (ii) the individual is purchasing the property under a  
12 contract;  
13 as joint tenants or tenants in common;for the calendar year preceding the year in which the deduction is  
14 claimed did not exceed twenty-five thousand dollars (\$25,000);
  - 15 (3) the individual has owned the real property, mobile home, or  
16 manufactured home for at least one (1) year before claiming the  
17 deduction; or the individual has been buying the real property,  
18 mobile home, or manufactured home under a **qualified**  
19 **installment** contract that provides that the individual is to pay the  
20 property taxes on the real property, mobile home, or manufactured  
21 home for at least one (1) year before claiming the deduction, and  
22 the contract or a memorandum of the contract is recorded in the  
23 county recorder's office;
  - 24 (4) the individual and any individuals covered by subdivision  
25 (2)(B) reside on the real property, mobile home, or manufactured  
26 home;
  - 27 (5) the assessed value of the real property, mobile home, or  
28 manufactured home does not exceed one hundred eighty-two  
29 thousand four hundred thirty dollars (\$182,430);
  - 30 (6) the individual receives no other property tax deduction for the  
31 year in which the deduction is claimed, except the deductions  
32 provided by sections 1, 37, (for assessment dates after February  
33 28, 2008) 37.5, and 38 of this chapter; and
  - 34 (7) the person:
    - 35 (A) owns the real property, mobile home, or manufactured  
36 home; or
    - 37 (B) is buying the real property, mobile home, or manufactured  
38

1           home under a **qualified installment** contract;  
2           on the date the statement required by section 10.1 of this chapter  
3           is filed.

4           (b) Except as provided in subsection (h), in the case of real property,  
5           an individual's deduction under this section equals the lesser of:

- 6           (1) one-half (1/2) of the assessed value of the real property; or  
7           (2) twelve thousand four hundred eighty dollars (\$12,480).

8           (c) Except as provided in subsection (h) and section 40.5 of this  
9           chapter, in the case of a mobile home that is not assessed as real  
10          property or a manufactured home which is not assessed as real  
11          property, an individual's deduction under this section equals the lesser  
12          of:

- 13          (1) one-half (1/2) of the assessed value of the mobile home or  
14          manufactured home; or  
15          (2) twelve thousand four hundred eighty dollars (\$12,480).

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

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

- 22          (1) tenants by the entirety;  
23          (2) joint tenants; or  
24          (3) tenants in common;

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

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

- 30          (1) the surviving spouse is at least sixty (60) years of age on or  
31          before December 31 of the calendar year preceding the year in  
32          which the deduction is claimed;  
33          (2) the surviving spouse's deceased husband or wife was at least  
34          sixty-five (65) years of age at the time of a death;  
35          (3) the surviving spouse has not remarried; and  
36          (4) the surviving spouse satisfies the requirements prescribed in  
37          subsection (a)(2) through (a)(7).

38          (g) An individual who has sold real property to another person

1 under a **qualified installment** contract ~~that provides that the contract~~  
 2 ~~buyer is to pay the property taxes on the real property~~ may not claim  
 3 the deduction provided under this section against that real property.

4 (h) In the case of tenants covered by subsection (a)(2)(B), if all of  
 5 the tenants are not at least sixty-five (65) years of age, the deduction  
 6 allowed under this section shall be reduced by an amount equal to the  
 7 deduction multiplied by a fraction. The numerator of the fraction is the  
 8 number of tenants who are not at least sixty-five (65) years of age, and  
 9 the denominator is the total number of tenants.

10 SECTION 5. IC 6-1.1-12-10.1, AS AMENDED BY P.L.144-2008,  
 11 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2011]: Sec. 10.1. (a) Except as provided in section 17.8 of this  
 13 chapter and subject to section 45 of this chapter, an individual who  
 14 desires to claim the deduction provided by section 9 of this chapter  
 15 must file a sworn statement, on forms prescribed by the department of  
 16 local government finance, with the auditor of the county in which the  
 17 real property, mobile home, or manufactured home is located. With  
 18 respect to real property, the statement must be filed during the year for  
 19 which the individual wishes to obtain the deduction. With respect to a  
 20 mobile home that is not assessed as real property or a manufactured  
 21 home that is not assessed as real property, the statement must be filed  
 22 during the twelve (12) months before March 31 of each year for which  
 23 the individual wishes to obtain the deduction. The statement may be  
 24 filed in person or by mail. If mailed, the mailing must be postmarked  
 25 on or before the last day for filing.

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

- 32 (1) the source and exact amount of gross income received by the  
 33 individual and the individual's spouse during the preceding  
 34 calendar year;
- 35 (2) the description and assessed value of the real property, mobile  
 36 home, or manufactured home;
- 37 (3) the individual's full name and complete residence address;
- 38 (4) the record number and page where the contract or

1 memorandum of the contract is recorded if the individual is  
 2 buying the real property, mobile home, or manufactured home on  
 3 **a qualified installment** contract; and

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

6 (c) In order to substantiate the deduction statement, the applicant  
 7 shall submit for inspection by the county auditor a copy of the  
 8 applicant's and a copy of the applicant's spouse's income tax returns for  
 9 the preceding calendar year. If either was not required to file an income  
 10 tax return, the applicant shall subscribe to that fact in the deduction  
 11 statement.

12 SECTION 6. IC 6-1.1-12-11, AS AMENDED BY P.L.1-2010,  
 13 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2011]: Sec. 11. (a) Except as provided in section 40.5 of this  
 15 chapter, an individual may have the sum of twelve thousand four  
 16 hundred eighty dollars (\$12,480) deducted from the assessed value of  
 17 real property, mobile home not assessed as real property, or  
 18 manufactured home not assessed as real property that the individual  
 19 owns, or that the individual is buying under a **qualified installment**  
 20 contract that provides that the individual is to pay property taxes on the  
 21 real property, mobile home, or manufactured home; if the contract or  
 22 a memorandum of the contract is recorded in the county recorder's  
 23 office; and if:

- 24 (1) the individual is blind or the individual has a disability;  
 25 (2) the real property, mobile home, or manufactured home is  
 26 principally used and occupied by the individual as the individual's  
 27 residence;  
 28 (3) the individual's taxable gross income for the calendar year  
 29 preceding the year in which the deduction is claimed did not  
 30 exceed seventeen thousand dollars (\$17,000); and  
 31 (4) the individual:  
 32 (A) owns the real property, mobile home, or manufactured  
 33 home; or  
 34 (B) is buying the real property, mobile home, or manufactured  
 35 home under a **qualified installment** contract;  
 36 on the date the statement required by section 12 of this chapter is  
 37 filed.

38 (b) For purposes of this section, taxable gross income does not

1 include income which is not taxed under the federal income tax laws.

2 (c) For purposes of this section, "blind" has the same meaning as the  
3 definition contained in IC 12-7-2-21(1).

4 (d) For purposes of this section, "individual with a disability" means  
5 a person unable to engage in any substantial gainful activity by reason  
6 of a medically determinable physical or mental impairment which:

7 (1) can be expected to result in death; or

8 (2) has lasted or can be expected to last for a continuous period of  
9 not less than twelve (12) months.

10 (e) An individual with a disability filing a claim under this section  
11 shall submit proof of disability in such form and manner as the  
12 department shall by rule prescribe. Proof that a claimant is eligible to  
13 receive disability benefits under the federal Social Security Act (42  
14 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of  
15 this section.

16 (f) An individual with a disability not covered under the federal  
17 Social Security Act shall be examined by a physician and the  
18 individual's status as an individual with a disability determined by  
19 using the same standards as used by the Social Security Administration.  
20 The costs of this examination shall be borne by the claimant.

21 (g) An individual who has sold real property, a mobile home not  
22 assessed as real property, or a manufactured home not assessed as real  
23 property to another person under a **qualified installment** contract ~~that~~  
24 ~~provides that the contract buyer is to pay the property taxes on the real~~  
25 ~~property, mobile home, or manufactured home~~ may not claim the  
26 deduction provided under this section against that real property, mobile  
27 home, or manufactured home.

28 SECTION 7. IC 6-1.1-12-12, AS AMENDED BY P.L.1-2009,  
29 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
30 JULY 1, 2011]: Sec. 12. (a) Except as provided in section 17.8 of this  
31 chapter and subject to section 45 of this chapter, a person who desires  
32 to claim the deduction provided in section 11 of this chapter must file  
33 an application, on forms prescribed by the department of local  
34 government finance, with the auditor of the county in which the real  
35 property, mobile home not assessed as real property, or manufactured  
36 home not assessed as real property is located. With respect to real  
37 property, the application must be filed during the year for which the  
38 individual wishes to obtain the deduction. With respect to a mobile

1 home that is not assessed as real property or a manufactured home that  
 2 is not assessed as real property, the application must be filed during the  
 3 twelve (12) months before March 31 of each year for which the  
 4 individual wishes to obtain the deduction. The application may be filed  
 5 in person or by mail. If mailed, the mailing must be postmarked on or  
 6 before the last day for filing.

7 (b) Proof of blindness may be supported by:

8 (1) the records of the division of family resources or the division  
 9 of disability and rehabilitative services; or

10 (2) the written statement of a physician who is licensed by this  
 11 state and skilled in the diseases of the eye or of a licensed  
 12 optometrist.

13 (c) The application required by this section must contain the record  
 14 number and page where the **qualified installment** contract or  
 15 memorandum of the contract is recorded if the individual is buying the  
 16 real property, mobile home, or manufactured home on a **qualified**  
 17 **installment** contract. ~~that provides that the individual is to pay property~~  
 18 ~~taxes on the real property, mobile home, or manufactured home.~~

19 SECTION 8. IC 6-1.1-12-13, AS AMENDED BY P.L.1-2010,  
 20 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2011]: Sec. 13. (a) Except as provided in section 40.5 of this  
 22 chapter an individual may have twenty-four thousand nine hundred  
 23 sixty dollars (\$24,960) deducted from the assessed value of the taxable  
 24 tangible property that the individual owns, or real property, a mobile  
 25 home not assessed as real property, or a manufactured home not  
 26 assessed as real property that the individual is buying under a **qualified**  
 27 **installment** contract ~~that provides that the individual is to pay property~~  
 28 ~~taxes on the real property, mobile home, or manufactured home, if the~~  
 29 ~~contract or a memorandum of the contract is recorded in the county~~  
 30 ~~recorder's office and if:~~

31 (1) the individual served in the military or naval forces of the  
 32 United States during any of its wars;

33 (2) the individual received an honorable discharge;

34 (3) the individual has a disability with a service connected  
 35 disability of ten percent (10%) or more;

36 (4) the individual's disability is evidenced by:

37 (A) a pension certificate, an award of compensation, or a  
 38 disability compensation check issued by the United States

1 Department of Veterans Affairs; or  
 2 (B) a certificate of eligibility issued to the individual by the  
 3 Indiana department of veterans' affairs after the Indiana  
 4 department of veterans' affairs has determined that the  
 5 individual's disability qualifies the individual to receive a  
 6 deduction under this section; and

7 (5) the individual:  
 8 (A) owns the real property, mobile home, or manufactured  
 9 home; or  
 10 (B) is buying the real property, mobile home, or manufactured  
 11 home under a **qualified installment** contract;  
 12 on the date the statement required by section 15 of this chapter is  
 13 filed.

14 (b) The surviving spouse of an individual may receive the deduction  
 15 provided by this section if the individual would qualify for the  
 16 deduction if the individual were alive.

17 (c) One who receives the deduction provided by this section may not  
 18 receive the deduction provided by section 16 of this chapter. However,  
 19 the individual may receive any other property tax deduction which the  
 20 individual is entitled to by law.

21 (d) An individual who has sold real property, a mobile home not  
 22 assessed as real property, or a manufactured home not assessed as real  
 23 property to another person under a **qualified installment** contract ~~that~~  
 24 ~~provides that the contract buyer is to pay the property taxes on the real~~  
 25 ~~property, mobile home, or manufactured home~~ may not claim the  
 26 deduction provided under this section against that real property, mobile  
 27 home, or manufactured home.

28 SECTION 9. IC 6-1.1-12-14, AS AMENDED BY P.L.1-2009,  
 29 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2011]: Sec. 14. (a) Except as provided in subsection (c) and  
 31 except as provided in section 40.5 of this chapter, an individual may  
 32 have the sum of twelve thousand four hundred eighty dollars (\$12,480)  
 33 deducted from the assessed value of the tangible property that the  
 34 individual owns (or the real property, mobile home not assessed as real  
 35 property, or manufactured home not assessed as real property that the  
 36 individual is buying under a **qualified installment** contract) ~~that~~  
 37 ~~provides that the individual is to pay property taxes on the real~~  
 38 ~~property, mobile home, or manufactured home if the contract or a~~

1 ~~memorandum of the contract is recorded in the county recorder's office)~~  
 2 if:

- 3 (1) the individual served in the military or naval forces of the  
 4 United States for at least ninety (90) days;  
 5 (2) the individual received an honorable discharge;  
 6 (3) the individual either:  
 7 (A) has a total disability; or  
 8 (B) is at least sixty-two (62) years old and has a disability of at  
 9 least ten percent (10%);  
 10 (4) the individual's disability is evidenced by:  
 11 (A) a pension certificate or an award of compensation issued  
 12 by the United States Department of Veterans Affairs; or  
 13 (B) a certificate of eligibility issued to the individual by the  
 14 Indiana department of veterans' affairs after the Indiana  
 15 department of veterans' affairs has determined that the  
 16 individual's disability qualifies the individual to receive a  
 17 deduction under this section; and  
 18 (5) the individual:  
 19 (A) owns the real property, mobile home, or manufactured  
 20 home; or  
 21 (B) is buying the real property, mobile home, or manufactured  
 22 home under a **qualified installment** contract;  
 23 on the date the statement required by section 15 of this chapter is  
 24 filed.  
 25 (b) Except as provided in subsection (c), the surviving spouse of an  
 26 individual may receive the deduction provided by this section if the  
 27 individual would qualify for the deduction if the individual were alive.  
 28 (c) No one is entitled to the deduction provided by this section if the  
 29 assessed value of the individual's tangible property, as shown by the tax  
 30 duplicate, exceeds one hundred forty-three thousand one hundred sixty  
 31 dollars (\$143,160).  
 32 (d) An individual who has sold real property, a mobile home not  
 33 assessed as real property, or a manufactured home not assessed as real  
 34 property to another person under a **qualified installment** contract ~~that~~  
 35 ~~provides that the contract buyer is to pay the property taxes on the real~~  
 36 ~~property, mobile home, or manufactured home~~ may not claim the  
 37 deduction provided under this section against that real property, mobile  
 38 home, or manufactured home.

1 SECTION 10. IC 6-1.1-12-15, AS AMENDED BY P.L.144-2008,  
 2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2011]: Sec. 15. (a) Except as provided in section 17.8 of this  
 4 chapter and subject to section 45 of this chapter, an individual who  
 5 desires to claim the deduction provided by section 13 or section 14 of  
 6 this chapter must file a statement with the auditor of the county in  
 7 which the individual resides. With respect to real property, the  
 8 statement must be filed during the year for which the individual wishes  
 9 to obtain the deduction. With respect to a mobile home that is not  
 10 assessed as real property or a manufactured home that is not assessed  
 11 as real property, the statement must be filed during the twelve (12)  
 12 months before March 31 of each year for which the individual wishes  
 13 to obtain the deduction. The statement may be filed in person or by  
 14 mail. If mailed, the mailing must be postmarked on or before the last  
 15 day for filing. The statement shall contain a sworn declaration that the  
 16 individual is entitled to the deduction.

17 (b) In addition to the statement, the individual shall submit to the  
 18 county auditor for the auditor's inspection:

19 (1) a pension certificate, an award of compensation, or a disability  
 20 compensation check issued by the United States Department of  
 21 Veterans Affairs if the individual claims the deduction provided  
 22 by section 13 of this chapter;

23 (2) a pension certificate or an award of compensation issued by  
 24 the United States Department of Veterans Affairs if the individual  
 25 claims the deduction provided by section 14 of this chapter; or

26 (3) the appropriate certificate of eligibility issued to the individual  
 27 by the Indiana department of veterans' affairs if the individual  
 28 claims the deduction provided by section 13 or 14 of this chapter.

29 (c) If the individual claiming the deduction is under guardianship,  
 30 the guardian shall file the statement required by this section.

31 (d) If the individual claiming a deduction under section 13 or 14 of  
 32 this chapter is buying real property, a mobile home not assessed as real  
 33 property, or a manufactured home not assessed as real property under  
 34 a **qualified installment** contract, ~~that provides that the individual is to~~  
 35 ~~pay property taxes for the real estate, mobile home, or manufactured~~  
 36 ~~home~~, the statement required by this section must contain the record  
 37 number and page where the contract or memorandum of the contract  
 38 is recorded.

1 SECTION 11. IC 6-1.1-12-16, AS AMENDED BY P.L.1-2009,  
 2 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2011]: Sec. 16. (a) Except as provided in section 40.5 of this  
 4 chapter, a surviving spouse may have the sum of eighteen thousand  
 5 seven hundred twenty dollars (\$18,720) deducted from the assessed  
 6 value of his or her tangible property, or real property, mobile home not  
 7 assessed as real property, or manufactured home not assessed as real  
 8 property that the surviving spouse is buying under a **qualified**  
 9 **installment** contract that provides that the surviving spouse is to pay  
 10 property taxes on the real property, mobile home, or manufactured  
 11 home; if the contract or a memorandum of the contract is recorded in  
 12 the county recorder's office; and if:

13 (1) the deceased spouse served in the military or naval forces of  
 14 the United States before November 12, 1918;

15 (2) the deceased spouse received an honorable discharge; and

16 (3) the surviving spouse:

17 (A) owns the real property, mobile home, or manufactured  
 18 home; or

19 (B) is buying the real property, mobile home, or manufactured  
 20 home under contract;

21 on the date the statement required by section 17 of this chapter is  
 22 filed.

23 (b) A surviving spouse who receives the deduction provided by this  
 24 section may not receive the deduction provided by section 13 of this  
 25 chapter. However, he or she may receive any other deduction which he  
 26 or she is entitled to by law.

27 (c) An individual who has sold real property, a mobile home not  
 28 assessed as real property, or a manufactured home not assessed as real  
 29 property to another person under a **qualified installment** contract that  
 30 provides that the contract buyer is to pay the property taxes on the real  
 31 property, mobile home, or manufactured home may not claim the  
 32 deduction provided under this section against that real property, mobile  
 33 home, or manufactured home.

34 SECTION 12. IC 6-1.1-12-17, AS AMENDED BY P.L.144-2008,  
 35 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 2011]: Sec. 17. Except as provided in section 17.8 of this  
 37 chapter and subject to section 45 of this chapter, a surviving spouse  
 38 who desires to claim the deduction provided by section 16 of this

1 chapter must file a statement with the auditor of the county in which  
 2 the surviving spouse resides. With respect to real property, the  
 3 statement must be filed during the year for which the surviving spouse  
 4 wishes to obtain the deduction. With respect to a mobile home that is  
 5 not assessed as real property or a manufactured home that is not  
 6 assessed as real property, the statement must be filed during the twelve  
 7 (12) months before March 31 of each year for which the individual  
 8 wishes to obtain the deduction. The statement may be filed in person  
 9 or by mail. If mailed, the mailing must be postmarked on or before the  
 10 last day for filing. The statement shall contain:

- 11 (1) a sworn statement that the surviving spouse is entitled to the  
 12 deduction; and
- 13 (2) the record number and page where the **qualified installment**  
 14 contract or memorandum of the contract is recorded, if the  
 15 individual is buying the real property on a **qualified installment**  
 16 contract. ~~that provides that the individual is to pay property taxes~~  
 17 ~~on the real property.~~

18 In addition to the statement, the surviving spouse shall submit to the  
 19 county auditor for the auditor's inspection a letter or certificate from the  
 20 United States Department of Veterans Affairs establishing the service  
 21 of the deceased spouse in the military or naval forces of the United  
 22 States before November 12, 1918.

23 SECTION 13. IC 6-1.1-12-17.4, AS AMENDED BY P.L.1-2009,  
 24 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2011]: Sec. 17.4. (a) Except as provided in section 40.5 of this  
 26 chapter, a World War I veteran who is a resident of Indiana is entitled  
 27 to have the sum of eighteen thousand seven hundred twenty dollars  
 28 (\$18,720) deducted from the assessed valuation of the real property  
 29 (including a mobile home that is assessed as real property), mobile  
 30 home that is not assessed as real property, or manufactured home that  
 31 is not assessed as real property the veteran owns or is buying under a  
 32 **qualified installment** contract ~~that requires the veteran to pay property~~  
 33 ~~taxes on the real property; if the contract or a memorandum of the~~  
 34 ~~contract is recorded in the county recorder's office; if:~~

- 35 (1) the real property, mobile home, or manufactured home is the  
 36 veteran's principal residence;
- 37 (2) the assessed valuation of the real property, mobile home, or  
 38 manufactured home does not exceed two hundred six thousand

- 1 five hundred dollars (\$206,500);
- 2 (3) the veteran owns the real property, mobile home, or  
3 manufactured home for at least one (1) year before claiming the  
4 deduction; and
- 5 (4) the veteran:
- 6 (A) owns the real property, mobile home, or manufactured  
7 home; or
- 8 (B) is buying the real property, mobile home, or manufactured  
9 home under a **qualified installment** contract;  
10 on the date the statement required by section 17.5 of this chapter  
11 is filed.
- 12 (b) An individual may not be denied the deduction provided by this  
13 section because the individual is absent from the individual's principal  
14 residence while in a nursing home or hospital.
- 15 (c) For purposes of this section, if real property, a mobile home, or  
16 a manufactured home is owned by a husband and wife as tenants by the  
17 entirety, only one (1) deduction may be allowed under this section.  
18 However, the deduction provided in this section applies if either spouse  
19 satisfies the requirements prescribed in subsection (a).
- 20 (d) An individual who has sold real property, a mobile home not  
21 assessed as real property, or a manufactured home not assessed as real  
22 property to another person under a **qualified installment** contract ~~that~~  
23 ~~provides that the contract buyer is to pay the property taxes on the real~~  
24 ~~property, mobile home, or manufactured home~~ may not claim the  
25 deduction provided under this section with respect to that real property,  
26 mobile home, or manufactured home.
- 27 SECTION 14. IC 6-1.1-12-17.5, AS AMENDED BY P.L.144-2008,  
28 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
29 JULY 1, 2011]: Sec. 17.5. (a) Except as provided in section 17.8 of this  
30 chapter and subject to section 45 of this chapter, a veteran who desires  
31 to claim the deduction provided in section 17.4 of this chapter must file  
32 a sworn statement, on forms prescribed by the department of local  
33 government finance, with the auditor of the county in which the real  
34 property, mobile home, or manufactured home is assessed. With  
35 respect to real property, the veteran must file the statement during the  
36 year for which the veteran wishes to obtain the deduction. With respect  
37 to a mobile home that is not assessed as real property or a  
38 manufactured home that is not assessed as real property, the statement

1 must be filed during the twelve (12) months before March 31 of each  
 2 year for which the individual wishes to obtain the deduction. The  
 3 statement may be filed in person or by mail. If mailed, the mailing must  
 4 be postmarked on or before the last day for filing.

5 (b) The statement required under this section shall be in affidavit  
 6 form or require verification under penalties of perjury. The statement  
 7 shall be filed in duplicate if the veteran has, or is buying under a  
 8 contract, real property in more than one (1) county or in more than one  
 9 (1) taxing district in the same county. The statement shall contain:

10 (1) a description and the assessed value of the real property,  
 11 mobile home, or manufactured home;

12 (2) the veteran's full name and complete residence address;

13 (3) the record number and page where the contract or  
 14 memorandum of the **qualified installment** contract is recorded,  
 15 if the individual is buying the real property, mobile home, or  
 16 manufactured home on a **qualified installment** contract; ~~that~~  
 17 ~~provides that the individual is to pay property taxes on the real~~  
 18 ~~property, mobile home, or manufactured home;~~ and

19 (4) any additional information which the department of local  
 20 government finance may require."

21 Page 3, line 17, reset in roman "A".

22 Page 3, line 17, delete "An eligible".

23 Page 5, delete lines 14 through 32, begin a new line block indented  
 24 and insert:

25 **"(2) "Eligible cooperative housing corporation property"**  
 26 **means property that is:**

27 **(A) owned by a cooperative housing corporation (as**  
 28 **defined in 26 U.S.C. 216); and**

29 **(B) used as the principal place of residence of an individual**  
 30 **who:**

31 **(i) is a tenant-stockholder (as defined in 26 U.S.C. 216) in**  
 32 **the cooperative housing corporation referred to in clause**  
 33 **(A); and**

34 **(ii) can demonstrate an ownership interest in the shares**  
 35 **of the cooperative housing corporation that has a value**  
 36 **at least equal to the true tax value of the property that**  
 37 **the individual uses as the individual's principal place of**  
 38 **residence.**

1           **Subject to subsection (m), the term includes a proportionate**  
2           **share of common areas used for residential purposes by**  
3           **individuals described in clause (B). The term does not include**  
4           **a leasing or zero equity cooperative."**

5           Page 5, line 33, strike "(2)" and insert "**(3)**".

6           Page 5, line 38, delete "contract," and insert "**qualified installment**  
7           contract;"

8           Page 5, line 38, strike "recorded in the".

9           Page 5, strike lines 39 through 40.

10          Page 5, line 41, strike "the individual is entitled to occupy as a".

11          Page 5, line 42, strike " tenant-stockholder (as defined in 26 U.S.C.  
12          216) of".

13          Page 5, line 42, delete "an" and insert "**is**".

14          Page 6, line 1, delete "corporation;" and insert "corporation".

15          Page 6, line 2, delete "216);" and insert "~~216)~~ **property;**".

16          Page 6, line 33, after "a" insert "**qualified installment**".

17          Page 6, line 33, strike "that provides that the contract buyer".

18          Page 6, strike line 34.

19          Page 6, line 35, strike "manufactured home".

20          Page 10, between lines 20 and 21, begin a new paragraph and insert:

21          "SECTION 17. IC 6-1.1-12-39 IS AMENDED TO READ AS  
22          FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 39. (a) A person who  
23          is:

24                 (1) purchasing property under a contract that does not require the  
25                 buyer to pay property taxes on the property; and

26                 (2) required to pay property taxes under IC 6-1.1-10-41;  
27          is eligible for a deduction granted by this chapter to the same extent as  
28          a person who is buying property under a **qualified installment**  
29          contract. ~~that provides the contract buyer is to pay property taxes on the~~  
30          ~~property.~~

31                 (b) To obtain the deduction, with the application the applicant must  
32          provide:

33                 (1) the same information concerning the contract that is required  
34                 for **qualified installment** contracts; ~~that require the buyer to pay~~  
35                 ~~property taxes;~~ and

36                 (2) information that indicates that IC 6-1.1-10-41 applies to the  
37                 property.

38          SECTION 18. IC 6-1.1-12-46 IS ADDED TO THE INDIANA

1 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2011]: **Sec. 46. (a) This section applies to an**  
 3 **assessed valuation deduction claimed for:**

4 (1) an assessment date occurring after February 28, 2012,  
 5 with respect to property taxes first due and payable after  
 6 December 31, 2012, for an assessed valuation deduction  
 7 claimed for real property; or

8 (2) an assessment date occurring after December 31, 2011,  
 9 with respect to property taxes first due and payable after  
 10 December 31, 2011, for an assessed valuation deduction  
 11 claimed for a mobile home or manufactured home assessed  
 12 under IC 6-1.1-7.

13 (b) A person who:

14 (1) owns property subject to taxation under this article;  
 15 (2) misrepresents a residential lease as a qualified installment  
 16 contract; and  
 17 (3) through the misrepresentation described in subdivision (2)  
 18 causes another individual to improperly claim a deduction  
 19 that is made available to a buyer under a qualified installment  
 20 contract under this chapter;

21 is liable for any additional taxes that would have been due on the  
 22 property if the person had leased the property to the purported  
 23 contract buyer, plus a civil penalty equal to ten percent (10%) of  
 24 the additional taxes due.

25 (c) The civil penalty imposed under subsection (b) is in addition  
 26 to any interest and penalties for a delinquent payment that might  
 27 otherwise be due.

28 (d) One percent (1%) of the total civil penalty collected under  
 29 this section shall be transferred by the county to the department of  
 30 local government finance for use by the department in establishing  
 31 and maintaining the homestead property data base under section  
 32 37 of this chapter and, to the extent there is money remaining, for  
 33 any other purposes of the department. This amount becomes part  
 34 of the property tax liability for purposes of this article."

35 Page 10, line 21, delete "IC 6-1.1-12-46" and insert "IC  
 36 6-1.1-12-47".

37 Page 10, line 23, delete "46." and insert "47."

38 Page 10, line 28, delete "an".

- 1 Page 10, line 28, after "corporation" insert "**property**".
- 2 Renumber all SECTIONS consecutively.  
(Reference is to HB 1270 as introduced.)

**and when so amended that said bill do pass.**

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Representative Espich