

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Appropriations, to which was referred Senate Bill No. 275, 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:

- 1 Page 1, delete lines 1 through 17, begin a new paragraph and insert:
 2 "SECTION 1. IC 6-1.1-22-9.7, AS AMENDED BY P.L.120-2012,
 3 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 DECEMBER 1, 2013]: Sec. 9.7. (a) As used in this section, "current
 5 year" refers to the calendar year in which property taxes are first due
 6 and payable and are subject to payment during the **twelve (12) month**
 7 payment period ~~under specified by~~ this section.
 8 (b) As used in this section, "monthly payment plan" means a plan
 9 that
 10 ~~(1) is adopted under this section; and~~
 11 ~~(2) provides~~ for the monthly payment of tax liability either by:
 12 ~~(A) (1)~~ an automatic monthly deduction during the payment
 13 period from an account of the taxpayer that is held by a financial
 14 institution; or
 15 ~~(B) (2)~~ the taxpayer making payments on a monthly basis during
 16 the payment period either by written instrument or electronically,
 17 or both.
 18 (c) As used in this section, "payment period" means the ~~months~~
 19 designated under this section during which monthly payments may be
 20 made. The period may not exceed twelve (12) months and may not
 21 begin before **beginning** December 1 of the preceding year or end after

1 ~~November 30 and ending November 28~~ of the current year.

2 (d) As used in this section, "preceding year" refers to the calendar
3 year that immediately precedes the current year.

4 (e) As used in this section, "tax liability" includes liability for
5 special assessments and refers to liability for property taxes after the
6 application of all allowed deductions and credits.

7 (f) ~~The county fiscal body (as defined in IC 36-1-2-6) may at any~~
8 ~~time adopt an ordinance to allow~~ **After November 30, 2013**, all county
9 taxpayers **may elect** to pay one (1) or more installments of property
10 taxes by making payments under a monthly payment plan during a
11 **designated** payment period. **A taxpayer may elect to make monthly**
12 **payments by either either automatic monthly deductions or making**
13 **monthly payments:**

14 (1) **by written instrument or electronically; or**

15 (2) **by both written instrument and electronically.**

16 **A taxpayer may choose the monthly payment date. However, the**
17 **taxpayer may not choose the twenty-ninth, thirtieth, or thirty-first**
18 **day of a month as a payment date. A taxpayer may terminate the**
19 **taxpayer's monthly payment plan. A taxpayer who was using a**
20 **monthly payment plan under this section for 2012 may continue**
21 **using a monthly payment plan without filing a new election.**

22 (g) ~~An ordinance adopted under subsection (f):~~

23 (1) ~~may apply to more than one (1) calendar year; and~~

24 (2) ~~must include at least the following:~~

25 (A) ~~Identification of the property tax installment or~~
26 ~~installments and designation of the months of the payment~~
27 ~~period for which payment under a monthly payment plan is~~
28 ~~authorized.~~

29 (B) ~~Provisions for notice to county taxpayers of the option to~~
30 ~~pay one (1) or more property tax installments under a monthly~~
31 ~~payment plan.~~

32 (C) ~~Authority for the county treasurer to make available to~~
33 ~~county taxpayers a form to be completed by a taxpayer and~~
34 ~~submitted to the county treasurer to:~~

35 (g) **The department of local government finance shall prescribe**
36 **the form that must be completed by a taxpayer and submitted to**
37 **the county treasurer to elect one (1) of the monthly payment**
38 **options under subsection (f) or to terminate a monthly payment**
39 **plan. Each county treasurer shall make available to county**
40 **taxpayers a printable version of the form on the county treasurer's**
41 **Internet web site. In addition, the department of local government**
42 **finance shall make a printable version of the form available on the**

1 **department's Internet web site. The form must provide for a**
 2 **taxpayer that elects the automatic monthly deduction option a**
 3 **place for the taxpayer to:**

4 (i) (1) direct the county treasurer to accept payment of the
 5 taxpayer's property taxes by automatic monthly deduction during
 6 the payment period from an account of the taxpayer that is held by
 7 a financial institution; and

8 (ii) (2) authorize the financial institution that holds the taxpayer's
 9 account to deduct monthly during the designated payment period
 10 the appropriate amount from the account and to pay that amount
 11 to the county treasurer. ~~or~~

12 However, this clause applies only if the county fiscal body has
 13 adopted an ordinance under this section to allow taxpayers to pay
 14 property taxes by automatic monthly deductions during the
 15 designated payment period from an account of the taxpayer that
 16 is held by a financial institution.

17 (D) Authority for the county treasurer to accept payment of the
 18 taxpayer's property taxes on a monthly basis during the designated
 19 payment period either by written instrument or electronically.

20 However, this clause applies only if the county fiscal body has
 21 adopted an ordinance under this section to allow taxpayers to pay
 22 property taxes on a monthly basis during the designated payment
 23 period either by written instrument or electronically.

24 An ordinance adopted under subsection (f) may include a provision
 25 authorizing taxpayers to make monthly payments in an amount
 26 determined by the taxpayer that is different from the amount otherwise
 27 determined by the county treasurer under subsection (i), (j), (k), or (l).

28 (h) If an ordinance is adopted under subsection (f) to allow
 29 taxpayers a taxpayer elects to pay property taxes by automatic
 30 monthly deductions during the designated payment period from an
 31 account of the taxpayer that is held by a financial institution, the county
 32 treasurer shall provide to each county the taxpayer that submits to the
 33 county treasurer the form referred to in subsection (g)(2)(C) a
 34 statement that includes at least the following:

35 (1) The amount to be deducted monthly from the taxpayer's
 36 account.

37 (2) The designated payment period and identification of the day
 38 each month as chosen by the taxpayer when the deduction will be
 39 made.

40 (3) A calculation of the amount to be deducted.

41 (4) An explanation of the manner in which property taxes for the
 42 current year will be reconciled under subsection (o) and notice

1 that any property tax payments for the current year made by the
 2 taxpayer by means other than automatic deduction from the
 3 taxpayer's account will be taken into account in the reconciliation.

4 (5) An explanation of the penalties that apply if there are
 5 insufficient funds in the taxpayer's account to cover one (1) or
 6 more automatic deductions.

7 (i) This subsection applies only if the county treasurer determines
 8 that at the time the calculation under subsection (h)(3) is made the
 9 amount of tax liability for the current year has not been determined.
 10 Subject to subsections (j) and (k), the county treasurer shall do the
 11 following:

12 (1) Determine the following:

13 (A) For a parcel of real property, the most recently determined
 14 amount of tax liability that applied to the parcel for the
 15 preceding year.

16 (B) For a personal property return, the most recently
 17 determined amount of tax liability that applied for the personal
 18 property return for the same location for the preceding year.

19 (C) For distributable property, the most recently determined
 20 amount of tax liability that applied with respect to the
 21 statement filed by the taxpayer under IC 6-1.1-8-19 for the
 22 preceding year.

23 (D) For a mobile home subject to IC 6-1.1-7, the most recently
 24 determined amount of tax liability that applied to the mobile
 25 home for the preceding year.

26 (2) Determine the amount of the monthly payment due under a
 27 monthly payment plan by using the following STEPS:

28 STEP ONE: Determine under subdivision (1) the amount of
 29 tax liability that applied for the preceding year.

30 ~~STEP TWO: Determine the quotient of:~~

31 ~~(i) the number of property tax installments for the current~~
 32 ~~year identified in the ordinance under subsection (g)(2)(A);~~
 33 ~~divided by~~

34 ~~(ii) the total number of property tax installments for the~~
 35 ~~current year.~~

36 ~~STEP THREE: Multiply the STEP ONE result by the STEP~~
 37 ~~TWO result.~~

38 ~~STEP FOUR: TWO:~~ Determine the quotient of:

39 ~~(i) the STEP THREE ONE result; divided by~~

40 ~~(ii) the number of months remaining in the designated~~
 41 ~~payment period.~~

42 (j) The county treasurer may determine the monthly payment due

1 under a monthly payment plan in an amount different from the amount
 2 determined under subsection (i) if the county treasurer determines that
 3 changes in circumstances have caused the amount determined under
 4 subsection (i) to differ substantially from the tax liability likely to be
 5 determined for the current year.

6 (k) This subsection applies only if ~~before an ordinance is adopted~~
 7 ~~under subsection (f)~~ the county treasurer ~~determines to will~~ use
 8 provisional property tax statements under IC 6-1.1-22.5 for the current
 9 year. For purposes of determining the amount of the taxpayer's monthly
 10 payment under a monthly payment plan, the county treasurer shall
 11 substitute for the tax liability that applied to the parcel for the
 12 preceding year under subsection (i) the tax liability to be indicated on
 13 the provisional statement.

14 (l) This subsection applies only if the county treasurer determines
 15 that at the time the calculation under subsection (h)(3) is made the
 16 **actual** amount of tax liability for the current year has been determined.
 17 The amount of the taxpayer's monthly payment under a monthly
 18 payment plan is the amount of the tax liability for the current year
 19 ~~payable in the installment or installments identified in the ordinance~~
 20 ~~under subsection (g)(2)(A)~~ divided by the number of months
 21 **remaining** in the ~~designated~~ payment period.

22 (m) Tax liability paid under this section by automatic deduction
 23 from an account of the taxpayer that is held by a financial institution is
 24 not finally discharged and the person has not paid the tax until the
 25 taxpayer's account is charged for the payment.

26 (n) Penalties apply under IC 6-1.1-37-10 as specified in this section
 27 to taxes payable under a monthly payment plan under this section.

28 (o) ~~After the last monthly payment under a monthly payment plan~~
 29 ~~under this section for the current year has been made and after the~~
 30 ~~amount of tax liability for the current year has been determined,~~ The
 31 county treasurer shall issue a **two (2) reconciling statement statements**
 32 to the taxpayer **each year. The first reconciling statement shall be**
 33 **mailed to the taxpayer not later than thirty (30) days before the**
 34 **date on which the taxpayer's May payment is due, and the second**
 35 **reconciling statement shall be mailed to the taxpayer not later than**
 36 **thirty (30) days before the date on which the taxpayer's November**
 37 **payment is due.** Each reconciling statement must indicate at least the
 38 following:

39 (1) The sum of:

40 (A) the taxpayer's actual tax liability for the current year **that**
 41 **is due through:**

42 (i) **May of the current year for the first reconciliation;**

- 1 **and**
- 2 **(ii) November of the current year for the second**
- 3 **reconciliation; plus**
- 4 (B) any penalty that applies for the current year.
- 5 (2) The total amount paid for the current year under a monthly
- 6 payment plan, and by means other than under a monthly payment
- 7 plan.
- 8 (3) If the amount under subdivision (1) exceeds the amount under
- 9 subdivision (2):
- 10 **(A) for the first reconciliation, the amount of the deficiency**
- 11 **and a statement that the deficiency is payable by due from**
- 12 the taxpayer **not later than the date on which the taxpayer's**
- 13 **May payment is due; and**
- 14 **(B) for the second reconciliation, the amount of the**
- 15 **deficiency and a statement that the deficiency is:**
- 16 ~~(A)~~ **as (i) a final reconciliation of the tax liability; and**
- 17 ~~(B)~~ **(ii) due not later than thirty (30) days after the date of**
- 18 the reconciling statement **on which the taxpayer's**
- 19 **November payment is due.**
- 20 (4) If the amount under subdivision (2) exceeds the amount under
- 21 subdivision (1) ~~that~~ **for the first reconciliation, the county**
- 22 **treasurer shall apply the excess to the taxpayer's remaining**
- 23 **liability for the current year. If the amount under subdivision**
- 24 **(2) exceeds the amount under subdivision (1) for the second**
- 25 **reconciliation, the county treasurer will shall** apply the excess as
- 26 a credit against the taxpayer's tax liability for the immediately
- 27 succeeding calendar year unless the taxpayer makes a claim for
- 28 refund of the excess under IC 6-1.1-26.
- 29 (p) The county treasurer shall deposit the tax collections under this
- 30 section under IC 5-13-6-3(a). The collections must remain in the funds
- 31 in which they are deposited until the county auditor makes the
- 32 distributions to the appropriate taxing units at the semiannual
- 33 settlements under IC 6-1.1-27. However, this subsection does not
- 34 prohibit a county treasurer from making an advance to a political
- 35 subdivision under IC 5-13-6-3 of a portion of the taxes collected.
- 36 (q) IC 6-1.1-15:
- 37 (1) does not apply to a statement provided under subsection (h);
- 38 and
- 39 (2) applies to ~~a~~ **the first** reconciling statement issued under
- 40 subsection (o).
- 41 (r) The following apply to a taxpayer that makes monthly payments
- 42 under this section:

- 1 (1) If a taxpayer ~~has approval to use a monthly payment plan and~~
 2 makes timely monthly payments of property taxes in the amount
 3 determined by the county treasurer under subsection (i), (j), (k),
 4 or (l), the taxpayer's property tax payments shall not be considered
 5 delinquent for purposes of IC 6-1.1-37-10 and the taxpayer is not
 6 subject to penalties under that section.
- 7 (2) If:
- 8 (A) a taxpayer makes monthly payments of property taxes in
 9 an amount that is less than the amount determined by the
 10 county treasurer under subsection (i), (j), (k), or (l); and
- 11 (B) the total amount of property taxes paid by the taxpayer
 12 under the monthly payment plan or any other method by the
 13 **taxpayer's** November ~~approved monthly~~ due date is less than
 14 the amount determined by the county treasurer under
 15 subsection (i), (j), (k), or (l) that should have been paid by the
 16 taxpayer by the **taxpayer's** November ~~approved monthly~~
 17 date;
- 18 the penalty provisions of IC 6-1.1-37-10 apply to the delinquent
 19 property taxes.
- 20 (s) IC 6-1.1-37-10 applies to any amounts due under a reconciling
 21 statement issued under subsection (o) that are not paid ~~within thirty~~
 22 ~~(30) days after the date of the reconciling statement, as required under~~
 23 ~~subsection (o)(3):~~ **by the due date.**
- 24 (t) For purposes of IC 6-1.1-24-1(a)(1):
- 25 (1) property taxes to be paid under a monthly payment plan under
 26 this section before June of the current year are considered to be
 27 the taxpayer's spring installment of property taxes; and
- 28 (2) payment on a reconciling statement issued under subsection
 29 (o) is considered to be due before the due date of the first
 30 installment of property taxes payable in the year immediately
 31 following the current year.
- 32 **(u) The department of local government finance shall adopt**

- 1 **rules, under IC 4-22-2, to establish a uniform statewide monthly**
- 2 **payment plan system that is optional for taxpayers."**
- 3 Delete pages 2 through 25.
(Reference is to SB 275 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 9, Nays 3.

Senator Kenley, Chairperson