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# HOUSE BILL No. 1288

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-18.5-1.

**Synopsis:** Maximum property tax levy calculations. Provides that a civil taxing unit's maximum permissible property tax levy may not be reduced if the unit does not use its entire maximum levy authority in the preceding year.

**Effective:** July 1, 2011.

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**Smith M**

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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. 1288



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 6-1.1-18.5-1, AS AMENDED BY P.L.113-2010,  
2 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2011]: Sec. 1. As used in this chapter:  
4 "Ad valorem property tax levy for an ensuing calendar year" means  
5 the total property taxes imposed by a civil taxing unit for current  
6 property taxes collectible in that ensuing calendar year.  
7 "Adopting county" means any county in which the county adjusted  
8 gross income tax is in effect.  
9 "Civil taxing unit" means any taxing unit except a school  
10 corporation.  
11 "Maximum permissible ad valorem property tax levy for the  
12 preceding calendar year" means, ~~the greater of:~~  
13 ~~(+) the remainder of:~~  
14 ~~(A) for purposes of determining a maximum permissible~~  
15 ~~ad valorem property tax levy under section 3 of this~~  
16 ~~chapter for property taxes imposed for the March 1, 2010,~~  
17 ~~and January 15, 2011, assessment dates, the maximum~~



1 permissible ad valorem property tax levy for the preceding  
 2 calendar year as determined under this section as effective  
 3 on January 1, 2011. For purposes of determining a  
 4 maximum permissible ad valorem property tax levy under  
 5 section 3 of this chapter for property taxes imposed for an  
 6 assessment date after January 15, 2011, the term means the  
 7 civil taxing unit's maximum permissible ad valorem property  
 8 tax levy for the calendar year immediately preceding the  
 9 ensuing calendar year, as that levy was determined under  
 10 section 3 of this chapter minus

11 (B) one-half (1/2) of the remainder of:

12 (i) the civil taxing unit's maximum permissible ad valorem  
 13 property tax levy referred to in clause (A); minus

14 (ii) the civil taxing unit's ad valorem property tax levy for  
 15 the calendar year immediately preceding the ensuing  
 16 calendar year referred to in subdivision (2); or

17 (2) the civil taxing unit's ad valorem property tax levy for the  
 18 calendar year immediately preceding the ensuing calendar year;  
 19 as that levy was determined by the department of local  
 20 government finance in fixing the civil taxing unit's budget, levy,  
 21 and rate for that preceding calendar year under IC 6-1.1-17, and  
 22 after eliminating the effects of temporary excessive levy appeals  
 23 and temporary adjustments made to the working maximum levy  
 24 for the calendar year immediately preceding the ensuing calendar  
 25 year, as determined by the department of local government  
 26 finance.

27 However, for the determination of the maximum permissible property  
 28 tax levy for property taxes first due and payable after December 31,  
 29 2010, upon request by a civil taxing unit, the department of local  
 30 government finance may make an adjustment to the civil taxing unit's  
 31 maximum permissible ad valorem property tax levy for the ensuing  
 32 calendar year if the civil taxing unit's actual levy was lower than the  
 33 civil taxing unit's maximum permissible ad valorem property tax levy  
 34 for the calendar year immediately preceding the ensuing calendar year  
 35 because of the civil taxing unit's use of cash balances. (regardless of  
 36 whether the taxing unit imposed the entire amount of the  
 37 maximum permissible ad valorem property tax levy in the  
 38 immediately preceding year).

39 "Taxable property" means all tangible property that is subject to the  
 40 tax imposed by this article and is not exempt from the tax under  
 41 IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this  
 42 chapter, the term "taxable property" is further defined in section 6 of

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1 this chapter.

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