

## SENATE BILL No. 136

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12.

**Synopsis:** Veterans' property tax deductions. Specifies that a deceased veteran's surviving spouse is eligible for a veteran's property tax deduction if the deceased veteran satisfied the requirements for the deduction at the time of death and the surviving spouse owns the property at the time the deduction statement is filed. Specifies that the surviving spouse may provide the documentation necessary to establish that the deceased veteran qualified for the deduction at the time of death. Provides that the surviving spouse is entitled to the deduction regardless of whether the property for which the deduction is claimed was owned by the deceased veteran or the surviving spouse before the deceased veteran's death. Provides that a surviving spouse who was denied the deduction for the March 1, 2012, or March 1, 2013, assessment date is entitled to a refund of the property taxes paid with respect to the denied amount if the qualifying surviving spouse files a statement for the deduction before September 1, 2013.

**Effective:** Upon passage.

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**Hume, Wyss**

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January 7, 2013, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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## SENATE BILL No. 136



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 6-1.1-12-13, AS AMENDED BY P.L.1-2010,  
2 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 13. (a) Except as provided in section 40.5 of  
4 this chapter, an individual may have twenty-four thousand nine  
5 hundred sixty dollars (\$24,960) deducted from the assessed value of  
6 the taxable tangible property that the individual owns, or real property,  
7 a mobile home not assessed as real property, or a manufactured home  
8 not assessed as real property that the individual is buying under a  
9 contract that provides that the individual is to pay property taxes on the  
10 real property, mobile home, or manufactured home, if the contract or  
11 a memorandum of the contract is recorded in the county recorder's  
12 office and if:  
13 (1) the individual served in the military or naval forces of the  
14 United States during any of its wars;  
15 (2) the individual received an honorable discharge;  
16 (3) the individual has a disability with a service connected  
17 disability of ten percent (10%) or more;



- 1 (4) the individual's disability is evidenced by:  
 2 (A) a pension certificate, an award of compensation, or a  
 3 disability compensation check issued by the United States  
 4 Department of Veterans Affairs; or  
 5 (B) a certificate of eligibility issued to the individual by the  
 6 Indiana department of veterans' affairs after the Indiana  
 7 department of veterans' affairs has determined that the  
 8 individual's disability qualifies the individual to receive a  
 9 deduction under this section; and  
 10 (5) the individual:  
 11 (A) owns the real property, mobile home, or manufactured  
 12 home; or  
 13 (B) is buying the real property, mobile home, or manufactured  
 14 home under contract;  
 15 on the date the statement required by section 15 of this chapter is  
 16 filed.  
 17 (b) The surviving spouse of an individual may receive the deduction  
 18 provided by this section if the individual ~~would qualify for the~~  
 19 ~~deduction if the individual were alive.~~ **satisfied the requirements of**  
 20 **subsection (a)(1) through (a)(4) at the time of death and the**  
 21 **surviving spouse satisfies the requirement of subsection (a)(5) at**  
 22 **the time the deduction statement is filed. The surviving spouse is**  
 23 **entitled to the deduction regardless of whether the property for**  
 24 **which the deduction is claimed was owned by the deceased veteran**  
 25 **or the surviving spouse before the deceased veteran's death.**  
 26 (c) One who receives the deduction provided by this section may not  
 27 receive the deduction provided by section 16 of this chapter. However,  
 28 the individual may receive any other property tax deduction which the  
 29 individual is entitled to by law.  
 30 (d) An individual who has sold real property, a mobile home not  
 31 assessed as real property, or a manufactured home not assessed as real  
 32 property to another person under a contract that provides that the  
 33 contract buyer is to pay the property taxes on the real property, mobile  
 34 home, or manufactured home may not claim the deduction provided  
 35 under this section against that real property, mobile home, or  
 36 manufactured home.  
 37 SECTION 2. IC 6-1.1-12-14, AS AMENDED BY P.L.1-2009,  
 38 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 UPON PASSAGE]: Sec. 14. (a) Except as provided in subsection (c)  
 40 and except as provided in section 40.5 of this chapter, an individual  
 41 may have the sum of twelve thousand four hundred eighty dollars  
 42 (\$12,480) deducted from the assessed value of the tangible property

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1 that the individual owns (or the real property, mobile home not  
 2 assessed as real property, or manufactured home not assessed as real  
 3 property that the individual is buying under a contract that provides  
 4 that the individual is to pay property taxes on the real property, mobile  
 5 home, or manufactured home if the contract or a memorandum of the  
 6 contract is recorded in the county recorder's office) if:

7 (1) the individual served in the military or naval forces of the  
 8 United States for at least ninety (90) days;

9 (2) the individual received an honorable discharge;

10 (3) the individual either:

11 (A) has a total disability; or

12 (B) is at least sixty-two (62) years old and has a disability of at  
 13 least ten percent (10%);

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

15 (A) a pension certificate or an award of compensation issued  
 16 by the United States Department of Veterans Affairs; or

17 (B) a certificate of eligibility issued to the individual by the  
 18 Indiana department of veterans' affairs after the Indiana  
 19 department of veterans' affairs has determined that the  
 20 individual's disability qualifies the individual to receive a  
 21 deduction under this section; and

22 (5) the individual:

23 (A) owns the real property, mobile home, or manufactured  
 24 home; or

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

27 on the date the statement required by section 15 of this chapter is  
 28 filed.

29 (b) Except as provided in subsection (c), the surviving spouse of an  
 30 individual may receive the deduction provided by this section if the  
 31 individual ~~would qualify for the deduction if the individual were alive.~~  
 32 **satisfied the requirements of subsection (a)(1) through (a)(4) at the**  
 33 **time of death and the surviving spouse satisfies the requirement of**  
 34 **subsection (a)(5) at the time the deduction statement is filed. The**  
 35 **surviving spouse is entitled to the deduction regardless of whether**  
 36 **the property for which the deduction is claimed was owned by the**  
 37 **deceased veteran or the surviving spouse before the deceased**  
 38 **veteran's death.**

39 (c) No one is entitled to the deduction provided by this section if the  
 40 assessed value of the individual's tangible property, as shown by the tax  
 41 duplicate, exceeds one hundred forty-three thousand one hundred sixty  
 42 dollars (\$143,160).

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1 (d) An individual who has sold real property, a mobile home not  
 2 assessed as real property, or a manufactured home not assessed as real  
 3 property to another person under a contract that provides that the  
 4 contract buyer is to pay the property taxes on the real property, mobile  
 5 home, or manufactured home may not claim the deduction provided  
 6 under this section against that real property, mobile home, or  
 7 manufactured home.

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

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

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

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

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

36 (c) If the individual claiming the deduction is under guardianship,  
 37 the guardian shall file the statement required by this section. **If a  
 38 deceased veteran's surviving spouse is claiming the deduction, the  
 39 surviving spouse shall provide the documentation necessary to  
 40 establish that at the time of death the deceased veteran satisfied the  
 41 requirements of section 13(a)(1) through 13(a)(4) of this chapter or  
 42 section 14(a)(1) through 14(a)(4) of this chapter, whichever applies.**

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1 (d) If the individual claiming a deduction under section 13 or 14 of  
 2 this chapter is buying real property, a mobile home not assessed as real  
 3 property, or a manufactured home not assessed as real property under  
 4 a contract that provides that the individual is to pay property taxes for  
 5 the real estate, mobile home, or manufactured home, the statement  
 6 required by this section must contain the record number and page  
 7 where the contract or memorandum of the contract is recorded.

8 SECTION 4. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-12-13  
 9 and IC 6-1.1-12-14, both as amended by this act, apply to  
 10 assessment dates after December 31, 2011.

11 (b) A deceased veteran's surviving spouse who was denied a  
 12 property tax deduction under IC 6-1.1-12-13 or IC 6-1.1-12-14 for  
 13 the March 1, 2012, or March 1, 2013, assessment date but who  
 14 qualifies for a deduction under IC 6-1.1-12-13 or IC 6-1.1-12-14,  
 15 both as amended by this act, may, before September 1, 2013, file  
 16 with the county auditor a statement under IC 6-1.1-12-15 for the  
 17 property tax deduction.

18 (c) If a deceased veteran's surviving spouse demonstrates in the  
 19 statement filed under subsection (b) that the property that is the  
 20 subject of the deduction statement qualifies for a deduction under  
 21 IC 6-1.1-12-13 or IC 6-1.1-12-14, both as amended by this act, the  
 22 deceased veteran's surviving spouse is entitled to:

23 (1) the deduction from assessed value for the 2012 or 2013  
 24 assessment date, or both; and

25 (2) a refund of the property taxes paid with respect to the  
 26 denied amount for these assessment dates.

27 The county auditor shall make the property tax refund to the  
 28 deceased veteran's surviving spouse within thirty (30) days after  
 29 the deceased veteran's surviving spouse files a statement that  
 30 satisfies the requirements of IC 6-1.1-12-15. No interest is owed by  
 31 the county on the refund.

32 (d) This SECTION expires July 1, 2014.

33 SECTION 5. An emergency is declared for this act.

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