HOUSE BILL No. 1147

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12; IC 6-6-5; IC 10-17-5-4.

Synopsis: Motor vehicle license tax credit for veterans. Allows certain disabled veterans, surviving spouses, and World War I veterans to claim a credit against the annual motor vehicle license excise tax regardless of whether the veteran or surviving spouse owns or is buying other real or personal property against which the veteran or surviving spouse may claim a property tax deduction for disabled veterans, surviving spouses, or World War I veterans. Provides that the Indiana department of veterans' affairs is the agency responsible for substantiating the military service and disability requirements specified for various tax benefits available to veterans, and requires the department to issue certificates of eligibility for those tax benefits.

Effective: July 1, 2013; January 1, 2014.

Niezgodski, Baird, Moseley

January 23, 2013, read first time and referred to Committee on Ways and Means.

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Introduced

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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HOUSE BILL No. 1147

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-1.1-12-13, AS AMENDED BY P.L.1-2010, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 13. (a) Except as provided in section 40.5 of this chapter, an individual may have twenty-four thousand nine hundred sixty dollars ($24,960) deducted from the assessed value of the taxable tangible property that the individual owns, or real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office and if:

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

(2) the individual received an honorable discharge;

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

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

(A) **for verifications of eligibility performed before January 1, 2014,** a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or

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

(5) the individual:

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

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

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

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

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

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

SECTION 2. IC 6-1.1-12-14, AS AMENDED BY P.L.1-2009, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 14. (a) Except as provided in subsection (c) and except as provided in section 40.5 of this chapter, an individual may have the sum of twelve thousand four hundred eighty dollars ($12,480) deducted from the assessed value of the tangible property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the

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contract is recorded in the county recorder's office) if:

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

(2) the individual received an honorable discharge;

(3) the individual either:

(A) has a total disability; or

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

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

(A) **for verifications of eligibility performed before January 1, 2014,** a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or

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

(5) the individual:

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

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

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

(b) Except as provided in subsection (c), the surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

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

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

SECTION 3. IC 6-1.1-12-15, AS AMENDED BY P.L.144-2008, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 15. (a) Except as provided in section 17.8 of

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this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by section 13 or section 14 of this chapter must file a statement with the auditor of the county in which the individual resides. With respect to real property, the statement must be filed during the year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain a sworn declaration that the individual is entitled to the deduction.

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

(1) **for verifications of eligibility performed before January 1, 2014,** a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 13 of this chapter;

(2) **for verifications of eligibility performed before January 1, 2014,** a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 14 of this chapter; or

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

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

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

SECTION 4. IC 6-1.1-12-17, AS AMENDED BY P.L.144-2008, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 17. **(a)** Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a surviving spouse who desires to claim the deduction provided by section 16 of this chapter must file a statement with the auditor of the county in which

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

(1) a sworn statement that the surviving spouse is entitled to the deduction; and

(2) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property on a contract that provides that the individual is to pay property taxes on the real property.

(b) In addition to the statement **required by subsection (a),** the surviving spouse shall submit to the county auditor for the auditor's inspection:

(1) for verifications performed before January 1, 2014, a letter or certificate from the United States Department of Veterans Affairs; **or**

(2) a certificate from the Indiana department of veterans' affairs;

establishing the service of the deceased spouse in the military or naval forces of the United States before November 12, 1918.

SECTION 5. IC 6-6-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) The amount of tax imposed by this chapter shall be based upon the classification of the vehicle, as provided in section 4 of this chapter, and the age of the vehicle, in accordance with the schedule set out in subsection **(b) or** (c). ~~or (d).~~

~~(b) A person who owns a vehicle and who is entitled to a property tax deduction under IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16, or IC 6-1.1-12-17.4 is entitled to a credit against the annual license excise tax as follows: Any remaining deduction from assessed valuation to which the person is entitled, applicable to property taxes payable in the year in which the excise tax imposed by this chapter is due, after allowance of the deduction on real estate and personal property owned by the person, shall reduce the annual excise tax in the amount of two dollars ($2) on each one hundred dollars ($100) of taxable value or major portion thereof. The county auditor shall, upon request, furnish a certified statement to the person verifying the credit allowable under this section and the statement shall be presented to and retained by the~~

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~~bureau to support the credit.~~

~~(c)~~ **(b)** After January 1, 1996, the tax schedule is as follows:

Year of Manufacture	I	II	III	IV	V
1st	$12	$36	$50	$50	$66
2nd	12	30	50	50	57
3rd	12	27	42	50	50
4th	12	24	33	50	50
5th	12	18	24	48	50
6th	12	12	18	36	50
7th	12	12	12	24	42
8th	12	12	12	18	24
9th	12	12	12	12	12
10th and thereafter	12	12	12	12	12

Year of Manufacture	VI	VII	VIII	IX	X
1st	$84	$103	$123	$150	$172
2nd	74	92	110	134	149
3rd	63	77	93	115	130
4th	52	64	78	98	112
5th	50	52	64	82	96
6th	50	50	50	65	79
7th	49	50	50	52	65
8th	30	40	50	50	53
9th	18	21	34	40	50
10th and thereafter	12	12	12	12	12

Year of Manufacture	XI	XII	XIII	XIV	XV
1st	$207	$250	$300	$350	$406
2nd	179	217	260	304	353
3rd	156	189	225	265	307
4th	135	163	184	228	257
5th	115	139	150	195	210
6th	94	114	121	160	169
7th	78	94	96	132	134
8th	64	65	65	91	91
9th	50	50	50	50	50
10th and thereafter	21	26	30	36	42

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Manufacture	XVI	XVII
1st	$469	$532
2nd	407	461
3rd	355	398
4th	306	347
5th	261	296
6th	214	242
7th	177	192
8th	129	129
9th	63	63
10th	49	50

and thereafter.

~~(d)~~ **(c)** Every vehicle shall be taxed as a vehicle in its first year of manufacture throughout the calendar year in which vehicles of that make and model are first offered for sale in Indiana, except that a vehicle of a make and model first offered for sale in Indiana after August 1 of any year shall continue to be taxed as a vehicle in its first year of manufacture until the end of the calendar year following the year in which it is first offered for sale. Thereafter, the vehicle shall be considered to have aged one (1) year as of January 1 of each year.

SECTION 6. IC 6-6-5-5.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 5.7. (a) The following definitions apply throughout this section:**

(1) "Eligible veteran or surviving spouse" means any of the following:

(A) A World War I veteran who is a resident of Indiana.

(B) An individual described in subdivision (2), (3), or (4).

(2) "Partially disabled veteran" means an individual who meets the conditions specified in IC 6-1.1-12-13(a)(1) through IC 6-1.1-12-13(a)(3).

(3) "Surviving spouse" means a surviving spouse:

(A) whose deceased spouse is described by subdivision (2) or (4) at the time of the deceased spouse's death; or

(B) who is described in IC 6-1.1-12-16(a)(1) and IC 6-1.1-12-16(a)(2).

(4) "Totally disabled veteran" means an individual who meets the conditions specified in IC 6-1.1-12-14(a)(1) through IC 6-1.1-12-14(a)(3).

(b) Each year, an eligible veteran or surviving spouse to whom the Indiana department of veterans' affairs has issued a certificate of eligibility for the credit provided by this section is entitled to a

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credit against the eligible veteran or surviving spouse's annual license excise tax in an amount determined in STEP FOUR of the following STEPS:

STEP ONE: Determine one (1) of the following amounts:

(A) If the eligible veteran or surviving spouse is a World War I veteran who is a resident of Indiana, the result of this STEP is the maximum deduction specified in IC 6-1.1-12-17.4(a).

(B) If the eligible veteran or surviving spouse is a partially disabled veteran or the surviving spouse of a partially disabled veteran, the result of this STEP is the maximum deduction specified in IC 6-1.1-12-13(a).

(C) If the eligible veteran or surviving spouse is a surviving spouse described in subsection (a)(3)(B), the result of this STEP is the maximum deduction specified in IC 6-1.1-12-16(a).

(D) If the eligible veteran or surviving spouse is a totally disabled veteran or the surviving spouse of a totally disabled veteran, the result of this STEP is the maximum deduction specified in IC 6-1.1-12-14(a).

STEP TWO: Determine the amount of the property tax deduction that the eligible veteran or surviving spouse is actually claiming for the year, if any, under IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16, or IC 6-1.1-12-17.4, as applicable.

STEP THREE: Determine:

(A) the STEP ONE result; minus

(B) the STEP TWO result.

STEP FOUR: Multiply:

(A) the STEP THREE result; by

(B) two percent (2%);

rounding the result to the nearest dollar.

SECTION 7. IC 10-17-5-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 4. (a) The Indiana department of veterans' affairs shall issue certificates of eligibility to veterans and surviving spouses of veterans who qualify for various tax benefits that require verification of military service or disability, including:**

(1) the property tax deductions under IC 6-1.1-12-13, IC 6-1.1-12-14, and IC 6-1.1-12-16; and

(2) the annual license excise tax credit under IC 6-6-5-5.7.

(b) The Indiana department of veterans' affairs may maintain

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a data base of the certificates of eligibility issued under subsection (a) and provide for access to the data base for purposes of verification by:

(1) the county auditors;

(2) the bureau of motor vehicles; and

(3) any other governmental entity in Indiana that administers tax benefits for veterans.

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