

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777

TO: County Auditors

FROM: Jason Cockerill, Commissioner

DATE: April 20, 2026

RE: Over 65 Circuit Breaker Income Threshold Calculation for Pay 2027

During the 2023 Legislative Session, the General Assembly made changes to the Over 65 Circuit Breaker Credit to include the Cost-of-Living Adjustment (“COLA”) from the Social Security Administration. During the 2025 Legislative Session, the General Assembly increased the base threshold for single taxpayers from \$30,000 to \$60,000 and for married taxpayers from \$40,000 to \$70,000. These increased base thresholds applied for tax bills payable in 2026.

Accordingly, the Department of Local Government Finance (“Department”) issues the following calculation. When determining eligibility for 2027 tax bills, officials should use the income thresholds of **\$61,680** for single individuals and **\$71,960** for married couples. These numbers should be used to determine eligibility for the credit for 2026 Pay 2027 tax bills.

The table below is for reference of past Over 65 Circuit Breaker Income thresholds.

Year	Single	Married
Pay 2026 ¹	\$60,000	\$70,000
Pay 2025	\$33,563.52	\$44,871.36
Pay 2024	\$32,610	\$43,480

Single Taxpayer Breakdown

For single taxpayers, the base threshold is \$60,000 per Ind. Code § 6-1.1-20.6-8.5. As specified in Ind. Code § 6-1.1-20.6-8.5(a), the annual percentage increase is applied to the adjusted amount of income from the immediately preceding year.

¹ SEA 1-2025 increased the base income thresholds applicable as of Pay 2026.

For Pay 2027 tax bills, the [2026 Social Security Administration COLA](#) is 2.8%. With the COLA issued by the Social Security Administration, the single taxpayer threshold for 2027 tax bills is **\$61,680**.

$$\begin{array}{rclclcl} \text{Pay 26 Single Taxpayer} & \times & (1 + 2026 & = & \text{Pay 27 Single Taxpayer} \\ \text{Threshold} & & \text{COLA)} & & \text{Threshold} \\ \\ \$60,000 & \times & (1 + 2.8\%) & = & \$61,680 \end{array}$$

Married Taxpayer Breakdown

For married taxpayers, the base threshold is \$70,000. As with the single taxpayer threshold, Ind. Code § 6-1.1-20.6-8.5(a) specifies that the annual percentage increase is applied to the adjusted amount of income from the immediately preceding year.

With the COLA issued by the Social Security Administration, the married taxpayer threshold for 2027 tax bills is **\$71,960**.

$$\begin{array}{rclclcl} \text{Pay 26 Married Taxpayer} & \times & (1 + 2026 & = & \text{Pay 27 Married Taxpayer} \\ \text{Threshold} & & \text{COLA)} & & \text{Threshold} \\ \\ \$70,000 & \times & (1 + 2.8\%) & = & \$71,960 \end{array}$$

Questions may be directed to Jenny Banks, Director of Communications, at jbanks@dlgf.in.gov.