

HOUSE BILL No. 1241

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-10-45; IC 6-1.1-11-3; IC 6-1.1-11-4.

Synopsis: Senior citizen property tax exemption. Provides a property tax exemption for the homestead of an individual who is at least 65 years of age.

Effective: March 1, 2011 (retroactive).

Cheatham

January 12, 2011, read first time and referred to Committee on Ways and Means.

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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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HOUSE BILL No. 1241

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 6-1.1-10-45 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 3 MARCH 1, 2011 (RETROACTIVE)]: **Sec. 45. (a) The definitions in**
- 4 **this subsection apply throughout this section:**
- 5 (1) "Homestead" has the meaning set forth in IC 6-1.1-12-37.
- 6 (2) "Qualifying interest" means the interest of an individual
- 7 who:
- 8 (A) uses property as the individual's principal place of
- 9 residence; and
- 10 (B) has an interest in property or in the owner of property
- 11 that would qualify the property for a standard deduction
- 12 under IC 6-1.1-12-37.
- 13 (b) This subsection applies to exemptions for an assessment date
- 14 occurring after January 15, 2011. A homestead is exempt from
- 15 property taxation if an individual who has a qualifying interest in
- 16 the homestead:
- 17 (1) either:



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(A) is or will be at least sixty-five (65) years of age; or

(B) is the spouse of an individual who:

(i) uses the homestead as the individual's principal place of residence; and

(ii) is or will be at least sixty-five (65) years of age; on the last day of the year containing the assessment date to which the exemption applies (if the homestead is real property) and the last date of the year immediately preceding the year containing the assessment date to which the exemption applies (if the homestead is personal property); and

(2) has or will have continuously used the homestead as the individual's principal place of residence for at least ten (10) years ending on the last day of the year containing the assessment date to which the exemption applies (if the homestead is real property) and the last date of the year immediately preceding the year containing the assessment date to which the exemption applies (if the homestead is personal property).

(c) Regardless of the age of a surviving spouse or the number of years in which a surviving spouse resides in a homestead, a surviving spouse of a deceased individual who qualified for an exemption under subsection (b) on the deceased individual's date of death continues to qualify for an exemption under subsection (b), if the homestead was the principal place of residence of the surviving spouse and the deceased individual on the date of the individual's death.

(d) For purposes of this section, an admission to a health care facility (as defined in IC 16-18-2-161) or a facility in an adjacent state that is equivalent to a health care facility (as defined in IC 16-18-2-161) shall not be treated as changing the individual's principal place of residence.

SECTION 2. IC 6-1.1-11-3, AS AMENDED BY P.L.146-2008, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2011 (RETROACTIVE)]: Sec. 3. (a) Subject to subsections (e), (f), and (g), an owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the county assessor of the county in which the property that is the subject of the exemption is located. The application must be filed annually on or before:

(1) **December 31 immediately following an assessment date, if the application is for an exemption under IC 6-1.1-10-45 for**

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1 **real property;**
2 **(2) March 31 immediately following an assessment date, if the**
3 **application is for an exemption under IC 6-1.1-10-45 for**
4 **personal property; and**
5 **(3) May 15 immediately following an assessment date, if the**
6 **application is for an exemption other than an exemption**
7 **under IC 6-1.1-10-45;**
8 on forms prescribed by the department of local government finance.
9 Except as provided in sections 1, 3.5, and 4 of this chapter, the
10 application applies only for the taxes imposed for the year for which
11 the application is filed.
12 (b) The authority for signing an exemption application may not be
13 delegated by the owner of the property to any other person except by
14 an executed power of attorney.
15 (c) An exemption application which is required under this chapter
16 shall contain the following information:
17 (1) A description of the property claimed to be exempt in
18 sufficient detail to afford identification.
19 (2) A statement showing the ownership, possession, and use of
20 the property.
21 (3) The grounds for claiming the exemption.
22 (4) The full name and address of the applicant.
23 (5) For the year that ends on the assessment date of the property,
24 identification of:
25 (A) each part of the property used or occupied; and
26 (B) each part of the property not used or occupied;
27 for one (1) or more exempt purposes under IC 6-1.1-10 during the
28 time the property is used or occupied.
29 (6) Any additional information which the department of local
30 government finance may require.
31 (d) A person who signs an exemption application shall attest in
32 writing and under penalties of perjury that, to the best of the person's
33 knowledge and belief, a predominant part of the property claimed to be
34 exempt is not being used or occupied in connection with a trade or
35 business that is not substantially related to the exercise or performance
36 of the organization's exempt purpose.
37 (e) An owner must file with an application for exemption of real
38 property under subsection (a) or section 5 of this chapter a copy of the
39 assessor's record kept under IC 6-1.1-4-25(a) that shows the calculation
40 of the assessed value of the real property for the assessment date for
41 which the exemption is claimed. Upon receipt of the exemption
42 application, the county assessor shall examine that record and

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1 determine if the real property for which the exemption is claimed is
2 properly assessed. If the county assessor determines that the real
3 property is not properly assessed, the county assessor shall:

- 4 (1) properly assess the real property or direct the township
- 5 assessor to properly assess the real property; and
- 6 (2) notify the county auditor of the proper assessment or direct the
- 7 township assessor to notify the county auditor of the proper
- 8 assessment.

9 (f) If the county assessor determines that the applicant has not filed
10 with an application for exemption a copy of the record referred to in
11 subsection (e), the county assessor shall notify the applicant in writing
12 of that requirement. The applicant then has thirty (30) days after the
13 date of the notice to comply with that requirement. The county property
14 tax assessment board of appeals shall deny an application described in
15 this subsection if the applicant does not comply with that requirement
16 within the time permitted under this subsection.

17 (g) This subsection applies whenever a law requires an exemption
18 to be claimed on or in an application accompanying a personal property
19 tax return. The claim or application may be filed on or with a personal
20 property tax return not more than thirty (30) days after the filing date
21 for the personal property tax return, regardless of whether an extension
22 of the filing date has been granted under IC 6-1.1-3-7.

23 SECTION 3. IC 6-1.1-11-4, AS AMENDED BY P.L.182-2009(ss),
24 SECTION 107, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE MARCH 1, 2011 (RETROACTIVE)]: Sec. 4. (a) The
26 exemption application referred to in section 3 of this chapter is not
27 required if the exempt property is owned by the United States, the state,
28 an agency of this state, or a political subdivision (as defined in
29 IC 36-1-2-13). However, this subsection applies only when the property
30 is used, and in the case of real property occupied, by the owner.

31 (b) The exemption application referred to in section 3 of this chapter
32 is not required if the exempt property is a cemetery:

- 33 (1) described by IC 6-1.1-2-7; or
- 34 (2) maintained by a township executive under IC 23-14-68.

35 (c) The exemption application referred to in section 3 of this chapter
36 is not required if the exempt property is owned by the bureau of motor
37 vehicles commission established under IC 9-15-1.

38 (d) The exemption application referred to in section 3 or 3.5 of this
39 chapter is not required if:

- 40 (1) the exempt property is:
 - 41 (A) tangible property used for religious purposes described in
 - 42 IC 6-1.1-10-21;

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- 1 (B) tangible property owned by a church or religious society
- 2 used for educational purposes described in IC 6-1.1-10-16; or
- 3 (C) other tangible property owned, occupied, and used by a
- 4 person for educational, literary, scientific, religious, or
- 5 charitable purposes described in IC 6-1.1-10-16;
- 6 (2) the exemption application referred to in section 3 or 3.5 of this
- 7 chapter was filed properly at least once for a religious use under
- 8 IC 6-1.1-10-21 or an educational, literary, scientific, religious, or
- 9 charitable use under IC 6-1.1-10-16; and
- 10 (3) the property continues to meet the requirements for an
- 11 exemption under IC 6-1.1-10-16 or IC 6-1.1-10-21.

12 A change in ownership of property does not terminate an exemption of
 13 the property if after the change in ownership the property continues to
 14 meet the requirements for an exemption under IC 6-1.1-10-16 or
 15 IC 6-1.1-10-21. However, if title to any of the real property subject to
 16 the exemption changes or any of the tangible property subject to the
 17 exemption is used for a nonexempt purpose after the date of the last
 18 properly filed exemption application, the person that obtained the
 19 exemption or the current owner of the property shall notify the county
 20 assessor for the county where the tangible property is located of the
 21 change in the year that the change occurs. The notice must be in the
 22 form prescribed by the department of local government finance. If the
 23 county assessor discovers that title to property granted an exemption
 24 described in IC 6-1.1-10-16 or IC 6-1.1-10-21 has changed, the county
 25 assessor shall notify the persons entitled to a tax statement under
 26 IC 6-1.1-22-8.1 for the property of the change in title and indicate that
 27 the county auditor will suspend the exemption for the property until the
 28 persons provide the county assessor with an affidavit, signed under
 29 penalties of perjury, that identifies the new owners of the property and
 30 indicates that the property continues to meet the requirements for an
 31 exemption under IC 6-1.1-10-21 or IC 6-1.1-10-16. Upon receipt of the
 32 affidavit, the county assessor shall reinstate the exemption for the years
 33 for which the exemption was suspended and each year thereafter that
 34 the property continues to meet the requirements for an exemption under
 35 IC 6-1.1-10-21 or IC 6-1.1-10-16.

36 **(e) The exemption application referred to in section 3 of this**
 37 **chapter is not required if:**

- 38 **(1) the exemption is for a homestead under IC 6-1.1-10-45;**
- 39 **(2) the application was filed properly at least once for a**
40 homestead under IC 6-1.1-10-45; and
- 41 **(3) the property continues to meet the requirements for an**
42 exemption under IC 6-1.1-10-45.

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1 **A change in ownership of property does not terminate an**
 2 **exemption of the property if, after the change in ownership, the**
 3 **property continues to meet the requirements for an exemption**
 4 **under IC 6-1.1-10-45. If the county assessor discovers that title to**
 5 **property granted an exemption described in IC 6-1.1-10-45 has**
 6 **changed, the county assessor shall notify the persons entitled to a**
 7 **tax statement under IC 6-1.1-22-8.1 for the property of the change**
 8 **in title and indicate that the county auditor will suspend the**
 9 **exemption for the property until the persons provide the county**
 10 **assessor with an affidavit, signed under penalties of perjury, that**
 11 **identifies the new owners of the property and indicates that the**
 12 **property continues to meet the requirements for an exemption**
 13 **under IC 6-1.1-10-45. Upon receipt of the affidavit, the county**
 14 **assessor shall reinstate the exemption for the years for which the**
 15 **exemption was suspended and each year thereafter that the**
 16 **property continues to meet the requirements for an exemption**
 17 **under IC 6-1.1-10-45.**

18 **SECTION 4. An emergency is declared for this act.**

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