

HOUSE BILL No. 1228

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-36-18.

Synopsis: Property taxes. Permits the department of local government finance, with the approval of the attorney general, to compromise the amount of property taxes imposed on: (1) a nonprofit corporation organized for educational, literary, scientific, religious, or charitable purposes; or (2) any other entity organized as a church or religious entity. Prescribes the requirements that must be met before a taxpayer's property tax liability may be compromised.

Effective: July 1, 2013.

Smith V, Niemeyer

January 14, 2013, read first time and referred to Committee on Ways and Means.

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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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HOUSE BILL No. 1228



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 6-1.1-36-18 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2013]: **Sec. 18. (a) This section applies to property taxes that are**
4 **due and unpaid after June 30, 2013, regardless of whether the**
5 **property taxes were imposed for an assessment date occurring**
6 **before, on, or after July 1, 2013.**

7 (b) The authority granted to the department of local
8 government finance to compromise a taxpayer's property tax
9 liability under this section does not limit any other procedure or
10 remedy provided by law, including retroactive reinstatement of a
11 property tax exemption under IC 6-1.1-11-4.

12 (c) With the approval of the attorney general, the department
13 of local government finance may compromise a taxpayer's
14 property tax liability and any penalties and interest that are due
15 and payable, by canceling all or part of the property tax liability on
16 the real or personal property owned by:

17 (1) a nonprofit corporation that is:



- 1 (A) established under or subject to IC 23-17; and
- 2 (B) organized for educational, literary, scientific, religious,
- 3 or charitable purposes; or
- 4 (2) any other entity organized as a church or religious entity.
- 5 (d) If the department of local government finance cancels any
- 6 part of a taxpayer's property tax liability in a compromise made
- 7 under this section, all of the penalties and interest due with respect
- 8 to any unpaid taxes on the property described in subsection (c) are
- 9 canceled.
- 10 (e) The department of local government finance may
- 11 compromise a taxpayer's property tax liability under this section
- 12 only if the following requirements are satisfied:
- 13 (1) The owner of the property petitions the department of
- 14 local government finance to cancel all or part of the
- 15 taxpayer's property tax liability on a form prescribed by the
- 16 department of local government finance.
- 17 (2) The petition submitted to the department of local
- 18 government finance is signed and approved by the township
- 19 assessor of the township where the property is located (if
- 20 there is a township assessor for the township where the
- 21 property is located), the county auditor, the county assessor,
- 22 and the county treasurer of the county in which the property
- 23 is located.
- 24 (3) The department of local government finance determines
- 25 that canceling all or part of the taxpayer's property tax
- 26 liability is in the best interest of the state and the taxing units
- 27 that would otherwise be entitled to receive the property taxes.
- 28 (4) The property for which the petitioner is requesting a
- 29 compromise of its property tax liability is either of the
- 30 following:
- 31 (A) A property that would have been exempt from
- 32 property taxation for the assessment date for which
- 33 property taxes were imposed if a timely exemption
- 34 application had been filed for that assessment date.
- 35 (B) A property that was acquired by the petitioner to be
- 36 owned, operated, and used for a purpose that entitles the
- 37 petitioner to a property tax exemption under IC 6-1.1-10
- 38 and the property taxes from which the petitioner seeks
- 39 relief were imposed on the property before the petitioner
- 40 acquired the property.
- 41 (f) In making a decision as to whether compromising the
- 42 petitioner's property tax liability is in the best interest of the state

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1 and the taxing units that would otherwise be entitled to receive the
 2 property taxes, the department of local government finance shall
 3 consider the following:

- 4 (1) Where the petitioner's facilities are located.
- 5 (2) The services that the petitioner provides to the petitioner's
 6 members and the community.
- 7 (3) The economic and social conditions existing in the
 8 petitioner's service area.
- 9 (4) Any other factors that show that the presence of the
 10 petitioner in the taxing district where the petitioner is located
 11 is beneficial to the taxing units and residents in the taxing
 12 district.
- 13 (5) Whether compromising the petitioner's property tax
 14 liability will expedite the payment of the remaining property
 15 tax liability, if any.

16 (g) The following apply if the department of local government
 17 finance cancels only part of a taxpayer's property tax liability:

- 18 (1) The department of local government finance shall
 19 promptly notify the appropriate county auditor of the amount
 20 of the property tax liability canceled under this section and
 21 the amount of the taxpayer's remaining property tax liability.
- 22 (2) The county treasurer shall bill the taxpayer for the
 23 remaining property tax liability in accordance with this
 24 article.
- 25 (3) The taxpayer's remaining property tax liability is due and
 26 payable in accordance with this article.
- 27 (4) The property taxes collected from the taxpayer must be
 28 allocated proportionately among the taxing units imposing the
 29 property taxes according to the amount levied by each taxing
 30 unit.

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