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# SENATE BILL No. 569

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1; IC 6-1.5-4-1; IC 6-3-4-6; IC 6-8.1; IC 33-26-3-7; IC 33-26-6-2; IC 33-26-6-2.5.

**Synopsis:** Tax procedures. Changes the method for calculating interest due on property tax payments and refunds. Indicates that an explanation of appeal procedures must be included in a property tax bill if a change in assessment was made without sending out a Form 11. Provides that a taxpayer may appeal a dispute over interest, penalties, collection fees, clerk's costs, sheriff's costs, and collection agency fees imposed on delinquent property taxes by filing a Form 133 with the county auditor. Permits an appeal to the tax court. Specifies that the tax court has jurisdiction over: (1) a dispute related to a refund for a tax administered by the department of state revenue after the expiration of the date a claim for refund may be filed; (2) settlement agreements between the taxpayer and the department of state revenue; and (3) interest, penalties, collection fees, clerk's costs, sheriff's costs, and collection agency fees related to the collection of a tax administered by the department of state revenue. Indicates that a modification of federal tax liability or a federal tax return need not be reported to the department of state revenue until the federal modification becomes a final, binding determination. Specifies that a taxpayer earns interest on an overpayment of state taxes from the date the tax return was due. Requires the department of state revenue to standardize the form used to give notice of the denial of a refund. Provides that, unless the jeopardy assessment provisions of law apply or the tax court authorizes collection, the department of state revenue may not issue a demand notice for a tax or initiate a collection action until after a taxpayer's right of appeal expires (if the taxpayer does not appeal an assessment) or the date a final tax court decision is issued (if a timely appeal is filed).

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**Effective:** Upon passage.

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## Holdman

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January 20, 2011, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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**SENATE BILL No. 569**



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 6-1.1-6-24, AS AMENDED BY P.L.66-2006,  
2 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 24. (a) If land that is classified as native forest  
4 land, a forest plantation, or wildlands is withdrawn from the  
5 classification, the owner shall pay an amount equal to the sum of the  
6 following:

7 (1) The total property taxes that, if it were not for the  
8 classification, would have been assessed on the land during the  
9 period of classification or the ten (10) year period immediately  
10 preceding the date on which the land is withdrawn from the  
11 classification, whichever is lesser.

12 (2) Interest on the property taxes at the rate of ~~ten percent (10%)~~  
13 **simple interest per year: specified in IC 6-1.1-37-14.**

14 (3) For land that was originally classified after June, 30, 2006, a  
15 penalty amount of one hundred dollars (\$100) per withdrawal plus  
16 fifty dollars (\$50) per acre, unless an amount is established by  
17 rule by the natural resources commission. However, the natural



1 resources commission may not increase the penalty amount more  
2 than once every five (5) years.

3 (b) The liability imposed by this section is a lien upon the land  
4 withdrawn from the classification. When the county collects the  
5 amount, the funds shall be distributed as follows:

6 (1) Seventy-five percent (75%) of the penalty under subsection  
7 (a)(3) shall be transferred by the county auditor to the treasurer of  
8 state who shall deposit the amount in the forest restoration fund  
9 (IC 14-12-1-11.1).

10 (2) Twenty-five percent (25%) of the penalty under subsection  
11 (a)(3) plus the taxes and interest collected under subsection (a)(1)  
12 and (a)(2) shall be deposited by the county auditor into the county  
13 general fund.

14 If the amount is not paid, it shall be treated in the same manner the  
15 delinquent taxes on real property are treated.

16 (c) The county auditor shall determine the tax owed under  
17 subsection (a).

18 SECTION 2. IC 6-1.1-6.2-19 IS AMENDED TO READ AS  
19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) If land that  
20 is classified as a windbreak is withdrawn from the classification, the  
21 owner shall pay an amount equal to the lesser of:

22 (1) the sum of:

23 (A) the total property taxes that, if it were not for the  
24 classification, would have been assessed on the land during the  
25 period of classification or the ten (10) year period immediately  
26 preceding the date on which the land is withdrawn from the  
27 classification, whichever is lesser; plus

28 (B) interest on the property taxes at the rate of ~~ten percent~~  
29 ~~(10%) per year; specified in IC 6-1.1-37-14;~~ or

30 (2) the remainder of:

31 (A) the withdrawal assessment of the land; minus

32 (B) the sum of the initial classification assessment of the land  
33 and any increase in the initial classification of the land  
34 resulting from the subsequent construction of a ditch or levee.

35 (b) The liability imposed by this section is a lien upon the land  
36 withdrawn from the classification. When the amount is collected, it  
37 shall be paid into the county general fund. If the amount is not paid, it  
38 shall be treated in the same manner that delinquent taxes on real  
39 property are treated.

40 (c) For purposes of this section, "initial classification assessment"  
41 means the assessment required under section 5 of this chapter, and  
42 "withdrawal assessment" means the assessment required under section

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15 or 16 of this chapter.  
SECTION 3. IC 6-1.1-6.7-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) For purposes of this section, "initial classification assessment" means the assessment required under section 5 of this chapter, and "withdrawal assessment" means the assessment required under section 14 or 15 of this chapter.

(b) If land that is classified as a filter strip is withdrawn from the classification, the owner shall pay an amount equal to the lesser of:

- (1) the sum of:
  - (A) the total property taxes that, if it were not for the classification, would have been assessed on the land during the lesser of the period of classification or the ten (10) year period immediately preceding the date on which the land is withdrawn from the classification; plus
  - (B) interest on the property taxes at the rate ~~of ten percent (10%)~~ **per year; specified in IC 6-1.1-37-14;** or

- (2) the remainder of:
  - (A) the withdrawal assessment of the land; minus
  - (B) the sum of the initial classification assessment of the land and any increase in the initial classification of the land resulting from the subsequent construction of a ditch or levee.

(c) The liability imposed by this section is a lien upon the land withdrawn from the classification. When the amount is collected, the amount shall be paid into the county general fund. If the amount is not paid, the lien shall be treated in the same manner that delinquent taxes on real property are treated.

SECTION 4. IC 6-1.1-8-40 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 40. When the department of local government finance assesses distributable property which was omitted from the assessment for a particular year, the department shall, as nearly as possible, assess the omitted distributable property in the same manner that the department assesses other distributable property. The taxes due on the omitted distributable property shall be calculated by using the same tax rates which were applicable for the tax year that the distributable property was omitted from the assessment. The public utility company shall pay interest on the taxes due on the omitted distributable property at the rate ~~of two percent (2%) per month; or fraction of a month;~~ **specified in IC 6-1.1-37-14.** The interest due shall be calculated on the period of time beginning with January 1 of the year following the year in which the property was omitted from the assessment and ending with the day

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1 the taxes are paid. However, the department of local government  
2 finance may waive any portion of the interest due under this section at  
3 the time the department makes its final assessment of the omitted  
4 distributable property.

5 SECTION 5. IC 6-1.1-10-16, AS AMENDED BY P.L.196-2007,  
6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 UPON PASSAGE]: Sec. 16. (a) All or part of a building is exempt  
8 from property taxation if it is owned, occupied, and used by a person  
9 for educational, literary, scientific, religious, or charitable purposes.

10 (b) A building is exempt from property taxation if it is owned,  
11 occupied, and used by a town, city, township, or county for educational,  
12 literary, scientific, fraternal, or charitable purposes.

13 (c) A tract of land, including the campus and athletic grounds of an  
14 educational institution, is exempt from property taxation if:

15 (1) a building that is exempt under subsection (a) or (b) is situated  
16 on it;

17 (2) a parking lot or structure that serves a building referred to in  
18 subdivision (1) is situated on it; or

19 (3) the tract:  
20 (A) is owned by a nonprofit entity established for the purpose  
21 of retaining and preserving land and water for their natural  
22 characteristics;

23 (B) does not exceed five hundred (500) acres; and

24 (C) is not used by the nonprofit entity to make a profit.

25 (d) A tract of land is exempt from property taxation if:

26 (1) it is purchased for the purpose of erecting a building that is to  
27 be owned, occupied, and used in such a manner that the building  
28 will be exempt under subsection (a) or (b); and

29 (2) not more than four (4) years after the property is purchased,  
30 and for each year after the four (4) year period, the owner  
31 demonstrates substantial progress and active pursuit towards the  
32 erection of the intended building and use of the tract for the  
33 exempt purpose. To establish substantial progress and active  
34 pursuit under this subdivision, the owner must prove the existence  
35 of factors such as the following:

36 (A) Organization of and activity by a building committee or  
37 other oversight group.

38 (B) Completion and filing of building plans with the  
39 appropriate local government authority.

40 (C) Cash reserves dedicated to the project of a sufficient  
41 amount to lead a reasonable individual to believe the actual  
42 construction can and will begin within four (4) years.

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1 (D) The breaking of ground and the beginning of actual  
 2 construction.  
 3 (E) Any other factor that would lead a reasonable individual to  
 4 believe that construction of the building is an active plan and  
 5 that the building is capable of being completed within eight (8)  
 6 years considering the circumstances of the owner.  
 7 If the owner of the property sells, leases, or otherwise transfers a tract  
 8 of land that is exempt under this subsection, the owner is liable for the  
 9 property taxes that were not imposed upon the tract of land during the  
 10 period beginning January 1 of the fourth year following the purchase  
 11 of the property and ending on December 31 of the year of the sale,  
 12 lease, or transfer. The county auditor of the county in which the tract  
 13 of land is located may establish an installment plan for the repayment  
 14 of taxes due under this subsection. The plan established by the county  
 15 auditor may allow the repayment of the taxes over a period of years  
 16 equal to the number of years for which property taxes must be repaid  
 17 under this subsection.  
 18 (e) Personal property is exempt from property taxation if it is owned  
 19 and used in such a manner that it would be exempt under subsection (a)  
 20 or (b) if it were a building.  
 21 (f) A hospital's property that is exempt from property taxation under  
 22 subsection (a), (b), or (e) shall remain exempt from property taxation  
 23 even if the property is used in part to furnish goods or services to  
 24 another hospital whose property qualifies for exemption under this  
 25 section.  
 26 (g) Property owned by a shared hospital services organization that  
 27 is exempt from federal income taxation under Section 501(c)(3) or  
 28 501(e) of the Internal Revenue Code is exempt from property taxation  
 29 if it is owned, occupied, and used exclusively to furnish goods or  
 30 services to a hospital whose property is exempt from property taxation  
 31 under subsection (a), (b), or (e).  
 32 (h) This section does not exempt from property tax an office or a  
 33 practice of a physician or group of physicians that is owned by a  
 34 hospital licensed under IC 16-21-1 or other property that is not  
 35 substantially related to or supportive of the inpatient facility of the  
 36 hospital unless the office, practice, or other property:  
 37 (1) provides or supports the provision of charity care (as defined  
 38 in IC 16-18-2-52.5), including providing funds or other financial  
 39 support for health care services for individuals who are indigent  
 40 (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or  
 41 (2) provides or supports the provision of community benefits (as  
 42 defined in IC 16-21-9-1), including research, education, or

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1 government sponsored indigent health care (as defined in  
2 IC 16-21-9-2).

3 However, participation in the Medicaid or Medicare program alone  
4 does not entitle an office, practice, or other property described in this  
5 subsection to an exemption under this section.

6 (i) A tract of land or a tract of land plus all or part of a structure on  
7 the land is exempt from property taxation if:

8 (1) the tract is acquired for the purpose of erecting, renovating, or  
9 improving a single family residential structure that is to be given  
10 away or sold:

- 11 (A) in a charitable manner;
- 12 (B) by a nonprofit organization; and
- 13 (C) to low income individuals who will:
  - 14 (i) use the land as a family residence; and
  - 15 (ii) not have an exemption for the land under this section;

16 (2) the tract does not exceed three (3) acres;

17 (3) the tract of land or the tract of land plus all or part of a  
18 structure on the land is not used for profit while exempt under this  
19 section; and

20 (4) not more than four (4) years after the property is acquired for  
21 the purpose described in subdivision (1), and for each year after  
22 the four (4) year period, the owner demonstrates substantial  
23 progress and active pursuit towards the erection, renovation, or  
24 improvement of the intended structure. To establish substantial  
25 progress and active pursuit under this subdivision, the owner must  
26 prove the existence of factors such as the following:

- 27 (A) Organization of and activity by a building committee or  
28 other oversight group.
- 29 (B) Completion and filing of building plans with the  
30 appropriate local government authority.
- 31 (C) Cash reserves dedicated to the project of a sufficient  
32 amount to lead a reasonable individual to believe the actual  
33 construction can and will begin within five (5) years of the  
34 initial exemption received under this subsection.
- 35 (D) The breaking of ground and the beginning of actual  
36 construction.
- 37 (E) Any other factor that would lead a reasonable individual to  
38 believe that construction of the structure is an active plan and  
39 that the structure is capable of being:
  - 40 (i) completed; and
  - 41 (ii) transferred to a low income individual who does not  
42 receive an exemption under this section;

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1           within eight (8) years considering the circumstances of the  
2           owner.

3           (j) An exemption under subsection (i) terminates when the property  
4 is conveyed by the nonprofit organization to another owner. When the  
5 property is conveyed to another owner, the nonprofit organization  
6 receiving the exemption must file a certified statement with the auditor  
7 of the county, notifying the auditor of the change not later than sixty  
8 (60) days after the date of the conveyance. The county auditor shall  
9 immediately forward a copy of the certified statement to the county  
10 assessor. A nonprofit organization that fails to file the statement  
11 required by this subsection is liable for the amount of property taxes  
12 due on the property conveyed if it were not for the exemption allowed  
13 under this chapter.

14           (k) If property is granted an exemption in any year under subsection  
15 (i) and the owner:

16           (1) ceases to be eligible for the exemption under subsection (i)(4);  
17           (2) fails to transfer the tangible property within eight (8) years  
18 after the assessment date for which the exemption is initially  
19 granted; or

20           (3) transfers the tangible property to a person who:

21           (A) is not a low income individual; or

22           (B) does not use the transferred property as a residence for at  
23 least one (1) year after the property is transferred;

24 the person receiving the exemption shall notify the county recorder and  
25 the county auditor of the county in which the property is located not  
26 later than sixty (60) days after the event described in subdivision (1),  
27 (2), or (3) occurs. The county auditor shall immediately inform the  
28 county assessor of a notification received under this subsection.

29           (l) If subsection (k)(1), (k)(2), or (k)(3) applies, the owner shall pay,  
30 not later than the date that the next installment of property taxes is due,  
31 an amount equal to the sum of the following:

32           (1) The total property taxes that, if it were not for the exemption  
33 under subsection (i), would have been levied on the property in  
34 each year in which an exemption was allowed.

35           (2) Interest on the property taxes at the rate of ~~ten percent (10%)~~  
36 **per year: specified in IC 6-1.1-37-14.**

37           (m) The liability imposed by subsection (l) is a lien upon the  
38 property receiving the exemption under subsection (i). An amount  
39 collected under subsection (l) shall be collected as an excess levy. If  
40 the amount is not paid, it shall be collected in the same manner that  
41 delinquent taxes on real property are collected.

42           (n) Property referred to in this section shall be assessed to the extent

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required under IC 6-1.1-11-9.

SECTION 6. IC 6-1.1-15-12, AS AMENDED BY P.L.182-2009(ss), SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate **or other record where tax liability or penalties, interest, or other tax collection costs are posted** for any one (1) or more of the following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes, **interest on the taxes, or penalties on the taxes, or collection fees, clerk's costs, sheriff's costs, or collection agency costs related to the taxes.**
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) The interest on taxes, penalties on taxes, or collection fees, clerk's costs, sheriff's costs, or collection agency costs related to the taxes, were erroneously imposed on a person.**
- ~~(7)~~ **(8)** There was a mathematical error in computing an assessment.
- ~~(8)~~ **(9)** Through an error of omission by any state or county officer, the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists. **A taxpayer may appeal a determination under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) to the county board for a final determination.**

(c) If the tax is based on an assessment made or determined by the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), ~~or (a)(8), or (a)(9)~~ until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), ~~(a)(7), or (a)(8), or (a)(9)~~ only if the correction is first approved by at least two (2) of the

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1 following officials:

- 2 (1) The township assessor (if any).
- 3 (2) The county auditor.
- 4 (3) The county assessor.

5 If two (2) of these officials do not approve such a correction, the county  
6 auditor shall refer the matter to the county board for determination. The  
7 county board shall provide a copy of the determination to the taxpayer  
8 and to the county auditor.

9 **(e) If the tax is not based on an assessment made or determined**  
10 **by the department of local government finance, the county auditor**  
11 **shall correct an error described under subsection (a)(7), only if the**  
12 **correction is first approved by the following officials:**

- 13 **(1) The county treasurer.**
- 14 **(2) The county auditor.**

15 **If two (2) of these officials do not approve such a correction, the**  
16 **county auditor shall refer the matter to the county board for**  
17 **determination. The county board shall provide a copy of the**  
18 **determination to the taxpayer and to the county auditor.**

19 ~~(e)~~ **(f)** A taxpayer may appeal a determination of the county board  
20 to the Indiana board for a final administrative determination. An appeal  
21 under this section shall be conducted in the same manner as appeals  
22 under sections 4 through 8 of this chapter. The Indiana board shall send  
23 the final administrative determination to the taxpayer, the county  
24 auditor, the county assessor, and the township assessor (if any).

25 ~~(f)~~ **(g)** If a correction or change is made in the tax duplicate after it  
26 is delivered to the county treasurer, the county auditor shall transmit a  
27 certificate of correction to the county treasurer. The county treasurer  
28 shall keep the certificate as the voucher for settlement with the county  
29 auditor.

30 ~~(g)~~ **(h)** A taxpayer that files a personal property tax return under  
31 IC 6-1.1-3 may not petition under this section for the correction of an  
32 error made by the taxpayer on the taxpayer's personal property tax  
33 return. If the taxpayer wishes to correct an error made by the taxpayer  
34 on the taxpayer's personal property tax return, the taxpayer must  
35 instead file an amended personal property tax return under  
36 IC 6-1.1-3-7.5.

37 ~~(h)~~ **(i)** A taxpayer that files a statement under IC 6-1.1-8-19 may not  
38 petition under this section for the correction of an error made by the  
39 taxpayer on the taxpayer's statement. If the taxpayer wishes to correct  
40 an error made by the taxpayer on the taxpayer's statement, the taxpayer  
41 must instead initiate an objection under IC 6-1.1-8-28 or an appeal  
42 under IC 6-1.1-8-30.

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1 SECTION 7. IC 6-1.1-22-8.1, AS AMENDED BY P.L.1-2010,  
2 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 8.1. (a) The county treasurer shall:

4 (1) except as provided in subsection (h), mail to the last known  
5 address of each person liable for any property taxes or special  
6 assessment, as shown on the tax duplicate or special assessment  
7 records, or to the last known address of the most recent owner  
8 shown in the transfer book; and

9 (2) transmit by written, electronic, or other means to a mortgagee  
10 maintaining an escrow account for a person who is liable for any  
11 property taxes or special assessments, as shown on the tax  
12 duplicate or special assessment records;

13 a statement in the form required under subsection (b). ~~However, for~~  
14 ~~property taxes first due and payable in 2008, the county treasurer may~~  
15 ~~choose to use a tax statement that is different from the tax statement~~  
16 ~~prescribed by the department under subsection (b). If a county chooses~~  
17 ~~to use a different tax statement, the county must still transmit (with the~~  
18 ~~tax bill) the statement in either color type or black-and-white type.~~

19 (b) The department of local government finance shall prescribe a  
20 form, subject to the approval of the state board of accounts, for the  
21 statement under subsection (a) that includes at least the following:

22 (1) A statement of the taxpayer's current and delinquent taxes and  
23 special assessments.

24 (2) A breakdown showing the total property tax and special  
25 assessment liability and the amount of the taxpayer's liability that  
26 will be distributed to each taxing unit in the county.

27 (3) An itemized listing for each property tax levy, including:

- 28 (A) the amount of the tax rate;
- 29 (B) the entity levying the tax owed; and
- 30 (C) the dollar amount of the tax owed.

31 (4) Information designed to show the manner in which the taxes  
32 and special assessments billed in the tax statement are to be used.

33 (5) A comparison showing any change in the assessed valuation  
34 for the property as compared to the previous year.

35 (6) A comparison showing any change in the property tax and  
36 special assessment liability for the property as compared to the  
37 previous year. The information required under this subdivision  
38 must identify:

- 39 (A) the amount of the taxpayer's liability distributable to each  
40 taxing unit in which the property is located in the current year  
41 and in the previous year; and
- 42 (B) the percentage change, if any, in the amount of the

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taxpayer's liability distributable to each taxing unit in which the property is located from the previous year to the current year.

(7) An explanation of the following:

- (A) Homestead 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.
- (C) The procedure and deadline for filing for any available homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law and each deduction.
- (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.
- (E) The forms that must be filed for an appeal or a petition described in clause (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.
- (G) Notice that an appeal described in clause (D) requires evidence relevant to the true tax value of the taxpayer's property as of the assessment date that is the basis for the taxes payable on that property.

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

(8) A checklist that shows:

- (A) homestead 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 each homestead credit and property tax deduction applies in the current statement for the property transmitted under subsection (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

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1 unlawfully claims a standard deduction under IC 6-1.1-12-37 on:

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

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

6 The notice must include a place for the taxpayer to indicate, under  
7 penalties of perjury, for each deduction and credit listed under  
8 subdivision (8), whether the property is eligible for the deduction  
9 or credit listed under subdivision (8). The notice must also  
10 include a place for each individual who qualifies the property for  
11 a deduction or credit listed in subdivision (8) to indicate the name  
12 of the individual and the name of the individual's spouse (if any),  
13 as the names appear in the records of the United States Social  
14 Security Administration for the purposes of the issuance of a  
15 Social Security card and Social Security number (or that they use  
16 as their legal names when they sign their names on legal  
17 documents), and either the last five (5) digits of each individual's  
18 Social Security number or, if an individual does not have a Social  
19 Security number, the numbers required from the individual under  
20 IC 6-1.1-12-37(e)(4)(B). The notice must explain that the  
21 taxpayer must complete and return the notice with the required  
22 information and that failure to complete and return the notice may  
23 result in disqualification of property for deductions and credits  
24 listed in subdivision (8), must explain how to return the notice,  
25 and must be on a separate form printed on paper that is a different  
26 color than the tax statement. The notice must be prepared in the  
27 form prescribed by the department of local government finance  
28 and include any additional information required by the  
29 department of local government finance. This subdivision expires  
30 January 1, 2015.

31 **(10) This subdivision applies if any assessing official assesses,**  
32 **reassesses, or otherwise changes the assessed value of real**  
33 **property for an assessment date after January 15, 2011, but**  
34 **fails to give written notice of the amount of the assessment,**  
35 **reassessment, or other change in conformity with**  
36 **IC 6-1.1-4-22. Notice to the person of the opportunity to**  
37 **appeal the assessed valuation under IC 6-1.1-15-1, including**  
38 **the following:**

39 (A) The procedure for obtaining a preliminary informal  
40 meeting under IC 6-1.1-15-1(h)(2).

41 (B) The procedure that a taxpayer must follow to appeal  
42 the assessment, reassessment, or other change in assessed

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**value.**  
**(C) The forms that must be filed for an appeal of the assessment, reassessment, or other change in assessed value.**  
**(D) Notice that an appeal of the assessment, reassessment, or other change in assessed value requires evidence relevant to the true tax value of the taxpayer's property as of the assessment date.**

(c) The county treasurer may mail or transmit the statement one (1) time each year at least fifteen (15) days before the date on which the first or only installment is due. Whenever a person's tax liability for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must include the date on which the installment is due and denote the amount of money to be paid for the installment. Whenever a person's tax liability is due in two (2) installments, a statement that is mailed must contain the dates on which the first and second installments are due and denote the amount of money to be paid for each installment. 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.

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

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

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

(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

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1 and special assessments first due and payable after 2009, a person may  
 2 direct the county treasurer and county auditor to transmit the following  
 3 to the person by electronic mail:

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

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

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

14 (A) Section 9 of this chapter.

15 (B) Section 9.7 of this chapter.

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

18 (4) A statement that would otherwise be sent by the county  
 19 auditor to the person by regular mail under IC 6-1.1-17-3(b).

20 (5) Any other information that:

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

22 (B) would otherwise be sent:

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

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

27 (i) For property with respect to which more than one (1) person is  
 28 liable for property taxes and special assessments, subsection (h) applies  
 29 only if all the persons liable for property taxes and special assessments  
 30 designate the electronic mail address for only one (1) individual  
 31 authorized to receive the statements and other information referred to  
 32 in subsection (h).

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

36 (1) make the form created under this subsection available to the  
 37 public;

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

42 (A) with the county treasurer; or

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1 (B) with the county auditor; and  
 2 (3) publicize the availability of the electronic mail option under  
 3 this subsection through appropriate media in a manner reasonably  
 4 designed to reach members of the public.  
 5 (k) The form referred to in subsection (j) must:  
 6 (1) explain that a form filed as described in subsection (j)(2)  
 7 remains in effect until the person files a replacement form to:  
 8 (A) change the person's electronic mail address; or  
 9 (B) terminate the electronic mail option under subsection (h);  
 10 and  
 11 (2) allow a person to do at least the following with respect to the  
 12 electronic mail option under subsection (h):  
 13 (A) Exercise the option.  
 14 (B) Change the person's electronic mail address.  
 15 (C) Terminate the option.  
 16 (D) For a person other than an individual, designate the  
 17 electronic mail address for only one (1) individual authorized  
 18 to receive the statements and other information referred to in  
 19 subsection (h).  
 20 (E) For property with respect to which more than one (1)  
 21 person is liable for property taxes and special assessments,  
 22 designate the electronic mail address for only one (1)  
 23 individual authorized to receive the statements and other  
 24 information referred to in subsection (h).  
 25 (l) The form created under subsection (j) is considered filed with the  
 26 county treasurer or the county auditor on the postmark date. If the  
 27 postmark is missing or illegible, the postmark is considered to be one  
 28 (1) day before the date of receipt of the form by the county treasurer or  
 29 the county auditor.  
 30 (m) The county treasurer shall maintain a record that shows at least  
 31 the following:  
 32 (1) Each person to whom a statement or other information is  
 33 transmitted by electronic mail under this section.  
 34 (2) The information included in the statement.  
 35 (3) Whether the person received the statement.  
 36 SECTION 8. IC 6-1.1-22-11, AS AMENDED BY P.L.169-2006,  
 37 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 UPON PASSAGE]: Sec. 11. A holder of a lien of record on any real  
 39 property on which taxes are delinquent may pay the delinquent taxes,  
 40 penalties, and cost. The amount so paid is an additional lien on the real  
 41 property in favor of the lienholder and is collectible, with interest at ~~ten~~  
 42 **percent (10%) per annum the rate specified in IC 6-1.1-37-14** from

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1 the time of payment, in the same manner as the original lien.

2 SECTION 9. IC 6-1.1-22.5-12, AS AMENDED BY  
3 P.L.182-2009(ss), SECTION 163, IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as  
5 provided by subsection (c), each reconciling statement must be on a  
6 form prescribed by the department of local government finance and  
7 must indicate:

- 8 (1) the actual property tax liability under this article for the
- 9 calendar year for which the reconciling statement is issued;
- 10 (2) the total amount paid under the provisional statement for the
- 11 property for which the reconciling statement is issued;
- 12 (3) if the amount under subdivision (1) exceeds the amount under
- 13 subdivision (2), that the excess is payable by the taxpayer:
  - 14 (A) as a final reconciliation of the tax liability; and
  - 15 (B) not later than:
    - 16 (i) thirty (30) days after the date of the reconciling
    - 17 statement;
    - 18 (ii) if the county treasurer requests in writing that the
    - 19 commissioner designate a later date, the date designated by
    - 20 the commissioner; or
    - 21 (iii) the date specified in an ordinance adopted under section
    - 22 18.5 of this chapter; and
    - 23 (4) if the amount under subdivision (2) exceeds the amount under
    - 24 subdivision (1), that the taxpayer may claim a refund of the excess
    - 25 under IC 6-1.1-26.

26 (b) If, upon receipt of the abstract required by IC 6-1.1-22-5 or upon  
27 determination of the tax rate of the cross-county entity referred to in  
28 section 6.5 of this chapter, the county treasurer determines that it is  
29 possible to complete the:

- 30 (1) preparation; and
- 31 (2) mailing or transmittal;

32 of the reconciling statement at least thirty (30) days before the due date  
33 of the second installment specified in the provisional statement, the  
34 county treasurer may request in writing that the department of local  
35 government finance permit the county treasurer to issue a reconciling  
36 statement that adjusts the amount of the second installment that was  
37 specified in the provisional statement. If the department approves the  
38 county treasurer's request, the county treasurer shall prepare and mail  
39 or transmit the reconciling statement at least thirty (30) days before the  
40 due date of the second installment specified in the provisional  
41 statement.

42 (c) A reconciling statement prepared under subsection (b) must

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indicate **the following:**

(1) The actual property tax liability under this article for the calendar year for the property for which the reconciling statement is issued.

(2) The total amount of the first installment paid under the provisional statement for the property for which the reconciling statement is issued.

(3) If the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount of the second installment that is payable by the taxpayer:

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

(B) not later than:

(i) November 10; or

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner. ~~and~~

(4) If the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

**(5) This subdivision applies if any assessing official assesses, reassesses, or otherwise changes the assessed value of real property for an assessment date after January 15, 2011, but fails to give written notice of the amount of the assessment, reassessment, or other change in conformity with IC 6-1.1-4-22. Notice to the person of the opportunity to appeal the assessed valuation under IC 6-1.1-15-1, including the following:**

**(A) The procedure for obtaining a preliminary informal meeting under IC 6-1.1-15-1(h)(2).**

**(B) The procedure that a taxpayer must follow to appeal the assessment, reassessment, or other change in assessed value.**

**(C) The forms that must be filed for an appeal of the assessment, reassessment, or other change in assessed value.**

**(D) Notice that an appeal of the assessment, reassessment, or other change in assessed value requires evidence relevant to the true tax value of the taxpayer's property as of the assessment date.**

(d) 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

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1 section. This subsection expires January 1, 2013.

2 (e) In a county in which an authorizing ordinance is adopted under

3 IC 6-1.1-22-8.1(h), a person may direct the county treasurer to transmit

4 a reconciling statement by electronic mail under IC 6-1.1-22-8.1(h).

5 SECTION 10. IC 6-1.1-24-2, AS AMENDED BY P.L.146-2008,

6 SECTION 258, IS AMENDED TO READ AS FOLLOWS

7 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) In addition to the

8 delinquency list required under section 1 of this chapter, each county

9 auditor shall prepare a notice. The notice shall contain the following:

10 (1) A list of tracts or real property eligible for sale under this

11 chapter.

12 (2) A statement that the tracts or real property included in the list

13 will be sold at public auction to the highest bidder, subject to the

14 right of redemption.

15 (3) A statement that the tracts or real property will not be sold for

16 an amount which is less than the sum of:

17 (A) the delinquent taxes and special assessments on each tract

18 or item of real property;

19 (B) the taxes and special assessments on each tract or item of

20 real property that are due and payable in the year of the sale,

21 whether or not they are delinquent;

22 (C) all penalties due on the delinquencies;

23 (D) an amount prescribed by the county auditor that equals the

24 sum of:

25 (i) the greater of twenty-five dollars (\$25) or postage and

26 publication costs; and

27 (ii) any other actual costs incurred by the county that are

28 directly attributable to the tax sale; and

29 (E) any unpaid costs due under subsection (b) from a prior tax

30 sale.

31 (4) A statement that a person redeeming each tract or item of real

32 property after the sale must pay:

33 (A) one hundred ten percent (110%) of the amount of the

34 minimum bid for which the tract or item of real property was

35 offered at the time of sale if the tract or item of real property

36 is redeemed not more than six (6) months after the date of

37 sale;

38 (B) one hundred fifteen percent (115%) of the amount of the

39 minimum bid for which the tract or item of real property was

40 offered at the time of sale if the tract or item of real property

41 is redeemed more than six (6) months after the date of sale;

42 (C) the amount by which the purchase price exceeds the

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minimum bid on the tract or item of real property plus ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid; and

(D) all taxes and special assessments on the tract or item of real property paid by the purchaser after the tax sale plus interest at the rate of ~~ten percent (10%) per annum~~ **specified in IC 6-1.1-37-14** on the amount of taxes and special assessments paid by the purchaser on the redeemed property.

(5) A statement for informational purposes only, of the location of each tract or item of real property by key number, if any, and street address, if any, or a common description of the property other than a legal description. The township assessor, or the county assessor if there is no township assessor for the township, upon written request from the county auditor, shall provide the information to be in the notice required by this subsection. A misstatement in the key number or street address does not invalidate an otherwise valid sale.

(6) A statement that the county does not warrant the accuracy of the street address or common description of the property.

(7) A statement indicating:

- (A) the name of the owner of each tract or item of real property with a single owner; or
- (B) the name of at least one (1) of the owners of each tract or item of real property with multiple owners.

(8) A statement of the procedure to be followed for obtaining or objecting to a judgment and order of sale, that must include the following:

- (A) A statement:
  - (i) that the county auditor and county treasurer will apply on or after a date designated in the notice for a court judgment against the tracts or real property for an amount that is not less than the amount set under subdivision (3), and for an order to sell the tracts or real property at public auction to the highest bidder, subject to the right of redemption; and
  - (ii) indicating the date when the period of redemption specified in IC 6-1.1-25-4 will expire.
- (B) A statement that any defense to the application for judgment must be:
  - (i) filed with the court; and
  - (ii) served on the county auditor and the county treasurer; before the date designated as the earliest date on which the application for judgment may be filed.

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(C) A statement that the county auditor and the county treasurer are entitled to receive all pleadings, motions, petitions, and other filings related to the defense to the application for judgment.

(D) A statement that the court will set a date for a hearing at least seven (7) days before the advertised date and that the court will determine any defenses to the application for judgment at the hearing.

(9) A statement that the sale will be conducted at a place designated in the notice and that the sale will continue until all tracts and real property have been offered for sale.

(10) A statement that the sale will take place at the times and dates designated in the notice. Whenever the public auction is to be conducted as an electronic sale, the notice must include a statement indicating that the public auction will be conducted as an electronic sale and a description of the procedures that must be followed to participate in the electronic sale.

(11) A statement that a person redeeming each tract or item after the sale must pay the costs described in IC 6-1.1-25-2(e).

(12) If a county auditor and county treasurer have entered into an agreement under IC 6-1.1-25-4.7, a statement that the county auditor will perform the duties of the notification and title search under IC 6-1.1-25-4.5 and the notification and petition to the court for the tax deed under IC 6-1.1-25-4.6.

(13) A statement that, if the tract or item of real property is sold for an amount more than the minimum bid and the property is not redeemed, the owner of record of the tract or item of real property who is divested of ownership at the time the tax deed is issued may have a right to the tax sale surplus.

(14) If a determination has been made under subsection (d), a statement that tracts or items will be sold together.

(b) If within sixty (60) days before the date of the tax sale the county incurs costs set under subsection (a)(3)(D) and those costs are not paid, the county auditor shall enter the amount of costs that remain unpaid upon the tax duplicate of the property for which the costs were set. The county treasurer shall mail notice of unpaid costs entered upon a tax duplicate under this subsection to the owner of the property identified in the tax duplicate.

(c) The amount of unpaid costs entered upon a tax duplicate under subsection (b) must be paid no later than the date upon which the next installment of real estate taxes for the property is due. Unpaid costs entered upon a tax duplicate under subsection (b) are a lien against the

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1 property described in the tax duplicate, and amounts remaining unpaid  
 2 on the date the next installment of real estate taxes is due may be  
 3 collected in the same manner that delinquent property taxes are  
 4 collected.

5 (d) The county auditor and county treasurer may establish the  
 6 condition that a tract or item will be sold and may be redeemed under  
 7 this chapter only if the tract or item is sold or redeemed together with  
 8 one (1) or more other tracts or items. Property may be sold together  
 9 only if the tract or item is owned by the same person.

10 SECTION 11. IC 6-1.1-24-6.1, AS AMENDED BY P.L.73-2010,  
 11 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 UPON PASSAGE]: Sec. 6.1. (a) The county executive may do the  
 13 following:

14 (1) By resolution, identify properties:

15 (A) that are described in section 6.7(a) of this chapter; and

16 (B) concerning which the county executive desires to offer to  
 17 the public the certificates of sale acquired by the county  
 18 executive under section 6 of this chapter.

19 (2) In conformity with IC 5-3-1-4, publish:

20 (A) notice of the date, time, and place for a public sale; and

21 (B) a listing of parcels on which certificates will be offered by  
 22 parcel number and minimum bid amount;

23 once each week for three (3) consecutive weeks, with the final  
 24 advertisement being not less than thirty (30) days before the sale  
 25 date. The expenses of the publication shall be paid out of the  
 26 county general fund.

27 (3) Sell each certificate of sale covered by the resolution for a  
 28 price that:

29 (A) is less than the minimum sale price prescribed by section  
 30 5(e) of this chapter; and

31 (B) includes any costs to the county executive directly  
 32 attributable to the sale of the certificate of sale.

33 (b) Notice of the list of properties prepared under subsection (a) and  
 34 the date, time, and place for the public sale of the certificates of sale  
 35 shall be published in accordance with IC 5-3-1. The notice must:

36 (1) include a description of the property by parcel number and  
 37 common address;

38 (2) specify that the county executive will accept bids for the  
 39 certificates of sale for the price referred to in subsection (a)(3);

40 (3) specify the minimum bid for each parcel;

41 (4) include a statement that a person redeeming each tract or item  
 42 of real property after the sale of the certificate must pay:

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- 1 (A) the amount of the minimum bid under section 5(e) of this
- 2 chapter for which the tract or item of real property was last
- 3 offered for sale;
- 4 (B) ten percent (10%) of the amount for which the certificate
- 5 is sold;
- 6 (C) the attorney's fees and costs of giving notice under
- 7 IC 6-1.1-25-4.5;
- 8 (D) the costs of a title search or of examining and updating the
- 9 abstract of title for the tract or item of real property;
- 10 (E) all taxes and special assessments on the tract or item of
- 11 real property paid by the purchaser after the sale of the
- 12 certificate plus interest at the rate of ~~ten percent (10%) per~~
- 13 **annum specified in IC 6-1.1-37-14** on the amount of taxes and
- 14 special assessments paid by the purchaser on the redeemed
- 15 property; and
- 16 (F) all costs of sale, advertising costs, and other expenses of
- 17 the county directly attributable to the sale of certificates of
- 18 sale; and

19 (5) include a statement that, if the certificate is sold for an amount  
 20 more than the minimum bid under section 5(e) of this chapter for  
 21 which the tract or item of real property was last offered for sale  
 22 and the property is not redeemed, the owner of record of the tract  
 23 or item of real property who is divested of ownership at the time  
 24 the tax deed is issued may have a right to the tax sale surplus.

25 SECTION 12. IC 6-1.1-25-2, AS AMENDED BY P.L.89-2007,  
 26 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 UPON PASSAGE]: Sec. 2. (a) The total amount of money required for  
 28 the redemption of real property equals:

- 29 (1) the sum of the amounts prescribed in subsections (b) through
- 30 (e); or
- 31 (2) the amount prescribed in subsection (f);

32 reduced by any amounts held in the name of the taxpayer or the  
 33 purchaser in the tax sale surplus fund.

34 (b) Except as provided in subsection (f), the total amount required  
 35 for redemption includes:

- 36 (1) one hundred ten percent (110%) of the minimum bid for
- 37 which the tract or real property was offered at the time of sale, as
- 38 required by IC 6-1.1-24-5, if the tract or item of real property is
- 39 redeemed not more than six (6) months after the date of sale; or
- 40 (2) one hundred fifteen percent (115%) of the minimum bid for
- 41 which the tract or real property was offered at the time of sale, as
- 42 required by IC 6-1.1-24-5, if the tract or item of real property is

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1 redeemed more than six (6) months but not more than one (1)  
2 year after the date of sale.

3 (c) Except as provided in subsection (f), in addition to the amount  
4 required under subsection (b), the total amount required for redemption  
5 includes the amount by which the purchase price exceeds the minimum  
6 bid on the real property plus ~~ten percent (10%) per annum interest at~~  
7 **the rate specified in IC 6-1.1-37-14** on the amount by which the  
8 purchase price exceeds the minimum bid on the property.

9 (d) Except as provided in subsection (f), in addition to the amount  
10 required under subsections (b) and (c), the total amount required for  
11 redemption includes all taxes and special assessments upon the  
12 property paid by the purchaser after the sale plus ~~ten percent (10%)~~  
13 **interest per annum at the rate specified in IC 6-1.1-37-14** on those  
14 taxes and special assessments.

15 (e) Except as provided in subsection (f), in addition to the amounts  
16 required under subsections (b), (c), and (d), the total amount required  
17 for redemption includes the following costs, if certified before  
18 redemption and not earlier than thirty (30) days after the date of sale of  
19 the property being redeemed by the payor to the county auditor on a  
20 form prescribed by the state board of accounts, that were incurred and  
21 paid by the purchaser, the purchaser's assignee, or the county, before  
22 redemption:

23 (1) The attorney's fees and costs of giving notice under section 4.5  
24 of this chapter.

25 (2) The costs of a title search or of examining and updating the  
26 abstract of title for the tract or item of real property.

27 (f) With respect to a tract or item of real property redeemed under  
28 section 4(c) of this chapter, instead of the amounts stated in subsections  
29 (b) through (e), the total amount required for redemption is the amount  
30 determined under IC 6-1.1-24-6.1(b)(4).

31 SECTION 13. IC 6-1.1-25-10 IS AMENDED TO READ AS  
32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) If, before  
33 the court issues an order directing the county auditor to issue a tax deed  
34 to a tract or item of real property sold under IC 6-1.1-24, it is found by  
35 the county auditor and the county treasurer that the sale was invalid,  
36 the county auditor shall refund:

37 (1) the purchase money and all taxes and special assessments on  
38 the property paid by the purchaser, the purchaser's assigns, or the  
39 purchaser of the certificate of sale under IC 6-1.1-24 after the tax  
40 sale plus ~~six percent (6%)~~ interest ~~per annum~~; **at the rate**  
41 **specified in IC 6-1.1-37-14**; and

42 (2) subject to any limitation under section 2.5 of this chapter, any

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1 costs paid by the purchaser, the purchaser's assigns, or the  
 2 purchaser of the certificate of sale under IC 6-1.1-24 under  
 3 section 2 of this chapter;

4 from the county treasury to the purchaser, the purchaser's successors or  
 5 assigns, or the purchaser of the certificate of sale under IC 6-1.1-24.  
 6 The tract or item of real property, if it is then eligible for sale under  
 7 IC 6-1.1-24, shall be placed on the delinquent list as an initial offering  
 8 under IC 6-1.1-24-6.

9 (b) A political subdivision shall reimburse the county for interest  
 10 paid by the county under subsection (a) if:

11 (1) the invalidity of the sale under IC 6-1.1-24 resulted from the  
 12 failure of the political subdivision to give adequate notice of a lien  
 13 to property owners; and

14 (2) the existence of the lien resulted in the sale of the property  
 15 under IC 6-1.1-24.

16 SECTION 14. IC 6-1.1-25-11, AS AMENDED BY P.L.73-2010,  
 17 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 UPON PASSAGE]: Sec. 11. (a) Subsequent to the issuance of the order  
 19 directing the county auditor to issue a tax deed to real property sold  
 20 under IC 6-1.1-24, a county auditor shall refund the purchase money  
 21 plus ~~six percent (6%)~~ interest ~~per annum~~ **at the rate specified in**  
 22 **IC 6-1.1-37-14** from the county treasury to the purchaser, the  
 23 purchaser's successors or assigns, or the purchaser of the certificate of  
 24 sale under IC 6-1.1-24 if it is found by the court that entered the order  
 25 for the tax deed that:

26 (1) the real property described in the deed was not subject to the  
 27 taxes for which it was sold;

28 (2) the delinquent taxes or special assessments for which the real  
 29 property was sold were properly paid before the sale; or

30 (3) the legal description of the real property in the tax deed is void  
 31 for uncertainty.

32 (b) The grantee of an invalid tax deed, including the county, to  
 33 whom a refund is made under this section shall execute, acknowledge,  
 34 and deliver to the owner a deed conveying whatever interest the  
 35 purchaser may have acquired by the tax sale deed. If a county is  
 36 required to execute a deed under this section, the deed shall be signed  
 37 by the county board of commissioners and acknowledged by the clerk  
 38 of the circuit court.

39 (c) A refund may not be made under this section while an action  
 40 initiated under either section 14 or 16 of this chapter is pending.

41 (d) If a sale is declared invalid after a claim is submitted under  
 42 IC 6-1.1-24-7 for money deposited in the tax sale surplus fund and the

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claim is paid, the county auditor shall:

- (1) refund the purchase money plus ~~six percent (6%)~~ interest ~~per annum at the rate specified in IC 6-1.1-37-14~~ from the county treasury to the purchaser, the purchaser's successors or assigns, or the purchaser of the certificate of sale under IC 6-1.1-24; and
- (2) certify the amount paid to the property owner from the tax sale surplus fund as a lien against the property and as a civil judgment against the property owner.

SECTION 15. IC 6-1.1-25-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) If the conditions prescribed in subsection (b) of this section exist, the grantee of a deed executed under this chapter, or the grantee's successors or assigns, acquires a lien on the real property in an amount equal to the sum of:

- (1) the price paid at the tax sale for the real property;
- (2) the taxes and special assessments paid by the grantee, or the grantee's successors or assigns, subsequent to the sale; and
- (3) any amount due the grantee, or the grantee's successors or assigns, as an occupying claimant.

(b) The grantee, or the grantee's successors or assigns, shall acquire a lien under this section only if:

- (1) the tax deed is ineffectual to convey title;
- (2) the taxes or special assessments for which the real property was sold were properly charged to that property and were unpaid at the time of sale; and
- (3) the real property has not been redeemed.

(c) The grantee, or the grantee's successors or assigns, may recover from the owner of the real property, the owner of a life estate in the real property, or any other person primarily liable for the payment of the taxes and special assessments upon the real property an amount equal to the sum of:

- (1) the amount of the lien prescribed in this section;
- (2) interest at the rate of ~~ten percent (10%)~~ **per annum specified in IC 6-1.1-37-14** on the amount of the lien; and
- (3) all other lawful charges.

SECTION 16. IC 6-1.1-26-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) When a claim for refund filed under section 1 of this chapter is allowed either by the county board of commissioners, the department of local government finance, the Indiana board, or the Indiana tax court on appeal, the claimant is entitled to a refund. The amount of the refund shall equal the amount of the claim so allowed plus, with respect to claims for

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1 refund filed after December 31, 2001, interest at ~~four percent (4%)~~ **the**  
 2 **rate specified in IC 6-1.1-37-14** from the date on which the taxes were  
 3 paid or payable, whichever is later, to the date of the refund. The  
 4 county auditor shall, without an appropriation being required, issue a  
 5 warrant to the claimant payable from the county general fund for the  
 6 amount due the claimant under this section.

7 (b) In the June or December settlement and apportionment of taxes,  
 8 or both the June and December settlement and apportionment of taxes,  
 9 immediately following a refund made under this section the county  
 10 auditor shall deduct the amount refunded from the gross tax collections  
 11 of the taxing units for which the refunded taxes were originally paid  
 12 and shall pay the amount so deducted into the general fund of the  
 13 county. However, the county auditor shall make the deductions and  
 14 payments required by this subsection not later than the December  
 15 settlement and apportionment.

16 SECTION 17. IC 6-1.1-37-9, AS AMENDED BY P.L.1-2010,  
 17 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 UPON PASSAGE]: Sec. 9. (a) This section applies when:

- 19 (1) an assessment is made or increased after the date or dates on  
 20 which the taxes for the year for which the assessment is made  
 21 were originally due;  
 22 (2) the assessment upon which a taxpayer has been paying taxes  
 23 under IC 6-1.1-15-10(a)(1) or IC 6-1.1-15-10(a)(2) while a  
 24 petition for review or a judicial proceeding has been pending is  
 25 less than the assessment that results from the final determination  
 26 of the petition for review or judicial proceeding; or  
 27 (3) the collection of certain ad valorem property taxes has been  
 28 enjoined under IC 33-26-6-2, and under the final determination of  
 29 the petition for judicial review the taxpayer is liable for at least  
 30 part of those taxes.

31 (b) Except as provided in subsections (c) and (g), a taxpayer shall  
 32 pay interest on the taxes the taxpayer is required to pay as a result of an  
 33 action or a determination described in subsection (a) at the rate of ~~ten~~  
 34 **percent (10%) per year specified in IC 6-1.1-37-14. Interest is**  
 35 **payable under this subsection** from the original due date or dates for  
 36 those taxes to **the earlier of (1)** the date of payment or **(2)** the date on  
 37 which penalties for the late payment of a tax installment may be  
 38 charged under subsection (e) or (f). ~~whichever occurs first.~~

39 (c) Except as provided in subsection (g), a taxpayer shall pay  
 40 interest on the taxes the taxpayer is ultimately required to pay in excess  
 41 of the amount that the taxpayer is required to pay under  
 42 IC 6-1.1-15-10(a)(1) while a petition for review or a judicial

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1 proceeding has been pending at the ~~overpayment rate established under~~  
 2 ~~Section 6621(c)(1) of the Internal Revenue Code in effect on the~~  
 3 ~~original due date or dates for those taxes specified in IC 6-1.1-37-14~~  
 4 from the original due date or dates for those taxes to:

5 (1) the date of payment; or

6 (2) the date on which penalties for the late payment of a tax  
 7 installment may be charged under subsection (e) or (f);

8 whichever occurs first.

9 (d) With respect to an action or determination described in  
 10 subsection (a), the taxpayer shall pay the taxes resulting from that  
 11 action or determination and the interest prescribed under subsection (b)  
 12 or (c) on or before:

13 (1) the next May 10; or

14 (2) the next November 10;

15 whichever occurs first.

16 (e) A taxpayer shall, to the extent that the penalty is not waived  
 17 under section 10.7 of this chapter, begin paying the penalty prescribed  
 18 in section 10 of this chapter on the day after the date for payment  
 19 prescribed in subsection (d) if:

20 (1) the taxpayer has not paid the amount of taxes resulting from  
 21 the action or determination; and

22 (2) the taxpayer either:

23 (A) received notice of the taxes the taxpayer is required to pay  
 24 as a result of the action or determination at least thirty (30)  
 25 days before the date for payment; or

26 (B) voluntarily signed and filed an assessment return for the  
 27 taxes.

28 (f) If subsection (e) does not apply, a taxpayer who has not paid the  
 29 amount of taxes resulting from the action or determination shall, to the  
 30 extent that the penalty is not waived under section 10.7 of this chapter,  
 31 begin paying the penalty prescribed in section 10 of this chapter on:

32 (1) the next May 10 which follows the date for payment  
 33 prescribed in subsection (d); or

34 (2) the next November 10 which follows the date for payment  
 35 prescribed in subsection (d);

36 whichever occurs first.

37 (g) A taxpayer is not subject to the payment of interest on real  
 38 property assessments under subsection (b) or (c) if:

39 (1) an assessment is made or increased after the date or dates on  
 40 which the taxes for the year for which the assessment is made  
 41 were due;

42 (2) the assessment or the assessment increase is made as the result

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1 of error or neglect by the assessor or by any other official  
 2 involved with the assessment of property or the collection of  
 3 property taxes; and

4 (3) the assessment:

5 (A) would have been made on the normal assessment date if  
 6 the error or neglect had not occurred; or

7 (B) increase would have been included in the assessment on  
 8 the normal annual assessment date if the error or neglect had  
 9 not occurred.

10 SECTION 18. IC 6-1.1-37-11 IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) If a taxpayer  
 12 is entitled to a property tax refund or credit because an assessment is  
 13 decreased, the taxpayer shall also be paid, or credited with, interest on  
 14 the excess taxes that he paid at the rate of four percent (4%) per annum  
 15 **specified in IC 6-1.1-37-14.**

16 (b) For purposes of this section and except as provided in subsection  
 17 (c), the interest shall be computed from the date on which the taxes  
 18 were paid or due, whichever is later, to the date of the refund or credit.

19 (c) This subsection applies if a taxpayer who is entitled to a refund  
 20 or credit does not make a written request for the refund or credit to the  
 21 county auditor within forty-five (45) days after the final determination  
 22 of the county property tax assessment board of appeals, the state board  
 23 of tax commissioners, the department of local government finance, the  
 24 Indiana board, or the tax court that entitles the taxpayer to the refund  
 25 or credit. In the case of a taxpayer described in this subsection, the  
 26 interest shall be computed from the date on which the taxes were paid  
 27 or due to the date that is forty-five (45) days after the final  
 28 determination of the county property tax assessment board of appeals,  
 29 the state board of tax commissioners, the department of local  
 30 government finance, the Indiana board of tax review, or the Indiana tax  
 31 court. In any event, a property tax refund or credit must be issued not  
 32 later than ninety (90) days after the request is received.

33 SECTION 19. IC 6-1.1-37-14 IS ADDED TO THE INDIANA  
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 35 [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) **This section applies to**  
 36 **the calculation of interest under this article if a law states that the**  
 37 **interest rate is the interest rate specified under this section.**

38 (b) **Before July 1, 2011, the applicable interest rate under:**

39 (1) **IC 6-1.1-6-24 is ten percent (10%) per annum.**

40 (2) **IC 6-1.1-6.2-19 is ten percent (10%) per annum.**

41 (3) **IC 6-1.1-6.7-18 is ten percent (10%) per annum.**

42 (4) **IC 6-1.1-8-40 is two percent (2%) per month, or fraction**

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- 1           **of a month.**
- 2           **(5) IC 6-1.1-10-16 is ten percent (10%) per annum.**
- 3           **(6) IC 6-1.1-22-11 is ten percent (10%) per annum.**
- 4           **(7) IC 6-1.1-24-2 is ten percent (10%) per annum.**
- 5           **(8) IC 6-1.1-24-6.1 is ten percent (10%) per annum.**
- 6           **(9) IC 6-1.1-25-2 is ten percent (10%) per annum.**
- 7           **(10) IC 6-1.1-25-10 is six percent (6%) per annum.**
- 8           **(11) IC 6-1.1-25-11 is six percent (6%) per annum.**
- 9           **(12) IC 6-1.1-25-12 is ten percent (10%) per annum.**
- 10          **(13) IC 6-1.1-26-5 is four percent (4%) per annum.**
- 11          **(14) IC 6-1.1-37-9(b) is ten percent (10%) per annum.**
- 12          **(15) IC 6-1.1-37-9(c) is the overpayment rate established**
- 13           **under Section 6621(c)(1) of the Internal Revenue Code in**
- 14           **effect on the original due date or dates for those taxes from**
- 15           **the original due date or dates.**
- 16          **(16) IC 6-1.1-37-11 is four percent (4%) per annum.**
- 17          **(c) After June 30, 2011, the interest rate that applies under this**
- 18          **article is the rate determined by the department of state revenue**
- 19          **under IC 6-8.1-10-1.**
- 20          SECTION 20. IC 6-1.5-4-1 IS AMENDED TO READ AS
- 21          FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The Indiana
- 22          board shall conduct an impartial review of all appeals concerning:
- 23            (1) the assessed valuation of tangible property;
- 24            (2) property tax deductions; **or**
- 25            (3) property tax exemptions; **or**
- 26            **(4) interest, penalties, or collection fees, clerk's costs, sheriff's**
- 27            **costs, or collection agency costs related to property taxes;**
- 28          that are made from a determination by an assessing official, **a county**
- 29          **auditor, a county treasurer,** or a county property tax assessment
- 30          board of appeals to the Indiana board under any law.
- 31          (b) Appeals described in this section shall be conducted under
- 32          IC 6-1.1-15.
- 33          SECTION 21. IC 6-3-4-6 IS AMENDED TO READ AS FOLLOWS
- 34          [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) Any taxpayer, upon
- 35          request by the department, shall furnish to the department a true and
- 36          correct copy of any tax return which he has filed with the United States
- 37          Internal Revenue Service which copy shall be certified to by the
- 38          taxpayer under penalties of perjury.
- 39          (b) Each taxpayer shall notify the department of any modification
- 40          of:
- 41            (1) a federal income tax return filed by the taxpayer after January
- 42            1, 1978; or

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1 (2) the taxpayer's federal income tax liability for a taxable year  
 2 which begins after December 31, 1977.  
 3 The taxpayer shall file the notice, on the form prescribed by the  
 4 department, within one hundred twenty (120) days after the  
 5 modification is made.  
 6 (c) If the federal modification results in a change in the taxpayer's  
 7 federal or Indiana adjusted gross income, the taxpayer shall file an  
 8 Indiana amended return within one hundred twenty (120) days after the  
 9 modification is made.  
 10 (d) **In the case of a change that increases the adjusted gross**  
 11 **income or taxable income in a taxpayer's federal income tax return**  
 12 **or increases a taxpayer's federal income tax liability, the**  
 13 **modification shall not be treated as occurring until the earliest of**  
 14 **the following:**  
 15 (1) **The date on which the taxpayer makes the modification in**  
 16 **an amended return or pays any federal income tax liability**  
 17 **due, regardless of whether the taxpayer files a claim for a**  
 18 **refund.**  
 19 (2) **The date on which the taxpayer and the Internal Revenue**  
 20 **Service both formally agree to the change.**  
 21 (3) **The last date that a taxpayer may file an appeal for a**  
 22 **modification to the United States Tax Court, if the taxpayer**  
 23 **does not file a timely appeal.**  
 24 (4) **The date that a decision of the United States Tax Court**  
 25 **related to the modification becomes final, if the taxpayer does**  
 26 **not file a timely appeal.**  
 27 (5) **The date the modification becomes final and conclusive**  
 28 **under Section 7121 of the Internal Revenue Code or another**  
 29 **law.**  
 30 (e) **In the case of a change that decreases the adjusted gross**  
 31 **income or taxable income in a taxpayer's federal income tax return**  
 32 **or decreases a taxpayer's federal income tax liability, the**  
 33 **modification shall not be treated as occurring until the earliest of**  
 34 **the following:**  
 35 (1) **The date on which the taxpayer receives a refund or credit**  
 36 **of the federal income taxes associated with the change.**  
 37 (2) **The date on which the taxpayer and the Internal Revenue**  
 38 **Service both formally agree to the change.**  
 39 (3) **The date on which a judicial decision reviewing the**  
 40 **modification becomes final if no appeal is taken with respect**  
 41 **to the decision.**  
 42 (f) **If a change in a taxpayer's federal income tax liability is**

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1 subject to Section 6405 of the Internal Revenue Code, the  
2 modification shall not be treated as occurring before the date on  
3 which a refund or credit may be made under Section 6405(a) of the  
4 Internal Revenue Code.

5 SECTION 22. IC 6-8.1-3-17.5 IS ADDED TO THE INDIANA  
6 CODE AS A NEW SECTION TO READ AS FOLLOWS  
7 [EFFECTIVE UPON PASSAGE]: Sec. 17.5. (a) A taxpayer may  
8 request a hearing with the department to determine:

- 9 (1) any unresolved issue arising under the terms of an  
10 agreement settling the taxpayer's tax liability; or
- 11 (2) any matter that would be the basis for canceling the  
12 agreement.

13 (b) A request under this section must:

- 14 (1) be made in writing;
- 15 (2) identify with reasonable certainty the taxpayer, the terms  
16 of the settlement, and the issues in dispute;
- 17 (3) specify the taxpayer's proposed resolution of the issues  
18 raised in the request; and
- 19 (4) be filed with the department as prescribed by the  
20 department.

21 (c) The department may not deny a request for a hearing that  
22 is not in the form or filed as required by subsection (b), if the  
23 request for hearing substantially complies with subsection (b). The  
24 department shall notify a taxpayer of the denial of a hearing by  
25 United States mail.

26 (d) Subject to subsection (c), if the person files a written request  
27 with the department for a hearing under this section, the  
28 department shall:

- 29 (1) set the hearing at the department's earliest convenient  
30 time; and
- 31 (2) notify the person by United States mail of the time, date,  
32 and location of the hearing.

33 The department may hold the hearing at the location of its choice  
34 within Indiana if that location complies with IC 6-8.1-3-8.5.

35 (e) Not later than sixty (60) days after hearing the evidence  
36 presented by the taxpayer, the department shall issue a written  
37 letter of findings and shall send a copy of the letter through the  
38 United States mail to the person who filed the request for a hearing  
39 and to the person's surety, if there is a surety for the settlement  
40 agreement. The department may continue the hearing until a later  
41 date if the taxpayer presents additional information at the hearing  
42 or the taxpayer requests an opportunity to present additional

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information after the hearing.

(f) A taxpayer that disagrees with a decision in a letter of findings may request a rehearing not more than thirty (30) days after the date on which the letter of findings is issued by the department. The department shall consider the request and may grant the rehearing if the department reasonably believes that a rehearing would be in the best interests of the taxpayer and the state.

(g) If a person disagrees with a decision in a letter of findings, the person may appeal the decision to the tax court. However, the tax court does not have jurisdiction to hear an appeal that is filed more than sixty (60) days after the date on which:

- (1) the letter of findings is issued by the department, if the person does not make a timely request for a rehearing under subsection (f) on the letter of findings; or
- (2) the later of the following, if the person makes a timely request for a rehearing under subsection (f) on the letter of findings department:

(A) The department issues a denial of the person's timely request for a rehearing under subsection (f).

(B) The department issues a final determination after the rehearing.

(h) The tax court shall hear an appeal under subsection (g) de novo and without a jury. The tax court may do the following:

- (1) Uphold or deny any part of a determination that is appealed.
- (2) Assess the court costs in a manner that the court believes to be equitable.
- (3) Enjoin the collection of a taxpayer's obligations under a settlement agreement under IC 33-26-6-2, pending the issuance of a final determination on the appeal.

SECTION 23. IC 6-8.1-5-1, AS AMENDED BY P.L.1-2007, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) As used in this section, "letter of findings" includes a supplemental letter of findings.

(b) If the department reasonably believes that a person has not reported the proper amount of tax due, the department shall make a proposed assessment of the amount of the unpaid tax on the basis of the best information available to the department. The amount of the assessment is considered a tax payment not made by the due date and is subject to IC 6-8.1-10 concerning the imposition of penalties and interest. The department shall send the person a notice of the proposed

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1 assessment through the United States mail. **The notice must state that**  
2 **the person has forty-five (45) days after the date the notice is**  
3 **mailed to pay the assessment or to file a written protest.**

4 (c) If the person has a surety bond guaranteeing payment of the tax  
5 for which the proposed assessment is made, the department shall  
6 furnish a copy of the proposed assessment to the surety. The notice of  
7 proposed assessment is prima facie evidence that the department's  
8 claim for the unpaid tax is valid. The burden of proving that the  
9 proposed assessment is wrong rests with the person against whom the  
10 proposed assessment is made.

11 **(d) A person may file a protest under this section to contest the**  
12 **department's:**

- 13 **(1) proposed assessment of a listed tax; or**
- 14 **(2) imposition or proposed imposition of:**
  - 15 **(A) interest;**
  - 16 **(B) penalties;**
  - 17 **(C) sheriff's costs;**
  - 18 **(D) clerk's fees; or**
  - 19 **(E) collection agency fees.**

20 ~~(d)~~ **The notice shall state that the person has (e) A protest must be**  
21 **filed not later than forty-five (45) days from after the date of mailing**  
22 **of the notice of:**

- 23 **(1) the notice is mailed to pay the proposed assessment of a**  
24 **listed tax; or to file a written protest.**
- 25 **(2) the imposition or proposed imposition of:**
  - 26 **(A) interest;**
  - 27 **(B) penalties;**
  - 28 **(C) sheriff's costs;**
  - 29 **(D) clerk's fees; or**
  - 30 **(E) collection agency fees.**

31 **(f) If the person files a protest and requires a hearing on the protest,**  
32 **the department shall:**

- 33 **(1) set the hearing at the department's earliest convenient time;**  
34 **and**
- 35 **(2) notify the person by United States mail of the time, date, and**  
36 **location of the hearing.**

37 ~~(e)~~ **(g) The department may hold the hearing at the location of its**  
38 **choice within Indiana if that location complies with IC 6-8.1-3-8.5.**

39 ~~(f)~~ **(h) No later than sixty (60) days after conducting a hearing on a**  
40 **protest, or after making a decision on a protest when no hearing is**  
41 **requested, the department shall issue a letter of findings and shall send**  
42 **a copy of the letter through the United States mail to the person who**

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1 filed the protest and to the person's surety, if the surety was notified of  
 2 the proposed assessment under subsection (b). The department may  
 3 continue the hearing until a later date if the taxpayer presents  
 4 additional information at the hearing or the taxpayer requests an  
 5 opportunity to present additional information after the hearing.

6 ~~(g)~~ **(i)** A person that disagrees with a decision in a letter of findings  
 7 may request a rehearing not more than thirty (30) days after the date on  
 8 which the letter of findings is issued by the department. The  
 9 department shall consider the request and may grant the rehearing if the  
 10 department reasonably believes that a rehearing would be in the best  
 11 interests of the taxpayer and the state.

12 ~~(h)~~ **(j)** If a person disagrees with a decision in a letter of findings,  
 13 the person may appeal the decision to the tax court. However, the tax  
 14 court does not have jurisdiction to hear an appeal that is filed more than  
 15 sixty (60) days after the date on which:

16 (1) the letter of findings is issued by the department, if the person  
 17 does not make a timely request for a rehearing under subsection  
 18 ~~(g)~~ **(i)** on the letter of findings; or

19 (2) the department issues a denial of the person's timely request  
 20 for a rehearing under subsection ~~(g)~~ **(i)** on the letter of findings.

21 ~~(i)~~ **(k)** The tax court shall hear an appeal under subsection ~~(h)~~ **(j)** de  
 22 novo and without a jury. The tax court may do the following:

23 (1) Uphold or deny any part of the assessment that is appealed.

24 (2) Assess the court costs in a manner that the court believes to be  
 25 equitable.

26 (3) Enjoin the collection of a listed tax under IC 33-26-6-2.

27 ~~(j)~~ **(l)** **Subject to IC 6-8.1-8-16**, the department shall demand  
 28 payment, as provided in IC 6-8.1-8-2(a), of any part of the proposed tax  
 29 assessment, interest, ~~and~~ penalties, **sheriff's costs, clerk's fees, or**  
 30 **collection agency fees** that it finds owing because:

31 (1) the person failed to properly respond within the forty-five (45)  
 32 day period;

33 (2) the person requested a hearing but failed to appear at that  
 34 hearing; or

35 (3) after consideration of the evidence presented in the protest or  
 36 hearing, the department finds that the person still owes tax,  
 37 **interest, sheriff's costs, clerk's fees, or collection agency fees.**

38 ~~(k)~~ **(m)** The department shall make the demand for payment in the  
 39 manner provided in IC 6-8.1-8-2.

40 ~~(l)~~ **(n)** Subsection (b) does not apply to a motor carrier fuel tax  
 41 return.

42 SECTION 24. IC 6-8.1-8-2, AS AMENDED BY P.L.111-2006,

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1 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 UPON PASSAGE]: Sec. 2. (a) Except as provided in IC 6-8.1-5-3 and  
3 **section 16 of this chapter**, the department must issue a demand notice  
4 for the payment of a tax and any interest or penalties accrued on the  
5 tax, if a person files a tax return without including full payment of the  
6 tax or if the department, after ruling on a protest, finds that a person  
7 owes the tax before the department issues a tax warrant. The demand  
8 notice must state the following:

- 9 (1) That the person has ten (10) days from the date the department
- 10 mails the notice to either pay the amount demanded or show
- 11 reasonable cause for not paying the amount demanded.
- 12 (2) The statutory authority of the department for the issuance of
- 13 a tax warrant.
- 14 (3) The earliest date on which a tax warrant may be filed and
- 15 recorded.
- 16 (4) The statutory authority for the department to levy against a
- 17 person's property that is held by a financial institution.
- 18 (5) The remedies available to the taxpayer to prevent the filing
- 19 and recording of the judgment.

20 If the department files a tax warrant in more than one (1) county, the  
21 department is not required to issue more than one (1) demand notice.

22 (b) If the person does not pay the amount demanded or show  
23 reasonable cause for not paying the amount demanded within the ten  
24 (10) day period, the department may issue a tax warrant for the amount  
25 of the tax, interest, penalties, collection fee, sheriff's costs, clerk's costs,  
26 and fees established under section 4(b) of this chapter when applicable.  
27 When the department issues a tax warrant, a collection fee of ten  
28 percent (10%) of the unpaid tax is added to the total amount due.

29 (c) When the department issues a tax warrant, it may not file the  
30 warrant with the circuit court clerk of any county in which the person  
31 owns property until at least twenty (20) days after the date the demand  
32 notice was mailed to the taxpayer. The department may also send the  
33 warrant to the sheriff of any county in which the person owns property  
34 and direct the sheriff to file the warrant with the circuit court clerk:

- 35 (1) at least twenty (20) days after the date the demand notice was
- 36 mailed to the taxpayer; and
- 37 (2) no later than five (5) days after the date the department issues
- 38 the warrant.

39 (d) When the circuit court clerk receives a tax warrant from the  
40 department or the sheriff, the clerk shall record the warrant by making  
41 an entry in the judgment debtor's column of the judgment record,  
42 listing the following:

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- 1 (1) The name of the person owing the tax.
- 2 (2) The amount of the tax, interest, penalties, collection fee,  
3 sheriff's costs, clerk's costs, and fees established under section  
4 4(b) of this chapter when applicable.
- 5 (3) The date the warrant was filed with the clerk.
- 6 (e) When the entry is made, the total amount of the tax warrant  
7 becomes a judgment against the person owing the tax. The judgment  
8 creates a lien in favor of the state that attaches to all the person's  
9 interest in any:
- 10 (1) chose in action in the county; and  
11 (2) real or personal property in the county;  
12 excepting only negotiable instruments not yet due.
- 13 (f) A judgment obtained under this section is valid for ten (10) years  
14 from the date the judgment is filed. The department may renew the  
15 judgment for additional ten (10) year periods by filing an alias tax  
16 warrant with the circuit court clerk of the county in which the judgment  
17 previously existed.
- 18 (g) A judgment arising from a tax warrant in a county may be  
19 released by the department:
- 20 (1) after the judgment, including all accrued interest to the date of  
21 payment, has been fully satisfied; or  
22 (2) if the department determines that the tax assessment or the  
23 issuance of the tax warrant was in error.
- 24 (h) If the department determines that the filing of a tax warrant was  
25 in error, the department shall mail a release of the judgment to the  
26 taxpayer and the circuit court clerk of each county where the warrant  
27 was filed. The department shall mail the release as soon as possible but  
28 no later than seven (7) days after:
- 29 (1) the determination by the department that the filing of the  
30 warrant was in error; and  
31 (2) the receipt of information by the department that the judgment  
32 has been recorded under subsection (d).
- 33 (i) If the department determines that a judgment described in  
34 subsection (h) is obstructing a lawful transaction, the department shall  
35 mail a release of the judgment to the taxpayer and the circuit court  
36 clerk of each county where the judgment was filed immediately upon  
37 making the determination.
- 38 (j) A release issued under subsection (h) or (i) must state that the  
39 filing of the tax warrant was in error. Upon the request of the taxpayer,  
40 the department shall mail a copy of a release issued under subsection  
41 (h) or (i) to each major credit reporting company located in each county  
42 where the judgment was filed.

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1 (k) The commissioner shall notify each state agency or officer  
2 supplied with a tax warrant list of the issuance of a release under  
3 subsection (h) or (i).

4 (l) If the sheriff collects the full amount of a tax warrant, the sheriff  
5 shall disburse the money collected in the manner provided in section  
6 3(c) of this chapter. If a judgment has been partially or fully satisfied  
7 by a person's surety, the surety becomes subrogated to the department's  
8 rights under the judgment. If a sheriff releases a judgment:

- 9 (1) before the judgment is fully satisfied;
- 10 (2) before the sheriff has properly disbursed the amount collected;
- 11 or

12 (3) after the sheriff has returned the tax warrant to the department;  
13 the sheriff commits a Class B misdemeanor and is personally liable for  
14 the part of the judgment not remitted to the department.

15 SECTION 25. IC 6-8.1-8-16 IS ADDED TO THE INDIANA CODE  
16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
17 UPON PASSAGE]: **Sec. 16. (a) This section applies without an  
18 injunction from the tax court to any assessment that is made or  
19 proposed after April 30, 2011.**

20 **(b) Except as provided in IC 6-8.1-5-3, no demand notice,  
21 warrant, levy, or proceeding in court for the collection of a listed  
22 tax or any penalties and interest on a listed tax shall be issued,  
23 commenced, or conducted against a taxpayer and no lien on the  
24 taxpayer's property may be imposed until after the later of the  
25 following:**

- 26 **(1) The expiration of the period in which the taxpayer may  
27 appeal the listed tax to the tax court.**
- 28 **(2) A decision of the tax court concerning the listed tax  
29 becomes final, if the taxpayer filed a timely appeal.**

30 SECTION 26. IC 6-8.1-9-1, AS AMENDED BY P.L.182-2009(ss),  
31 SECTION 256, IS AMENDED TO READ AS FOLLOWS  
32 [EFFECTIVE UPON PASSAGE]: **Sec. 1. (a) If a person has paid more  
33 tax than the person determines is legally due for a particular taxable  
34 period, the person may file a claim for a refund with the department.  
35 Except as provided in subsections (f) and ~~(g)~~, (i), in order to obtain the  
36 refund, the person must file the claim with the department within three  
37 (3) years after the latter of the following:**

- 38 (1) The due date of the return.
- 39 (2) The date of payment.

40 For purposes of this section, the due date for a return filed for the state  
41 gross retail or use tax, the gasoline tax, the special fuel tax, the motor  
42 carrier fuel tax, the oil inspection fee, or the petroleum severance tax

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1 is the end of the calendar year which contains the taxable period for  
2 which the return is filed. The claim must set forth the amount of the  
3 refund to which the person is entitled and the reasons that the person  
4 is entitled to the refund.

5 (b) When the department receives a claim for refund, the  
6 department shall consider the claim for refund and shall, if the taxpayer  
7 requests, hold a hearing on the claim for refund to obtain and consider  
8 additional evidence. After considering the claim and all evidence  
9 relevant to the claim, the department shall issue a decision on the  
10 claim:

- 11 (1) stating the part, if any, of the refund allowed; ~~and~~
- 12 (2) containing a statement of the reasons for any part of the refund  
13 that is denied; ~~and~~
- 14 (3) **describing the procedure that a taxpayer must follow to**  
15 **appeal any part of the refund that was denied.**

16 **The department shall use a standard uniform form in all offices**  
17 **and divisions of the department to notify a taxpayer of the denial**  
18 **of any part of a claim for a refund.** The department shall mail a copy  
19 of the decision to the person who filed the claim. If the department  
20 allows the full amount of the refund claim, a warrant for the payment  
21 of the claim is sufficient notice of the decision.

22 (c) If the person disagrees with any part of the department's  
23 decision, the person may appeal the decision, regardless of whether or  
24 not the person protested the tax payment or whether or not the person  
25 has accepted a refund. The person must file the appeal with the tax  
26 court. The tax court does not have jurisdiction to hear a refund appeal  
27 suit, if:

- 28 ~~(1) the appeal is filed more than three (3) years after the date the~~  
29 ~~claim for refund was filed with the department;~~
- 30 ~~(2) (1) the appeal is filed more than ninety (90) days after the date~~  
31 ~~the department mails the decision of denial to the person; or~~
- 32 ~~(3) (2) the appeal is filed both before the decision is issued and~~  
33 ~~before the one hundred eighty-first day after the date the person~~  
34 ~~files the claim for refund with the department.~~

35 **If the department does not issue a decision on the claim for refund**  
36 **within one hundred eighty-one (181) days after the date the person**  
37 **filed the claim for refund with the department, the person who**  
38 **filed the claim may appeal the department's failure to act on the**  
39 **claim to the tax court. The appeal may be filed at any time after the**  
40 **one hundred eighty-first day after the date the person filed the**  
41 **claim for refund with the department.**

42 (d) The tax court shall hear the appeal de novo and without a jury,

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1 and after the hearing may order or deny any part of the appealed  
 2 refund. The court may assess the court costs in any manner that it feels  
 3 is equitable. The court may enjoin the collection of any of the listed  
 4 taxes under IC 33-26-6-2. The court may also allow a refund of taxes,  
 5 interest, ~~and~~ penalties, **and collection costs** that have been paid to and  
 6 collected by the department.

7 (e) With respect to the motor vehicle excise tax, this section applies  
 8 only to penalties and interest paid on assessments of the motor vehicle  
 9 excise tax. Any other overpayment of the motor vehicle excise tax is  
 10 subject to IC 6-6-5.

11 (f) If a taxpayer's federal income tax liability for a taxable year is  
 12 modified by the Internal Revenue Service, and the modification would  
 13 result in a reduction of the tax legally due, the due date by which the  
 14 taxpayer must file a claim for refund with the department is the later of:

- 15 (1) the date determined under subsection (a); or  
 16 (2) the date that is six (6) months after the date on which the  
 17 taxpayer is notified of the modification by the Internal Revenue  
 18 Service.

19 **(g) A modification under subsection (f) may not be treated as**  
 20 **occurring until the earliest of the following:**

- 21 **(1) The date on which the taxpayer receives a refund or credit**  
 22 **of the federal income taxes associated with the change.**  
 23 **(2) The date on which the taxpayer and the Internal Revenue**  
 24 **Service both formally agree to the change.**  
 25 **(3) The date on which a judicial decision reviewing the**  
 26 **modification becomes final if no appeal is taken with respect**  
 27 **to the decision.**

28 **(h) If a reduction in a taxpayer's federal income tax liability is**  
 29 **subject to Section 6405 of the Internal Revenue Code, the**  
 30 **modification shall not be treated as occurring before the date on**  
 31 **which a refund or credit may be made under Section 6405(a) of the**  
 32 **Internal Revenue Code.**

33 ~~(g)~~ **(i)** If an agreement to extend the assessment time period is  
 34 entered into under IC 6-8.1-5-2(h), the period during which a person  
 35 may file a claim for a refund under subsection (a) is extended to the  
 36 same date to which the assessment time period is extended.

37 SECTION 27. IC 6-8.1-9-2, AS AMENDED BY P.L.182-2009(ss),  
 38 SECTION 257, IS AMENDED TO READ AS FOLLOWS  
 39 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) If the department finds  
 40 that a person has paid more tax for a taxable year than is legally due,  
 41 the department shall apply the amount of the excess against any amount  
 42 of that same tax that is assessed and is currently due. The department

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1 may then apply any remaining excess against any of the listed taxes  
 2 that have been assessed against the person and that are currently due.  
 3 Subject to subsection (c), if any excess remains after the department  
 4 has applied the overpayment against the person's tax liabilities, the  
 5 department shall either refund the amount to the person or, at the  
 6 person's request, credit the amount to the person's future tax liabilities.

7 (b) Subject to subsection (c), if a court determines that a person has  
 8 paid more tax for a taxable year than is legally due, the department  
 9 shall refund the excess amount to the person.

10 (c) As used in this subsection, "pass through entity" means a  
 11 corporation that is exempt from the adjusted gross income tax under  
 12 IC 6-3-2-2.8(2), a partnership, a limited liability company, or a limited  
 13 liability partnership and "pass through income" means a person's  
 14 distributive share of adjusted gross income for a taxable year  
 15 attributable to the person's interest in a pass through entity. This  
 16 subsection applies to a person's overpayment of adjusted gross income  
 17 tax for a taxable year if:

18 (1) the person has filed a timely claim for refund with respect to  
 19 the overpayment under IC 6-8.1-9-1;

20 (2) the overpayment:

21 (A) is with respect to a taxable year beginning before January  
 22 1, 2009;

23 (B) is attributable to amounts paid to the department by:

24 (i) a nonresident shareholder, partner, or member of a pass  
 25 through entity;

26 (ii) a pass through entity under IC 6-3-4-12 or IC 6-3-4-13  
 27 on behalf of a nonresident shareholder, partner, or member  
 28 of the pass through entity; or

29 (iii) a pass through entity under IC 6-3-4-12 or IC 6-3-4-13  
 30 on behalf of a nonresident shareholder, partner, or member  
 31 of another pass through entity; and

32 (3) the overpayment arises from a determination by the  
 33 department or a court that the person's pass through income is not  
 34 includible in the person's adjusted gross income derived from  
 35 sources within Indiana as a result of the application of  
 36 IC 6-3-2-2(a)(5) and IC 6-3-2-2.2(g).

37 The department shall apply the overpayment to the person's liability for  
 38 taxes that have been assessed and are currently due as provided in  
 39 subsection (a) and apply any remaining overpayment as a credit or  
 40 credits in satisfaction of the person's liability for listed taxes in taxable  
 41 years beginning after December 31, 2008. If the person, including any  
 42 successor to the person's interest in the overpayment, does not have

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1 sufficient liability for listed taxes against which to credit all the  
 2 remaining overpayment in a taxable year beginning after December 31,  
 3 2008, and ending before January 1, 2019, the taxpayer is not entitled  
 4 for any taxable year ending after December 31, 2018, to have any part  
 5 of the remaining overpayment applied, refunded, or credited to the  
 6 person's liability for listed taxes. If an overpayment or part of an  
 7 overpayment is required to be applied as a credit under this subsection  
 8 to the person's liability for listed taxes for a taxable year beginning after  
 9 December 31, 2008, and has not been determined by the department or  
 10 a court to meet the conditions of subdivision (3) by the due date of the  
 11 person's return for a listed tax for a taxable year beginning after  
 12 December 31, 2008, the department shall refund to the person that part  
 13 of the overpayment that should have been applied as a credit for such  
 14 taxable year within ninety (90) days of the date that the department or  
 15 a court makes the determination that the overpayment meets the  
 16 conditions of subdivision (3). However, the department may establish  
 17 a program to refund small overpayment amounts that do not exceed the  
 18 threshold dollar value established by the department rather than  
 19 crediting the amounts against tax liability accruing for a taxable year  
 20 after December 31, 2008. A person that receives a refund or credit  
 21 under this subsection shall file a report with the department in the form  
 22 and in the schedule specified by the department that identifies under  
 23 penalties of perjury the home state or other jurisdiction where the  
 24 income subject to the refund or credit was reported as income  
 25 attributable to that state or jurisdiction.

26 **(d) This subsection applies to interest on an excessive tax**  
 27 **payment if the later of the date the tax was due or the date the tax**  
 28 **was paid occurred before July 1, 2011.** An excess tax payment that  
 29 is not refunded or credited against a current or future tax liability  
 30 within ninety (90) days after the date the refund claim is filed, the date  
 31 the tax payment was due, or the date the tax was paid, whichever is  
 32 latest, accrues interest from the date the refund claim is filed at the rate  
 33 established under IC 6-8.1-10-1 until a date, determined by the  
 34 department, that does not precede by more than thirty (30) days, the  
 35 date on which the refund or credit is made. As used in this subsection,  
 36 "refund claim" includes an amended return that indicates an  
 37 overpayment of tax.

38 **(e) This subsection applies to interest on an excessive tax**  
 39 **payment if the later of the date the tax was due or the date the tax**  
 40 **was paid occurs after June 30, 2011. An excessive tax payment that**  
 41 **is not refunded or credited against a current or future tax liability**  
 42 **within ninety (90) days after:**

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- 1           (1) the date the refund claim is filed;  
 2           (2) the date the tax payment was due; or  
 3           (3) the date the tax was paid;

4           **whichever is latest, accrues interest from the later of the date the**  
 5           **tax payment was due or the date the tax was paid at the rate**  
 6           **established under IC 6-8.1-10-1 until a date, determined by the**  
 7           **department, that does not precede by more than thirty (30) days,**  
 8           **the date on which the refund or credit is made. As used in this**  
 9           **subsection, "refund claim" includes an amended return that**  
 10           **indicates an overpayment of tax.**

11           SECTION 28. IC 33-26-3-7 IS ADDED TO THE INDIANA CODE  
 12           AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 13           UPON PASSAGE]: **Sec. 7. The jurisdiction of the tax court includes**  
 14           **jurisdiction to hear an appeal under the following:**

- 15           **IC 6-8.1-5-1 (Interest, penalties, and collection expenses).**  
 16           **IC 6-8.1-3-17.5 (settlement agreements).**  
 17           **IC 6-8.1-9-1 (refunds).**

18           SECTION 29. IC 33-26-6-2, AS AMENDED BY P.L.91-2006,  
 19           SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20           UPON PASSAGE]: **Sec. 2. (a) A taxpayer who wishes to initiate an**  
 21           **original tax appeal must file a petition in the tax court to set aside the**  
 22           **final determination of the department of state revenue or the Indiana**  
 23           **board of tax review. If a taxpayer fails to comply with any statutory**  
 24           **requirement for the initiation of an original tax appeal, the tax court**  
 25           **does not have jurisdiction to hear the appeal.**

26           **(b) If a taxpayer who wishes to enjoin the collection of a tax**  
 27           **pending the original tax appeal and the collection action is not**  
 28           **prohibited under IC 6-8.1-8-16, the taxpayer must file a petition**  
 29           **with the tax court to enjoin the collection of the tax. The petition must**  
 30           **set forth a summary of:**

- 31           (1) the issues that the petitioner will raise in the original tax  
 32           appeal; and  
 33           (2) the equitable considerations for which the tax court should  
 34           order the collection of the tax to be enjoined.

35           **(c) After a hearing on the petition filed under subsection (b), the tax**  
 36           **court may enjoin the collection of the tax pending the original tax**  
 37           **appeal, if the tax court finds that:**

- 38           (1) the issues raised by the original tax appeal are substantial;  
 39           (2) the petitioner has a reasonable opportunity to prevail in the  
 40           original tax appeal; and  
 41           (3) the equitable considerations favoring the enjoining of the  
 42           collection of the tax outweigh the state's interests in collecting the

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1 tax pending the original tax appeal.  
 2 (d) This section does not apply to a final determination of the  
 3 Indiana gaming commission under IC 4-32.2.  
 4 (e) This section applies to a final determination made by the  
 5 department of state revenue concerning the gaming card excise tax  
 6 established under IC 4-32.2-10.  
 7 SECTION 30. IC 33-26-6-2.5 IS ADDED TO THE INDIANA  
 8 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 9 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. (a) A taxpayer may**  
 10 **petition the tax court to enjoin a violation of IC 6-8.1-8-16. After**  
 11 **a hearing on a petition filed under subsection (a), the tax court**  
 12 **may:**  
 13 **(1) enjoin a collection action that violates IC 6-8.1-8-16;**  
 14 **(2) order the release of any lien imposed in violation of**  
 15 **IC 6-8.1-8-16; and**  
 16 **(3) order a refund of any amount that was collected in**  
 17 **violation of IC 6-8.1-8-16.**  
 18 **(b) The department of state revenue may petition the tax court**  
 19 **to permit the issuance of a demand notice and the collection of a**  
 20 **listed tax that would otherwise be subject to IC 6-8.1-8-16 before**  
 21 **the date that a decision of the tax court on the appeal of the listed**  
 22 **tax becomes final. The petition must set forth the considerations**  
 23 **that indicate that the ability of the department of state revenue to**  
 24 **collect the taxes, interest, and penalties due from the taxpayer will**  
 25 **be substantially jeopardized if collection activities are stayed. After**  
 26 **a hearing on the petition, the tax court may issue an order**  
 27 **authorizing the issuance of a demand notice and the collection of**  
 28 **a listed tax before the date a decision of the tax court on the appeal**  
 29 **of the listed tax becomes final.**  
 30 SECTION 31. An emergency is declared for this act.

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