

HOUSE BILL No. 1250

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-18.5.

Synopsis: Levy limits. Adjusts the maximum permissible ad valorem property tax levy limit of a civil taxing unit to restore the amount of unused maximum permissible ad valorem property tax levy that the civil tax unit would have if no changes in the definition of "maximum permissible ad valorem property tax levy for the preceding calendar year" had been enacted after calendar year 2004.

Effective: July 1, 2013.

Truitt, Negele

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. 1250



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.124-2011,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: 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, for purposes of determining a
13 maximum permissible ad valorem property tax levy under section 3 of
14 this chapter for property taxes imposed for the March 1, 2010, and
15 January 15, 2011, assessment dates, the maximum permissible ad
16 valorem property tax levy for the preceding calendar year as



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

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

16 SECTION 2. IC 6-1.1-18.5-3, AS AMENDED BY P.L.172-2011,
 17 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2013]: Sec. 3. (a) A civil taxing unit may not impose an ad
 19 valorem property tax levy for an ensuing calendar year that exceeds the
 20 amount determined in the last STEP of the following STEPS:

21 STEP ONE: Determine the civil taxing unit's maximum
 22 permissible ad valorem property tax levy for the preceding
 23 calendar year.

24 STEP TWO: Multiply the amount determined in STEP ONE by
 25 the amount determined in the last STEP of section 2(b) of this
 26 chapter.

27 STEP THREE: Determine the lesser of one and fifteen hundredths
 28 (1.15) or the quotient (rounded to the nearest ten-thousandth
 29 (0.0001)), of the assessed value of all taxable property subject to
 30 the civil taxing unit's ad valorem property tax levy for the ensuing
 31 calendar year, divided by the assessed value of all taxable
 32 property that is subject to the civil taxing unit's ad valorem
 33 property tax levy for the ensuing calendar year and that is
 34 contained within the geographic area that was subject to the civil
 35 taxing unit's ad valorem property tax levy in the preceding
 36 calendar year.

37 STEP FOUR: Determine the greater of the amount determined in
 38 STEP THREE or one (1).

39 STEP FIVE: Multiply the amount determined in STEP TWO by
 40 the amount determined in STEP FOUR.

41 STEP SIX: Add the amount determined under STEP TWO to the
 42 amount of an excessive levy appeal granted under section 13 of

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1 this chapter for the ensuing calendar year.

2 STEP SEVEN: Determine the greater of STEP FIVE or STEP
3 SIX.

4 (b) This subsection applies only to property taxes first due and
5 payable after December 31, 2007. This subsection applies only to a
6 civil taxing unit that is located in a county for which a county adjusted
7 gross income tax rate is first imposed or is increased in a particular
8 year under IC 6-3.5-1.1-24 or a county option income tax rate is first
9 imposed or is increased in a particular year under IC 6-3.5-6-30.
10 Notwithstanding any provision in this section or any other section of
11 this chapter and except as provided in subsection (c), the maximum
12 permissible ad valorem property tax levy calculated under this section
13 for the ensuing calendar year for a civil taxing unit subject to this
14 section is equal to the civil taxing unit's maximum permissible ad
15 valorem property tax levy for the current calendar year.

16 (c) This subsection applies only to property taxes first due and
17 payable after December 31, 2007. In the case of a civil taxing unit that:

18 (1) is partially located in a county for which a county adjusted
19 gross income tax rate is first imposed or is increased in a
20 particular year under IC 6-3.5-1.1-24 or a county option income
21 tax rate is first imposed or is increased in a particular year under
22 IC 6-3.5-6-30; and

23 (2) is partially located in a county that is not described in
24 subdivision (1);

25 the department of local government finance shall, notwithstanding
26 subsection (b), adjust the portion of the civil taxing unit's maximum
27 permissible ad valorem property tax levy that is attributable (as
28 determined by the department of local government finance) to the
29 county or counties described in subdivision (2). The department of
30 local government finance shall adjust this portion of the civil taxing
31 unit's maximum permissible ad valorem property tax levy so that,
32 notwithstanding subsection (b), this portion is allowed to increase as
33 otherwise provided in this section. If the department of local
34 government finance increases the civil taxing unit's maximum
35 permissible ad valorem property tax levy under this subsection, any
36 additional property taxes imposed by the civil taxing unit under the
37 adjustment shall be paid only by the taxpayers in the county or counties
38 described in subdivision (2).

39 **(d) The adjustment under this subsection is a permanent**
40 **adjustment. Not later than July 1, 2013, the department of local**
41 **government finance shall adjust the maximum permissible ad**
42 **valorem property tax levy for the preceding calendar year that is**

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1 used in this section to calculate the maximum permissible ad
 2 valorem property tax levy of each civil taxing unit for the ensuing
 3 year beginning January 1, 2014. The department of local
 4 government finance shall publish each civil taxing unit's adjusted
 5 maximum permissible ad valorem property tax levy for the
 6 preceding calendar year on the department's Internet web site
 7 until at least December 31, 2014, and forward information
 8 concerning a civil taxing unit's adjusted maximum permissible ad
 9 valorem property tax levy for the preceding calendar year
 10 electronically or in writing to the civil taxing unit before August 2,
 11 2013. The maximum permissible ad valorem property tax levy for
 12 the preceding calendar year shall be adjusted to be equal to the
 13 maximum permissible ad valorem property tax levy that would
 14 have applied to calendar year 2013 if the maximum permissible ad
 15 valorem property tax levy for the preceding calendar year used in
 16 this section to calculate the civil taxing unit's maximum permissible
 17 ad valorem property tax levy for calendar years 2004, 2005, 2006,
 18 2007, 2008, 2009, 2010, 2011, 2012, and 2013 had been equal to the
 19 greater of:

20 (1) the civil taxing unit's maximum permissible ad valorem
 21 property tax levy for the calendar year immediately preceding
 22 that ensuing calendar year, as that levy would have been
 23 determined under this section as it existed in that year
 24 (regardless of whether the taxing unit imposed the entire
 25 amount of the maximum permissible ad valorem property tax
 26 levy in the immediately preceding year); or

27 (2) the civil taxing unit's ad valorem property tax levy for the
 28 calendar year immediately preceding that ensuing calendar
 29 year:

30 (A) as that levy was determined by the state board of tax
 31 commissioners (before its abolishment) or its successor, the
 32 department of local government finance, in fixing the civil
 33 taxing unit's budget, levy, and rate for that preceding
 34 calendar year under IC 6-1.1-17; and

35 (B) after eliminating the effects of temporary excessive levy
 36 appeals and temporary adjustments made to the working
 37 maximum levy for the calendar year immediately
 38 preceding the ensuing calendar year, as determined by the
 39 department of local government finance.

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