



Department of Local Government Finance

2025 Legislative Overview

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Disclaimer

- This presentation and other Department of Local Government Finance materials are not a substitute for the law. The following is not legal advice, just an informative presentation. The Indiana Code always governs.



Agenda

- Assessment Matters
- Deductions, Exemptions, and Credits
- Property Tax Deferral Program



Assessment Matters



Assessment Matters

- **SEA 1 & HEA 1427 – Business Personal Property Exemption**
 - SEA 1 and HEA 1427 both amend Ind. Code § 6-1.1-3-7.2 to increase the acquisition cost threshold for purposes of receiving the business personal property tax exemption. The exemption amounts are now:
 - (1) \$80,000 for assessment dates before January 1, 2026; and
 - (2) \$2 million for the January 1, 2026 assessment date and each assessment date thereafter.

SEC. 6 (SEA 1)/SEC. 14 (HEA 1427) – Ind. Code § 6-1.1-3-7.2 – Effective January 1, 2025



Assessment Matters

- **HEA 1427 – Business Personal Property Exemption**
 - The exemption amount for the January 1, 2025 assessment date was briefly raised to \$1,000,000 by SEA 1 before HEA 1427 was enacted.
 - HEA 1427 adds Ind. Code § 6-1.1-3-7.2(g) to address taxpayers who filed a personal property tax return on or after April 15, 2025 and claimed an exemption for property with an acquisition cost of \$80,000 or more.
 - Taxpayers were required to submit an amended personal property tax return by May 31. If they failed to do so, the assessor should reject the portion of the claimed exemption that the taxpayer is ineligible for and notify the taxpayer accordingly.

SEC. 14 – Ind. Code § 6-1.1-3-7.2 – Effective January 1, 2025



Assessment Matters

- **SEA 1 & HEA 1427 – 30% Floor**
 - SEA 1 adds Ind. Code § 6-1.1-3-29 & § 6-1.1-8-45, which were subsequently amended by HEA 1427.
 - Depreciable personal property placed in service after January 1, 2025, will only be subject to the 30% minimum valuation limitation if it is situated within an existing tax increment allocation area, where the base assessed value is established prior to January 1, 2025.

SEC. 11, 14 (SEA 1)/SEC. 18, 24 (HEA 1427) – Ind. Code §§ 6-1.1-3-29; 8-45 (NEW) – Effective January 1, 2025



Assessment Matters

- **HEA 1427 – Personal Property Online Portal (PPOP-IN)**
 - Repeals provisions requiring the establishment of PPOP-IN.
 - No new filings will be accepted after 2025.
 - The Department is making plans to keep PPOP-IN accessible for taxpayers to access historical data – more info to come.

SEC. 15 – Ind. Code § 6-1.1-3-26 – Effective January 1, 2025



Assessment Matters

- **SEA 1 & HEA 1427 – Agricultural Land Base Rate**
 - SEA 1 & HEA 1427 modify a capitalization rate (from 8% to 9%) used to determine the agricultural land base rate for the January 1, 2025 and 2026 assessment dates.
 - The base rate determined using this modified capitalization rate does not apply to land assessed under Ind. Code § 6-1.1-4-12 (i.e., the “developer’s discount”).

SEC. 12 (SEA 1) / SEC. 19 (HEA 1427) – Ind. Code § 6-1.1-4-4.5 – Effective January 1, 2025



Assessment Matters

- **SEA 1 & HEA 1427 – Agricultural Land Base Rate, cont.**
 - The Department issued a revised Certification of the Ag Land Base Rate (\$2,120) for the 2025 assessment year. Please refer to the Department's May 9, 2025 [memo](#) for details.
 - Assessors should use the revised base rate for agricultural land, re-rolling and balancing values with the revised base rate if they had already done so with the prior base rate.

SEC. 12 (SEA 1) / SEC. 19 (HEA 1427) – Ind. Code § 6-1.1-4-4.5 – Effective January 1, 2025



Assessment Matters

- **HEA 1427 – Industrial Assessments – Population Threshold**
 - HEA 1427 modifies the definition of “qualifying county” for purposes of identifying the industrial facilities subject to assessment by the Department under Ind. Code § 6-1.1-8.5
 - Qualifying county population parameters going from 400,000-700,000 to 450,000-700,000.
 - Lake County will remain the only qualifying county.

SEC. 25 – Ind. Code § 6-1.1-8.5-3 – Effective July 1, 2025



Assessment Matters

- **SEA 187 – PTABOA Membership**
 - SEA 187 requires that a member of a PTABOA must be a resident of Indiana for the entirety of the term.
 - The term of a current PTABOA member who is not an Indiana resident expires July 1, 2025, with the relevant appointing authority charged with filling the vacancy.

SEC. 1-4 – Ind. Code § 6-1.1-28-0.2 et seq. – Effective July 1, 2025



Assessment Matters

- **HEA 1427 – PTABOA Member Terms**
 - Section 53 clarifies that terms for members are for two (2) years and must be staggered.

SEC. 53 – Ind. Code § 6-1.1-28-1 – Effective July 1, 2025



Assessment Matters

- **HEA 1427 – Petitions for Review of Land Values**
 - HEA 1427 amends the process to be followed for the filing of a petition for review of land values under Ind. Code § 6-1.1-4-13.6.
 - Petitions will be submitted to the county auditor, must set forth the property owners' objections, and will be certified to the Department by the auditor along with any other data necessary to present the property owners' objections to the Department.
 - Notice of the Department's hearing on the petition will be given to the first 10 petitioners at least 5 days prior to the hearing.

SEC. 20 – Ind. Code § 6-1.1-4-13.6 – Effective July 1, 2025



Assessment Matters

- **HEA 1427 – Community Land Trust Assessments**
 - Section 21 of HEA 1427 adds Ind. Code § 6-1.1-4-47 as a new section of code regarding assessed values of community land trust land and improvements, which will first apply to January 1, 2026 assessments.
 - Specifies that the assessed value of land held by a community land trust is equal to the assessed value of the land at the time it was acquired by the community land trust.
 - After the initial assessment, the assessed value of a community land trust improvement may not exceed the maximum amount for which the community land trust improvement may be sold or transferred, as set forth in the affordability restrictions of the ground lease.

SEC. 21 – Ind. Code § 6-1.1-4-47(NEW) – Effective July 1, 2025



Assessment Matters

- **HEA 1427 – Community Land Trust Assessments**
 - Assessors will need to perform due diligence and collect additional information (e.g., certain data points from the ground lease agreements) on properties categorized under a community land trust to verify that the calculated assessments for improvements are adhering to the conditions in the ground lease agreement.
 - The Department will issue future guidance on classifying properties owned by community land trusts within local assessment software and on how community land trusts are to be assessed in terms of the application of annual adjustment factors applied to improvements.

SEC. 21 – Ind. Code § 6-1.1-4-47(NEW) – Effective July 1, 2025



Assessment Matters

- **HEA 1427 – Solar Land Base Rate**
 - Section 22 of HEA 1427, effective January 1, 2026, amends Ind. Code § 6-1.1-8-24.5 to specify that, when calculating the solar land base rate for each of the three (3) regions, the Department shall exclude from the calculation any land classified under the Department's utility property class codes but that is assessed using the agricultural land base rate for the immediately preceding assessment date.

SEC. 22 – Ind. Code § 6-1.1-8-24.5 – Effective January 1, 2026



Assessment Matters

- **HEA 1427 – State Distributable Property – Tentative Assessments**
 - Section 23 of HEA 1427 amends Ind. Code § 6-1.1-8-28 to clarify and extend the deadline for when a public utility company can object to a tentative assessment issued by the Department or request a correction.
 - Under current law, public utility companies have ten (10) days after receiving the Department’s tentative assessment to object and request a preliminary conference with the Department. Public utility companies will now have fifteen (15) days from the date the Department sends a notice of tentative assessment of distributable property to object and request a preliminary conference on the tentative assessment.

SEC. 23 – Ind. Code § 6-1.1-8-28 – Effective July 1, 2025



Assessment Matters

- **HEA 1427 – Indiana Board of Tax Review Appeals**
 - Section 39-40 and Section 63-64 specify that certain notice requirements for appeals filed with the Indiana Board of Tax Review are “served”, as opposed to “mailed”.
 - Updated language recognizes electronic filings and development of POPLAR system.

SEC. 39-40; 63-64 – Ind. Code §§ 6-1.1-15-3; 4; Ind. Code §§ 6-1.5-5-2; 5 – Effective July 1, 2025



Deductions, Exemptions, & Credits



Deductions Converted to Credits

- **SEA 1 – Converts Deductions to Credits**
 - Over 65 Credit - \$150
 - Blind/Disabled Credit - \$125
 - Will first apply for 25 Pay 26.
 - Applied to individual's property tax liability after the application of tax cap credits but before application of any other credit under Ind. Code § 6-1.1 or § 6-3.6.
 - Counties may opt to automatically transfer individuals currently receiving the deductions to the new credits.



Deductions Converted to Credits – Over 65

- **SEA 1 – Over 65 Deduction → Over 65 Credit**
 - Income limits increased to \$60,000/\$70,000.
 - The residency requirement, the limit on the assessed value of the property, and the restriction on claiming certain other deductions were all removed.
 - Does not provide for annual adjustments of income limits based on Social Security COLA increases.

SEC. 20, 21, & 84 – Ind. Code §§ 6-1.1-12-9 & -10.1; Ind. Code §§ 6-1.1-51.3 (NEW) – Effective January 1, 2025



Deductions Converted to Credits – Blind/Disabled

- **SEA 1 – Blind/Disabled Deduction → Credit**
 - No income limitation.
 - Otherwise, same eligibility requirements as deduction.

SEC. 22, 23, & 84 – Ind. Code §§ 6-1.1-12-11; 12; Ind. Code §§ 6-1.1-51.3 (NEW) – Effective January 1, 2025



Over 65 Circuit Breaker Credit

- **SEA 1 – Modified eligibility requirements for the credit:**
 - Income limits increased to \$60,000/\$70,000 (still subject to adjustment based on Social Security COLA increases).
 - Limit on assessed value was removed (had been \$240,000).

SEC. 75 – Ind. Code § 6-1.1-20.6-8.5 – Effective January 1, 2025



Veterans' Deductions

- **SEA 1 & HEA 1427 – Disabled Veteran Deductions (Ind. Code § 6-1.1-12-13 & -14)**
 - Converted to credits under SEA 1.
 - Converted back to deductions under HEA 1427.
 - Effectively unchanged by legislative session.

SEC. 24 & 25 (SEA 1)/SEC. 31 & 32 (HEA 1427) – Ind. Code §§ 6-1.1-12-13; 14 – Effective January 1, 2025



Sunsetting of Certain Deductions

- **SEA 1**
 - Provides that the deductions on the following slide apply only to property taxes imposed for an assessment date before January 1, 2025.

Effective January 1, 2025



Sunsetting of Certain Deductions

Expired Deduction	Ind. Code Cite	SEA 1 Section
Deduction for Surviving Spouse of World War I Veteran	6-1.1-12-16	28
Deduction for Rehabilitation of Residential Real Property	6-1.1-12-18	32
Deduction for Solar Energy Heating or Cooling Systems	6-1.1-12-26	34
Deduction for Solar Power Devices	6-1.1-12-26.1	35
Deduction for Resource Recovery Systems	6-1.1-12-28.5	37
Deduction for Wind Power Devices	6-1.1-12-29	38
Deduction for Hydroelectric Power Devices	6-1.1-12-33	39
Deduction for Geothermal Devices	6-1.1-12-34	41
Deduction for Fertilizer and Pesticide Storage	6-1.1-12-38	46
Deduction for Enterprise Zone established in Marion County	6-1.1-12-40	47
Deduction for Personal Property Held as Inventory	6-1.1-12-42	48



Phase-Out of Homestead Standard Deduction

- **SEA 1– Specifies that the amount of the homestead standard deduction will be:**

For Assessment Dates before January 1, 2025	Lesser of 60% of AV or \$48,000
For the 2025 Assessment Date	\$48,000
For the 2026 Assessment Date	\$40,000
For the 2027 Assessment Date	\$30,000
For the 2028 Assessment Date	\$20,000
For the 2029 Assessment Date	\$10,000
For Assessment Dates after December 31, 2029	\$0

SEC. 44 – Ind. Code § 6-1.1-12-37 – Effective January 1, 2025



Increase to Supplemental Homestead Deduction

- SEA 1– Specifies that, for taxes due and payable after December 31, 2025, the amount of the supplemental homestead deduction will be the AV as reduced by the standard homestead deduction multiplied by:
 - 40% for Pay 26;
 - 46% for Pay 27;
 - 52% for Pay 28;
 - 57% for Pay 29;
 - 62% for Pay 30;
 - 66.7% for Pay 31 and each year thereafter.
- Note: The deduction amount may not exceed 75% of the gross AV of the property.

SEC. 45 – Ind. Code § 6-1.1-12-37.5 – Effective January 1, 2025



TIF Neutralization

- **SEA 1 – Base AVs of Certain Allocation Areas to be Neutralized in 2026-2033**
 - Department directed to adjust the base AV to neutralize the effect of changing tax rates as a result of the application of:
 - Homestead Standard Deduction
 - Supplemental Homestead Deduction
 - Deduction for 2% Circuit Breaker Properties (New)

SEC. 5 – Ind. Code § 6-1.1-2-11 (NEW) – Effective Upon Passage



Deduction for 2% Circuit Breaker Properties (New)

- **SEA 1 – Adds Ind. Code § 6-1.1-12-47; New Deduction**
 - “Eligible Property” means property subject to 2% circuit breaker credit under Ind. Code § 6-1.1-20.6-7.5(a)(2)-(4):
 - Residential (non-homestead) Property
 - Long Term Care Property
 - Agricultural Land
 - No application required – auditors should identify eligible property and apply deduction.

SEC. 52 – Ind. Code § 6-1.1-12-47 (NEW) – Effective January 1, 2025



Deduction for 2% Circuit Breaker Properties (New)

- SEA 1 – Deduction Amount for Eligible Properties

25 Pay 26	6% of Assessed Value
26 Pay 27	12% of Assessed Value
27 Pay 28	19% of Assessed Value
28 Pay 29	25% of Assessed Value
29 Pay 30	30% of Assessed Value
30 Pay 31 & After	33.4% of Assessed Value

SEC. 52 – Ind. Code § 6-1.1-12-47 (NEW) – Effective January 1, 2025



Supplemental Homestead Credit (New)

- **SEA 1 – Adds New Supplemental Homestead Credit**
 - Applies to property taxes due and payable beginning in 2026.
 - A person who qualifies for the Homestead Standard Deduction (or is married at the time of death to a deceased spouse who qualifies) is entitled to the new credit.
 - No application required – auditors should identify eligible property and apply the credit to the tax liability.
 - Amount of the credit is the lesser of A) \$300 or B) the property tax liability for the year multiplied by one-tenth (0.1).

SEC. 74 – Ind. Code § 6-1.1-20.6-7.7 (NEW) – Effective Upon Passage



Order of Operations

- **As a general rule:**
 - Exemptions
 - Deductions
 - Credits
 - If a statute says how to apply a deduction or credit, the statute should be followed.



Order of Operations – Ind. Code § 6-1.1-31.5-2.5

Improvements; application of deductions and exemptions

Sec. 2.5. (a) Except as provided in subsection (b), for purposes of attributing the amount of:

- (1) a property tax deduction under [IC 6-1.1-12](#);
- (2) an economic revitalization area deduction under [IC 6-1.1-12.1](#);
- (3) an investment deduction under [IC 6-1.1-12.4](#); or
- (4) a property tax exemption under [IC 6-1.1-10](#);

to the gross assessed value of a property, a deduction or exemption described in subdivisions (1) through (4) that is specific to an improvement shall be applied only to the assessed value allocation pertaining to that improvement.

(b) To the extent that a deduction or exemption amount is not specific to an improvement, the deduction or exemption amount shall be applied to the gross assessed value of the property in the order that will maximize the benefit of the deduction or exemption to the taxpayer.



Order of Operations - Example

2025 Pay 2026		Amount
Deductions	Gross Assessed Value	\$500,000
	Standard Homestead Deduction	\$48,000
	Supplemental Homestead Deduction	\$180,800 (40% of AV)
	Veteran with Service-Connected Disability	\$24,960
	Total Deductions	\$253,760
	Net Assessed Value	\$246,240
	(NAV/100) * Total Tax Rate = Gross Property Tax Liability	E.g., \$2,462.40 * \$1.50 = \$3,693.60
Credits	Over 65, Blind/Disabled Credits (New)	\$150, \$125
	Supplemental Homestead Credit (New)	Lesser of \$300 or Property tax liability for the year * 0.1
	Over 65 Circuit Breaker Credit (can't be less than \$0)	Property tax liability for the year – (Property tax liability for previous year * 1.02) (E.g., \$475.60)
	Homestead Property Tax Replacement Credit (IC 6-3.6-6-3.1) (New)	E.g., \$177.40
	Total Tax Liability	\$2,465.60



Certified Technology Parks

- **SEA 516 – Change in Oversight Agency**
 - Establishes the Office of Entrepreneurship and Innovation (OEI).
 - Transfers oversight responsibilities of certified technology parks to the new Office from the Indiana Economic Development Corporation (IEDC).
 - OEI to review ordinances granting a deduction under Ind. Code § 6-1.1-12.7-4(a).

SEC. 5 & 6 – Ind. Code §§ 6-1.1-12.7-4; 5 – Effective July 1, 2025



Community Land Trust Property Credit

- **HEA 1427 – Property Tax Credit**
 - Section 58 states that a qualified owner whose property is assessed under Ind. Code § 6-1.1-4-47 is entitled to a property tax credit equal to 30% of the “net property tax due,” as defined in Ind. Code § 6-1.1-50.1-2.

SEC. 58 – Ind. Code § 6-1.1-50.1 – Effective July 1, 2025



Exemptions

- **HEA 1427 – Early Childhood Education Centers**
 - Specifies that, as of the January 1, 2026 assessment date, for-profit providers of early childhood education services to children who are less than six (6) years of age may receive the exemption provided for under Ind. Code § 6-1.1-10-16 for property used for educational purposes if the requirements of Ind. Code § 6-1.1-10-46 are met.
 - Previously, this exemption was only available to qualified for-profit providers of early childhood education services to children who were at least four (4) but less than six (6). If a qualified taxpayer provided services to children younger than four (4) years old, the exemption was prorated based on the number of qualified children compared to the total number of children at the property.

SEC. 26 – Ind. Code § 6-1.1-10-16 – Effective January 1, 2024



Exemptions

- **HEA 1427 – Early Childhood Education Centers**
 - This bill makes the following changes to the qualification for, and amount of, the exemption:
 - 1) The primary purpose of the provider no longer needs to be educational.
 - 2) The property may be owned by the provider, or a parent company, subsidiary, or an affiliate company of the provider.
 - 3) The property must be predominantly used to provide services to children of any age under six (6) years old.
 - 4) The provider must offer age-appropriate curriculum, including reading, for all children under six (6) years old.
 - 5) The exemption will not be prorated for providers serving children under four (4) years old.
 - 6) The exemption does not apply to homestead property.

SEC. 29 – Ind. Code § 6-1.1-10-46 – Effective January 1, 2026



Exemptions

- HEA 1427 – Nonprofit Retirement Communities
 - For 24 Pay 25 and 25 Pay 26, specifies that all or part of a building is deemed to serve a charitable purpose and is exempt from property taxation if it is owned by a nonprofit entity that is:
 - (a) registered as a continuing care retirement community under Ind. Code § 23-2-4 and charges an entry fee of not more than five hundred thousand dollars (\$500,000) per unit;
 - (b) defined as a small house health facility under Ind. Code § 16-18-2-331.9; or
 - (c) licensed as a health care or residential care facility under Ind. Code § 16-28.

SEC. 26 & 27 – Ind. Code §§ 6-1.1-10-16; 18.5 – Effective January 1, 2024



Exemptions

- **HEA 1427 – Nonprofit Retirement Communities**
 - Section 155 of HEA 1427 urges the Legislative Council to assign the task of studying the effects of the provisions implemented under Ind. Code § 6-1.1-10-16(r) to the appropriate interim study committee.

SEC. 155 – Noncode – Effective July 1, 2025



Exemptions

- **HEA 1427 – Employer Childcare Property**
 - Establishes a partial property tax exemption for an employer that provides childcare on the employer's property for the employer's employees and certain other employees.
 - Applies to the part of the gross assessed value of tangible property that is attributable to the property used to provide childcare.
 - Taxpayers applying for the exemption should provide the necessary information in their application to show that they qualify for the exemption.

SEC. 30 – Ind. Code § 6-1.1-10-51 – Effective January 1, 2026



Exemptions

- **HEA 1427 – Qualified Residential Treatment Program Property**
 - For 24 Pay 25 and 25 Pay 26, specifies that all or part of a building is deemed to serve a charitable purpose and is exempt from property taxation if it is owned by a nonprofit entity that is licensed under Ind. Code § 31-27 and designated as a qualified residential treatment provider that provides services under a contract with the department of child services.

SEC. 26 & 27 – Ind. Code §§ 6-1.1-10-16; 18.5 – Effective January 1, 2024



Exemptions

- **HEA 1601 – Quantum Safe Fiber Network Equipment**
 - Specifies that a county or municipal fiscal body may enter into an agreement with an eligible business to exempt qualified property from property taxes.
 - To qualify, a taxpayer and its lessees must invest a total of at least \$100 M in real and personal property at facilities with quantum safe fiber network equipment in Indiana, and the average wage of employees at the facility must be at least 125% of the county average wage.
 - Based on the mechanics of the new exemption, the Department will be developing a separate form for this new exemption.

SEC. 1 – Ind. Code § 6-1.1-10-54 – Effective Upon Passage



Property Tax Deferral Program



Property Tax Deferral Program (SEA 1)

- Adds Ind. Code § 6-1.1-52 as a new chapter.
- A county council may adopt an ordinance to establish a property tax deferral program.
- Homeowners can defer property taxes past their due date under limited conditions.
- A lot of requirements and definitions.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

- **Who's Eligible?**
- A “qualified individual”:
 - 1) Has a “qualified interest in a homestead on the assessment date for which property taxes on the homestead is imposed.”
 - “Homestead” follows the definition for the homestead deduction.
 - 2) Held that qualified interest for 5 years before applying.
 - “Qualified interest” means:
 - Ownership interest or
 - Interest in a recorded contract that requires purchaser to pay property taxes.
 - Same as with homestead deduction.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

3. Uses the homestead as the principal place of residence.
 - “Principal place of residence” is not defined.
 - Admitted to a health care facility does not deprive status.
4. Not delinquent in any property taxes, special assessments, or fees or charges included on the tax bill.
5. Meets any other qualifications that a county may choose to require, which may include:
 - Age Requirement for Senior Citizens.
 - Assessed Value Limitation.
 - Veteran Status.
 - Income Limitation.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

- Also, deferred taxes plus liens & liabilities on homestead do not exceed assessed value.
- If the qualified individual receives a deferral and subsequently passes away, the surviving spouse can continue to have taxes deferred if also qualifying.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

- **What is Deferred?**
- Property taxes imposed on all property in the parcel that contains the homestead, but
 - Does not include special assessments, fees, or charges that are required by law to be put on the tax bill.
 - Remember, delinquent on special assessments, fees, or charges makes someone ineligible.
- Between \$100 and \$500 per calendar year.
- The cumulative total cannot be more than \$10,000 over consecutive years.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

- County treasurer may accrue interest on the deferred tax balance.
 - Monthly basis.
 - Up to 4%.
 - Beginning on date of deferral.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

No deferral is allowed if:

$$\left(\begin{array}{c} \text{Total Amount of Deferred Taxes} \\ + \\ \text{Total of All Other Liens on the Homestead} \\ + \\ \text{Outstanding Principal of All Mortgages on Homestead} \\ > \\ \text{100\% of the Homestead's Assessed Value} \end{array} \right)$$

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

- **Where Can Taxes be Deferred?**
 - All the territory within the county.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

- **When Are the Taxes Deferred?**
 - Beginning with 25 Pay 26.
 - County council must adopt the ordinance by November 1 for individuals to apply to defer taxes due in the next calendar year.
 - Can be deferred each subsequent calendar year until the “deferral termination event occurs.”

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

- “Deferral termination event” is the earlier of the date when the qualified individual:
 - Ceases to use the homestead as a principal place of residence (but not the health care facility exception).
 - No longer has a qualified interest in the homestead.
 - Is deceased, but
 - A surviving spouse can continue to have taxes deferred, if qualified.
- Deferred Taxes:
 - Must be paid within 180 days after a deferral termination event, but
 - Can be paid at any time before then, along with accrued interest.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

- **How to Defer Taxes?**
 - 1) County council must adopt the ordinance to establish the program.
 - SEA 1 does not say this has to be done every year.
 - 2) Qualified individuals file a loan application with the county auditor in the county where the homestead is located.
 - No later than January 15 of the year the taxes are due.
 - Prescribed by Department.
 - Applicants must:
 - Obtain written approval of any holder of a lien on the homestead.
 - Agree not to pay the individual's remaining non-deferred payments by escrow.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

3) Qualified individuals enter into a tax deferral agreement with the county auditor.

- Before March 1 of the same year.
- Applicant must pay any recording fees required by county recorder.

4) County auditor transmits application to county treasurer, who then confirms that the application “matches” with the treasurer’s own records related to the homestead.

5) County auditor reviews application to determine whether:

- The application qualifies for a deferral and
- The amount that may be deferred.



Property Tax Deferral Program (SEA 1)

- 6) County auditor approves the deferral. Deferral is the lesser of the amount requested by the applicant (if at or over \$100) or \$500.
- 7) County auditor then “provides for the recording of the deferral” in the county recorder’s office.
 - No details provided as to process.
- 8) Finally, county auditor notifies county treasurer and Department of the amount deferred.
 - For the Department’s purposes, this can be done in bulk.
 - No deadline given, as long as the Department receives it.
 - Once the deferral is approved, the applicant does not need to continue to apply for that deferral as long as eligibility requirements are met.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

- Once payment of deferred taxes are made:
- The county treasurer must inform the following, in the form and manner prescribed by the SBOA:
 - County auditor.
 - County recorder, as a release of the lien on the homestead for the deferred taxes.
 - SBOA.
- The taxes are delineated by taxing district “throughout the settlement process” & apportioned and distributed in the same manner as property taxes:
 - By respective funds of the taxing units
 - In the calendar year in which the payment is made.



Property Tax Deferral Program (SEA 1)

- If an individual ceases to qualify, or a surviving spouse becomes qualified, the person responsible for paying the property taxes on the homestead must notify the county auditor “on the form and in the manner prescribed by” the Department.
- County auditor must review the information filed & determine whether a deferral termination event has occurred.
- If so, the county auditor must then notify, in the manner prescribed by the Department:
 - The county treasurer.
 - The county recorder.
 - The Department.
- Also, the county auditor must notify the qualified individuals in writing.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

- The county recorder shall record the following without charge in the miscellaneous records:
 - A statement of the amount of property tax deferred.
 - A statement of payment of deferred property taxes.
 - A notice of termination of a deferral.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Property Tax Deferral Program (SEA 1)

- The Department must prescribe an application and loan agreement by October 5, 2025. Also, the form and manner of providing notices will also be prescribed in due time.

SEC. 85 – Ind. Code § 6-1.1-52 – Effective July 1, 2025



Additional Information?

- Additional information related to the various legislative changes from the 2025 Legislative Session can be found at the Department's website at:
 - <https://www.in.gov/dlgf/memos-and-presentations/memos/>



Questions?

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