

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Frequently Asked Questions

2024 County Auditors Spring Conference

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1. Could the Department of Local Government Finance provide an example calculation for the Over 65 Circuit Breaker?

If an individual meets all eligibility requirements for the Over 65 Circuit Breaker Credit, he or she will receive a property tax cap that prevents his or her property tax liability on the qualified homestead property (the dwelling and up to one (1) acre of real estate surrounding the dwelling) from increasing by more than 2 percent. Only the tax liability of the qualified homestead property benefits from the maximum 2 percent increase. Property tax liability imposed on any improvements to or expansion of the homestead property after the assessment date is not considered when determining the maximum 2 percent increase. The cap is not applied to other real property owned by the individual.

Calculation Example for Over 65 Circuit Breaker Credit:

	2023 pay 2024	2024 pay 2025
Homestead Property Tax Liability after all deductions from Assessed Value and other credits.	\$500	\$600
Over 65 Circuit Breaker Credit	N/A	(\$90)
Homestead Property Tax Liability after application of Over 65 Circuit Breaker Credit	\$500	\$510

After Over 65 Circuit Breaker, Maximum Tax Liability for 2024 pay 2025 is limited to:
 $\$500 \times 1.02 = \510

Over 65 Circuit Breaker Credit Calculation:

(24 pay 25) Tax Liability – (24 pay 25) Maximum Tax Liability = Credit
 $\$600 - \$510 = \$90$ Over 65 Circuit Breaker Credit

2. If a husband and a wife are both disabled, can they both have a full Disability Deduction on the same parcel?

Yes. The disabled deduction, unlike the homestead deduction, is tied to the individual and not the property. Hence, two individuals who jointly own property may each receive a disabled deduction and apply it to that property.

3. If a husband and wife are both over 65, can they both have an Over 65 Deduction on the same parcel?

No. Indiana Code § 6-1.1-12-9(e) states that real property, a mobile home, or a manufactured home owned by (1) tenants by the entirety (i.e., a married couple); (2) joint tenants; or (3) tenants in common is limited to one Over 65 deduction. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age. Check the deed or title document to determine which of the above fit with respect to the applicants.

4. If one of the parcel owners has a Disabled Veteran Deduction and the other parcel owner has the Over 65 Deduction, can they each have the deduction they qualify for?

Yes. State law prohibits the same PERSON from receiving an Over 65 deduction and certain other deductions, but it does not prohibit one spouse or owner from receiving an Over 65 deduction and the other spouse or owner from receiving a disabled veteran deduction. Please note that the fractional reduction in the Over 65 deduction only occurs if the other owner is not 65 and NOT the applicant's spouse. If the applicant's spouse is under 65, there is no reduction.

5. Can a disabled veteran (as determined by the Department of Veterans Affairs) have both the Disabled Veteran Deduction and a Disability Deduction?

Yes. A person may be eligible for a disabled veteran deduction as well as the blind or disabled person deduction.

6. Can a multi-unit residential development (building with four (4) or more units) be captured in a residential TIF?

Yes. Indiana Code § 36-7-14-56(b) provides that the "base assessed value" with respect to a residential housing development program means the NAV of all the property in the allocation area, other than personal property, determined for the assessment date immediately preceding the effective date of the allocation provision and after TIF neutralization under Ind. Code § 36-7-14-39(h).

7. When filing for an Over 65 Deduction, do you subtract Social Security income from the AGI before determining if they are eligible for the deduction?

No. The AGI as listed on the applicant's IRS Form 1040 should be used to determine the applicant's eligibility.

