



Reprinted
January 23, 2013

SENATE BILL No. 165

DIGEST OF SB 165 (Updated January 22, 2013 1:54 pm - DI 58)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Veterans' property tax deductions. Provides that the following apply to the property tax deduction for veterans with a service connected disability of at least 10% and to the property tax deduction for a veteran who has a total disability or has at least a 10% disability and is at least 62 years of age: (1) A deceased veteran's surviving spouse is eligible for the 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 (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). (2) A deceased veteran's surviving spouse who first applies for the deduction after 2012 is eligible for the deduction only if the property is the surviving's spouse's homestead. Increases the assessed value cap (from \$143,160 to \$195,600) that applies to the property tax deduction for a veteran who has a total disability or has at least a 10% disability and is at least 62 years of age.

Effective: July 1, 2013.

**Holdman, Hume,
Delph, Hershman, Glick, Head**

January 7, 2013, read first time and referred to Committee on Tax and Fiscal Policy.
January 15, 2013, amended, reported favorably — Do Pass.
January 22, 2013, read second time, amended, ordered engrossed.

SB 165—LS 6372/DI 73+



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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. 165

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 JULY 1, 2013]: Sec. 13. (a) Except as provided in section 40.5 of this
4 chapter, an individual may have twenty-four thousand nine hundred
5 sixty dollars (\$24,960) deducted from the assessed value of the taxable
6 tangible property that the individual owns, or real property, a mobile
7 home not assessed as real property, or a manufactured home not
8 assessed as real property that the individual is buying under a contract
9 that provides that the individual is to pay property taxes on the real
10 property, mobile home, or manufactured home, if the contract or a
11 memorandum of the contract is recorded in the county recorder's office
12 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;

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- 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; **and**
 17 **(6) in the case of a surviving spouse filing a deduction**
 18 **statement for the first time after 2012, the property is**
 19 **receiving the homestead deduction under section 37 of this**
 20 **chapter.**
 21 (b) The surviving spouse of an individual may receive the deduction
 22 provided by this section if the individual ~~would qualify for the~~
 23 ~~deduction if the individual were alive.~~ **satisfied the requirements of**
 24 **subsection (a)(1) through (a)(4) at the time of death and the**
 25 **surviving spouse satisfies the requirements of subsection (a)(5) and**
 26 **(a)(6) at the time the deduction statement is filed. The surviving**
 27 **spouse is entitled to the deduction regardless of whether the**
 28 **property for which the deduction is claimed was owned by the**
 29 **deceased veteran or the surviving spouse before the deceased**
 30 **veteran's death.**
 31 (c) One who receives the deduction provided by this section may not
 32 receive the deduction provided by section 16 of this chapter. However,
 33 the individual may receive any other property tax deduction which the
 34 individual is entitled to by law.
 35 (d) An individual who has sold real property, a mobile home not
 36 assessed as real property, or a manufactured home not assessed as real
 37 property to another person under a contract that provides that the
 38 contract buyer is to pay the property taxes on the real property, mobile
 39 home, or manufactured home may not claim the deduction provided
 40 under this section against that real property, mobile home, or
 41 manufactured home.
 42 SECTION 2. IC 6-1.1-12-14, AS AMENDED BY P.L.1-2009,

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1 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 2013]: Sec. 14. (a) Except as provided in subsection (c) and
 3 except as provided in section 40.5 of this chapter, an individual may
 4 have the sum of twelve thousand four hundred eighty dollars (\$12,480)
 5 deducted from the assessed value of the tangible property that the
 6 individual owns (or the real property, mobile home not assessed as real
 7 property, or manufactured home not assessed as real property that the
 8 individual is buying under a contract that provides that the individual
 9 is to pay property taxes on the real property, mobile home, or
 10 manufactured home if the contract or a memorandum of the contract is
 11 recorded in the county recorder's office) if:

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

14 (2) the individual received an honorable discharge;

15 (3) the individual either:

16 (A) has a total disability; or

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

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

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

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

27 (5) the individual:

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

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

32 on the date the statement required by section 15 of this chapter is
 33 filed; ~~and~~

34 **(6) in the case of a surviving spouse filing a deduction**
 35 **statement for the first time after 2012, the property is**
 36 **receiving the homestead deduction under section 37 of this**
 37 **chapter.**

38 (b) Except as provided in subsection (c), the surviving spouse of an
 39 individual may receive the deduction provided by this section if the
 40 individual ~~would qualify for the deduction if the individual were alive.~~
 41 **satisfied the requirements of subsection (a)(1) through (a)(4) at the**
 42 **time of death and the surviving spouse satisfies the requirements**

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1 **of subsection (a)(5) and (a)(6) at the time the deduction statement**
 2 **is filed. The surviving spouse is entitled to the deduction regardless**
 3 **of whether the property for which the deduction is claimed was**
 4 **owned by the deceased veteran or the surviving spouse before the**
 5 **deceased veteran's death.**

6 (c) No one is entitled to the deduction provided by this section if the
 7 assessed value of the individual's tangible property, as shown by the tax
 8 duplicate, exceeds ~~one hundred forty-three thousand one hundred sixty~~
 9 ~~dollars (\$143,160).~~ **one hundred ninety-five thousand six hundred**
 10 **dollars (\$195,600).**

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

18 SECTION 3. IC 6-1.1-12-15, AS AMENDED BY P.L.144-2008,
 19 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2013]: Sec. 15. (a) Except as provided in section 17.8 of this
 21 chapter and subject to section 45 of this chapter, an individual who
 22 desires to claim the deduction provided by section 13 or section 14 of
 23 this chapter must file a statement with the auditor of the county in
 24 which the individual resides. With respect to real property, the
 25 statement must be filed during the year for which the individual wishes
 26 to obtain the deduction. With respect to a mobile home that is not
 27 assessed as real property or a manufactured home that is not assessed
 28 as real property, the statement must be filed during the twelve (12)
 29 months before March 31 of each year for which the individual wishes
 30 to obtain the deduction. The statement may be filed in person or by
 31 mail. If mailed, the mailing must be postmarked on or before the last
 32 day for filing. The statement shall contain a sworn declaration that the
 33 individual is entitled to the deduction.

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

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

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

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1 (3) the appropriate certificate of eligibility issued to the individual
 2 by the Indiana department of veterans' affairs if the individual
 3 claims the deduction provided by section 13 or 14 of this chapter.
 4 (c) If the individual claiming the deduction is under guardianship,
 5 the guardian shall file the statement required by this section. **If a**
 6 **deceased veteran's surviving spouse is claiming the deduction, the**
 7 **surviving spouse shall provide the documentation necessary to**
 8 **establish that at the time of death the deceased veteran satisfied the**
 9 **requirements of section 13(a)(1) through 13(a)(4) of this chapter or**
 10 **section 14(a)(1) through 14(a)(4) of this chapter, whichever applies.**
 11 (d) If the individual claiming a deduction under section 13 or 14 of
 12 this chapter is buying real property, a mobile home not assessed as real
 13 property, or a manufactured home not assessed as real property under
 14 a contract that provides that the individual is to pay property taxes for
 15 the real estate, mobile home, or manufactured home, the statement
 16 required by this section must contain the record number and page
 17 where the contract or memorandum of the contract is recorded.
 18 SECTION 4. [EFFECTIVE JULY 1, 2013] (a) IC 6-1.1-12-13,
 19 IC 6-1.1-12-14, and IC 6-1.1-12-15, all as amended by this act,
 20 apply to assessment dates after December 31, 2012.
 21 (b) This SECTION expires July 1, 2014.

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 165, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, after the enacting clause and before line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-12-13, AS AMENDED BY P.L.1-2010, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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) 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; ~~and~~
- (6) in the case of a surviving spouse filing a deduction**



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statement for the first time after 2012, the property must be receiving the homestead deduction under section 37 of this chapter.

(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.~~ **satisfied the requirements of subsection (a)(1) through (a)(4) at the time of death and the surviving spouse satisfies the requirement of subsections (a)(5) and (a)(6) at the time the deduction statement is filed. 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.**

(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."

Page 1, line 3, reset in roman "Except as provided in subsection (c) and".

Page 1, line 4, delete "Except" and insert "except".

Page 2, line 10, strike "and".

Page 2, line 17, delete "." and insert "; **and**".

Page 2, between lines 17 and 18, begin a new line block indented and insert:

"(6) in the case of a surviving spouse filing a deduction statement for the first time after 2012, the property must be receiving the homestead deduction under section 37 of this chapter."

Page 2, line 18, reset in roman "Except as provided in subsection (c),".

Page 2, line 18, delete "The" and insert "the".

Page 2, line 20, strike "would qualify for the deduction if the individual were alive." and insert "**satisfied the requirements of subsection (a)(1) through (a)(4) at the time of death and the surviving spouse satisfies the requirement of subsections (a)(5) and**

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(a)(6) at the time the deduction statement is filed. 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."

Page 2, reset in roman lines 21 through 22.

Page 2, line 23, reset in roman "duplicate, exceeds".

Page 2, line 24, after "." insert "**one hundred ninety-five thousand six hundred dollars (\$195,600)**".

Page 2, line 25, reset in roman "(d)".

Page 2, line 25, delete "(c)".

Page 2, after line 31, begin a new paragraph and insert:

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

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deceased veteran's surviving spouse is claiming the deduction, the surviving spouse shall provide the documentation necessary to establish that at the time of death the deceased veteran satisfied the requirements of section 13(a)(1) through 13(a)(4) of this chapter or section 14(a)(1) through 14(a)(4) of this chapter, whichever applies.

(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. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-12-13 and IC 6-1.1-12-14, both as amended by this act, apply to assessment dates after December 31, 2012.

(b) This SECTION expires July 1, 2014.

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

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 165 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 13, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 165 be amended to read as follows:

Replace the effective date in SECTION 1 with "[EFFECTIVE JULY 1, 2013]".

Replace the effective dates in SECTIONS 3 through 4 with "[EFFECTIVE JULY 1, 2013]".

Page 2, line 18, delete "must be" and insert "is".

Page 2, line 25, delete "requirement" and insert "**requirements**".

Page 2, line 25, delete "subsections" and insert "**subsection**".

Page 3, line 35, delete "must be" and insert "is".

Page 3, line 42, delete "requirement" and insert "**requirements**".

Page 4, line 1, delete "subsections" and insert "**subsection**".

Page 5, line 18, after "IC 6-1.1-12-13" insert ",".

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Page 5, line 19, delete "and IC 6-1.1-12-14, both" and insert "**IC 6-1.1-12-14, and IC 6-1.1-12-15, all**".

Page 5, delete line 22.

(Reference is to SB 165 as printed January 16, 2013.)

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