# HOUSE BILL No. 1576

DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12-15.5; IC 6-6-5.

**Synopsis:** Veteran's excise tax credit. Allows certain disabled veterans, surviving spouses of certain disabled veterans, and World War I veterans or their surviving spouses to claim a credit against the annual motor vehicle 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 of disabled veterans, or World War I veterans or their surviving spouses.

**Effective:** July 1, 2013.

**Macer, Klinker**

January 22, 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. 1576

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 6-1.1-12-15.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 15.5. (a) If:**

**(1) an individual fails to qualify for the deduction provided by section 13, 14, or 16 of this chapter only because the individual:**

**(A) does not own tangible property;**

**(B) is not 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 on the real property, mobile home, or manufactured home; or**

**(C) 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 on the real property, mobile home, or manufactured home, but the contract or a**

**memorandum of the contract is not recorded in the county recorder's office; and**

**(2) the individual desires to claim the credit against the annual license excise tax provided by IC 6-6-5-5.7;**

**the individual must file a statement with the auditor of the county in which the individual resides. The statement must be filed during the year for which the individual desires to claim the credit. The statement must contain a sworn declaration that the individual is entitled to the credit.**

**(b) If:**

**(1) an individual fails to qualify for the deduction provided by section 17.4 of this chapter only because the individual:**

**(A) does not own real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property;**

**(B) is not 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 on the real property, mobile home, or manufactured home; or**

**(C) 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 on the real property, mobile home, or manufactured home, but the contract or a memorandum of the contract is not recorded in the county recorder's office; and**

**(2) the individual desires to claim the credit against the annual license excise tax provided by IC 6-6-5-5.7;**

**the individual must file a statement with the auditor of the county in which the individual resides. The statement must be filed during the year for which the individual desires to claim the credit. The statement must contain a sworn declaration that the individual is entitled to the credit.**

**(c) An individual who has filed a statement under subsection (a) or (b), who receives a credit under IC 6-6-5-5.7 in a particular year, and who remains eligible in the following year is not required to file another statement to apply for the credit in a subsequent year.**

SECTION 2. 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

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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 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 |

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| 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 |

| Year of 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 and thereafter. | 49 | 50 |

~~(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 3. 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).**

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**(2) "Partially disabled veteran" means an individual:**
**(A) who meets the conditions specified in IC 6-1.1-12-13(a)(1) through IC 6-1.1-12-13(a)(3); and**
**(B) whose disability is evidenced by:**
**(i) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or**
**(ii) 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 meets the conditions specified in clause (A).**
**(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:**
**(A) who meets the conditions specified in IC 6-1.1-12-14(a)(1) through IC 6-1.1-12-14(a)(3); and**
**(B) whose disability is evidenced by:**
**(i) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or**
**(ii) 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 meets the conditions specified in clause (A).**

**(b) Each year, an eligible veteran or surviving spouse who owns a vehicle is entitled to a credit against the annual license excise tax in an amount determined in STEP FOUR of the following STEPS:**
**STEP ONE: Determine the applicable maximum property tax deduction from among the following:**
**(A) If an eligible veteran or surviving spouse is a World War I veteran who is a resident of Indiana, the result of this STEP is the amount of the deduction specified in IC 6-1.1-12-17.4(a).**
**(B) If an eligible veteran or surviving spouse is a partially disabled veteran or is the surviving spouse of a partially disabled veteran, the result of this STEP is the amount of the deduction specified in IC 6-1.1-12-13(a).**

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

**(D) If an eligible veteran or surviving spouse is a totally disabled veteran or is the surviving spouse of a totally disabled veteran, the result of this STEP is the amount of the 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 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.**

**(c) 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 bureau to support the credit.**

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