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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**TO: County Auditors**

**FROM: Jason Cockerill, Commissioner**

**RE: Over 65 Circuit Breaker Income Threshold Calculation for Pay 2026**

**DATE: April 7, 2025**

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. Accordingly, the Department of Local Government Finance (“Department”) issues the following calculation. You should use these numbers to determine eligibility for the credit for 2025 Pay 2026 tax bills.

For single taxpayers, the base threshold is \$30,000 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.

For Pay 2026 tax bills, the [2025 Social Security Administration COLA](#) is 2.5%. With the COLA issued by the Social Security Administration, the single taxpayer threshold for 2026 tax bills is **\$34,494.86**.

$$\begin{array}{rcl} \text{Pay 25 Single Taxpayer} & \times & (1 + 2025 \\ \text{Threshold} & & \text{COLA}) \\[1ex] \$33,653.52 & \times & (1 + 2.5\%) \end{array} \quad = \quad \begin{array}{l} \text{Pay 26 Single Taxpayer} \\ \text{Threshold} \\[1ex] \$34,494.86 \end{array}$$

For married taxpayers, the base threshold is \$40,000. 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 2026 tax bills is **\$45,993.15**.

$$\begin{array}{rcl} \text{Pay 25 Married Taxpayer} & \times & (1 + 2025 \\ \text{Threshold} & & \text{COLA}) \\[1ex] \$44,871.36 & \times & (1 + 2.5\%) \end{array} \quad = \quad \begin{array}{l} \text{Pay 26 Married Taxpayer} \\ \text{Threshold} \\[1ex] \$45,993.15 \end{array}$$

Thus, when determining eligibility for 2026 tax bills, officials should use the income thresholds of \$34,494.86 for single individuals and \$45,993.15 for married couples.

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

Year	Single	Married
Pay 2026	\$34,494.86	\$45,993.15
Pay 2025	\$33,563.52	\$44,871.36
Pay 2024	\$32,610	\$43,480

Questions may be directed to Jenny Banks, Director of Communications, at [jbanks@dlgf.in.gov](mailto:jbanks@dlgf.in.gov).