



Department of Local Government Finance

2026 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.
- The Department cannot provide legal or fiscal advice. We can help you identify the law. The elected officials must apply the law to the specific facts.



Agenda

- Assessment Matters Legislation
- Deductions, Exemptions, and Credits Legislation



Assessment Matters



HEA 1210 – Assessor Submission of Data

- HEA 1210 – Assessor Submission of Data
 - Changes the deadline for assessor submission of personal and real property data files to the Department from September 1 to July 1.
 - Assessors who fail to certify the assessment values to the auditor and the Department by July 1 must instead, on or before July 1, notify the auditor, county fiscal body, Department, and each affected political subdivision of the noncompliance and the reason for it.
 - Starting February 2, 2027, the Department must submit a report to the Legislative Council of the counties that failed to meet this deadline.

SEC. 32, 35, 36 (HEA 1210) – Ind. Code § 6-1.1-3-17; 4-4.5 – Effective January 1, 2026



HEA 1210 – Agricultural Land Assessment & Base Rate

- HEA 1210 – Agricultural Land Assessment & Base Rate
 - HEA 1210 extends a temporary increase in a capitalization rate (from 8% to 9%) used to determine the agricultural land base rate through the January 1, 2027 assessment date.
 - The base rate determined using this modified capitalization rate did not apply to land assessed under Ind. Code § 6-1.1-4-12 (i.e., the “developer’s discount”) for the January 1, 2025 assessment date only.
 - HEA 1210 clarifies that land shall be assessed as agricultural land only when devoted to agricultural use regardless of ownership or who is liable for property taxes.

SEC. 33 (HEA 1210) – Ind. Code § 6-1.1-4-4.5 – Effective July 1, 2026



HEA 1210 – Solar Land Base Rate

- HEA 1210 – Solar Land Base Rate
 - Section 39 of HEA 1210, effective January 1, 2026, amends Ind. Code § 6-1.1-8-24.5 to remove an exclusion added in the 2025 session.
 - When calculating the solar land base rate for each of the three regions, the Department had been required to exclude from the calculation any land classified under the Department’s utility property class codes but assessed using the agricultural land base rate for the immediately preceding assessment date.
 - HEA 1210 essentially requires the Department to calculate the base rate in the manner required prior to the 2025 session.

SEC. 39 – Ind. Code § 6-1.1-8-24.5 – Effective January 1, 2026



HEA 1210 – Solar Land Base Rate

- HEA 1210 – Solar Land Base Rate
 - The Department issued a revised memorandum on March 20, 2026 providing the revised median solar land base rates:

North – Utility (800 Property Class Codes)

	2023	2024	2025
Median	\$13,000.00	\$13,700.00	\$13,000.00

Central – Utility (800 Property Class Codes)

	2023	2024	2025
Median	\$14,201.00	\$13,726.00	\$14,607.00

South – Utility (800 Property Class Codes)

	2023	2024	2025
Median	\$6,535.00	\$7,701.00	\$7,699.00



HEA 1210 – Transfer of Title After Sale of Mobile Home

- HEA 1210 – Transfer of Title After Sale of Mobile Home
 - HEA 1210 requires the purchaser of a mobile home to process the paperwork with the BMV to transfer the title into the purchaser's name within ninety (90) days of the sale.
 - Note that Ind. Code § 6-1.1-7-14 provides that a person who violates Ind. Code § 6-1.1-7-10.4 commits a Class C infraction.



HEA 1210 – Definitions for Mobile and Manufactured Homes

- HEA 1210 – Definitions for Mobile and Manufactured Homes
 - HEA 1210 amends the definitions for “manufactured home” and “mobile home” throughout Ind. Code § 6-1.1 by pointing toward definitions contained under Ind. Code § 9-13-2-96(a) (for “manufactured home”) and Ind. Code § 9-13-2-103.2 (for “mobile home”)
 - Definitions are described in the Department’s April 29, 2026 [memo](#) on legislation affecting assessment matters.
 - The distinction between a personal property vs. real property mobile or manufactured home should not be impacted. This will still depend on whether there is a permanent foundation and a certificate of title issued BMV.



HEA 1406 – 30% Floor for Public Utility Companies

- HEA 1406 – 30% Floor for Public Utility Companies
 - HEA 1406 provides that depreciable personal property remains subject to the 30% minimum valuation limitation if it is:
 - owned by a light, heat or power company; or
 - owned by a utility company owned, operated, or held in trust by a consolidated city.
 - The term "light, heat, or power company" means a company which is engaged in the business of furnishing light, heat, or power by electricity, gas, or steam. The term includes a utility grade solar energy installation facility. Ind. Code § 6-1.1-8-2(5).

SEC. 4 (HEA 1406) – Ind. Code § 6-1.1-8-45 – Effective January 1, 2025



SEA 163 – Orders to Enter Property

- SEA 163 – Orders to Enter Property (in appeal context)
 - Section 1 clarifies that, in the course of an assessment appeal, the PTABOA or an assessing official shall not enter a property to conduct an inspection without permission of the taxpayer.
 - The PTABOA is also prohibited from issuing an order to authorize entry onto a taxpayer's property without the taxpayer's permission.

SEC. 1 – Ind. Code § 6-1.1-15-1.2 – Effective Upon Passage



SEA 163 – Tax Representative Authorization in Appeals

- SEA 163 – Tax Representative Authorization in Appeals
 - Section 2 clarifies that an individual serving as a tax representative in an appeal before the PTABOA or before the IBTR must have written authorization from the taxpayer, which:
 - May be by electronic means;
 - May not be effective for more than one (1) year.
 - Authorization must contain an attestation that taxpayer has provided written authorization for the designated individual to serve as the taxpayer’s tax representative and must be submitted with notice to initiate an appeal.

SEC. 2 – Ind. Code § 6-1.1-15-17.3 – Effective Upon Passage



SEA 163 – Tax Representative Authorization in Appeals

- SEA 163 – Tax Representative Authorization in Appeals
 - Authorization must be on the form provided by the Department.
 - Taxpayer must also have a signed agreement with tax representative and attest to this fact in POA form.
 - A revised POA form was published in April 2026.
 - POAs only being effective for one year does not limit the number of tax years or matters that a tax representative can assist with while POA is effective. Nor does it prevent the taxpayer from granting consecutive POAs to the same tax representative.

SEC. 2 – Ind. Code § 6-1.1-15-17.3 – Effective Upon Passage



Deductions, Exemptions, & Credits



SEA 1-2025 – Converted Deductions to Credits

- SEA 1-2025 – Converted Deductions to Credits
 - Over 65 Credit - \$150
 - Blind/Disabled Credit - \$125
 - First applied for 2025 Pay 2026.
 - 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.



Veterans' Deductions – Prior to 2026 Session

- Three (3) deductions specific to veterans and/or their surviving spouse
 - Veteran with Service-Connected Disability (Ind. Code § 6-1.1-12-13)
 - Totally Disabled Veteran or Veteran at Least sixty-two (62) with Disability of 10% or More (Ind. Code § 6-1.1-12-14)
 - Homestead Donated to Disabled Veteran (Ind. Code § 6-1.1-12-14.5)
- Expired - Surviving Spouse of WWI Veteran (Ind. Code § 6-1.1-12-16)
- Excise Credits for when Veterans' Deductions cannot be applied
 - Ind. Code § 6-6-5-5; Ind. Code § 6-6-5-5.2



Veterans' Deductions – After 2026 Session

- Three (3) deductions specific to veterans and/or their surviving spouse:
 - Totally Disabled Veteran (Ind. Code § 6-1.1-12-14)
 - Homestead Donated to Disabled Veteran (Ind. Code § 6-1.1-12-14.5)
 - Reinstated - Surviving Spouse of WWI Veteran (Ind. Code § 6-1.1-12-16)
- Expired – Veteran with Service-Connected Disability (Ind. Code § 6-1.1-12-13)
- Excise Credits for when Veterans' Deductions cannot be applied.
 - Ind. Code § 6-6-5-5; Ind. Code § 6-6-5-5.2



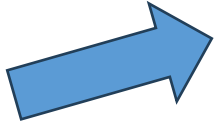
Veterans' Deductions – Updates from 2026 Session

Deduction:
\$24,960
IC 6-1.1-12-13

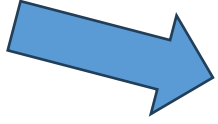


Credit:
\$350
IC 6-1.1-51.3-6

Deduction:
\$14,000
IC 6-1.1-12-14



Credit:
\$250
IC 6-1.1-51.3-5



Deduction:
100% AV
IC 6-1.1-12-14

- Eligibility requirements have been updated.

Veteran with Service-Connected Disability Credit



- Served in U.S. military during any of its wars.
- Was honorably discharged.
- Received a service-connected disability of 10% or more as evidenced by
 - A U.S. Department of Veterans Affairs.
 - Pension certificate.
 - Award of compensation.
 - Disability compensation check.
 - Indiana Department of Veterans Affairs certificate of eligibility.
 - Following review of eligibility for credit.
- Amount fixed at \$350.

SEC. 97 (HEA 1210) – Ind. Code § 6-1.1-51.3-6 – Effective January 1, 2026



Veteran Age 62 with Disability \geq 10% Credit

- Must have served in the U.S. military for at least ninety (90) days.
- Was honorably discharged.
- Veteran is at least sixty-two (62) with at least 10% disability, evidenced by:
 - A U.S. Department of Veterans Affairs.
 - Pension certificate.
 - Award of compensation.
 - Indiana Department of Veterans Affairs certificate of eligibility.
 - Following review of eligibility for credit.
- No AV limit.
- Amount fixed at \$250.

SEC. 96 (HEA 1210) – Ind. Code § 6-1.1-51.3-5 – Effective January 1, 2026



Combining Veterans' Credits

- It is possible for a taxpayer to receive both the Veteran with Service-Connected Disability Credit and the Veteran at Least sixty-two (62) with Disability of 10% or More Credit provided the taxpayer meets the requirements for both.
- The taxpayer may also receive any other property tax credit the individual is entitled to by law (e.g., Over 65, Blind/Disabled).



Totally Disabled Veteran Deduction

- Must have served in the U.S. military for at least ninety (90) days.
- Was honorably discharged.
- **Must have a total disability evidenced by:**
 - A U.S. Department of Veterans Affairs.
 - Pension certificate;
 - Award of compensation; or
 - Indiana Department of Veterans Affairs certificate of eligibility
 - Following review of eligibility for deduction.
- **Must have resided in Indiana for at least one (1) year before the assessment date for which the deduction is claimed.**

SEC. 47 (HEA 1210) – Ind. Code § 6-1.1-12-14 – Effective January 1, 2026



Totally Disabled Veteran Deduction

- Deduction amount is now 100% of the assessed value of the homestead (property used as the individual's principal place of residence).
- No AV limit.
- But, subject to limit under Ind. Code § 6-1.1-12-40.5.
- May not also receive a local property tax credit under Ind. Code § 6-1.1-51.3 (Over 65, Blind/Disabled, Veterans Credits) or the deduction for a homestead donated to a veteran.
- Surviving spouse may still receive the deduction if the veteran satisfied eligibility requirements at the time of death and surviving spouse owns or is buying the property under contract when application is filed. However, surviving spouse no longer eligible if subsequently remarried.

SEC. 47 (HEA 1210) – Ind. Code § 6-1.1-12-14 – Effective January 1, 2026



Transitioning Veterans' Deductions & Credits

- HEA 1210 – Modified deductions and created new credits
 - First applied for 2026 Pay 2027.
 - Credits 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.
 - Ind. Code § 6-1.1-51.3-5 (new) provides that for 2026 Pay 2027 only, auditors shall not apply the deduction under Ind. Code § 6-1.1-12-14 and shall instead apply new \$250 credit.
 - This automatic conversion does not prohibit a veteran from applying for the 100% deduction – if a veteran applies and qualifies for that deduction, the auditor should apply the deduction instead of the credit.



Transitioning Veterans' Deductions & Credits

- Ind. Code § 6-1.1-51.3-6 (\$350 credit) does not have the same automatic conversion provision as Ind. Code § 6-1.1-51.3-5 (\$250 credit).
- However, the Department encourages counties to automatically transfer individuals currently receiving the \$24,960 deduction under Ind. Code § 6-1.1-12-13 to the new \$350 credit under Ind. Code § 6-1.1-51.3-6.
- An individual who receives a credit and remains eligible in the following year is not required to file further applications unless eligibility changes.



Blind/Disabled Credit

- SEA 80 – Definition of “blind”
 - “Blind” for purposes of the Blind/Disabled Cred is defined in Ind. Code § 6-1.1-51.3-2(c).
 - This definition now refers to Ind. Code § 12-7-2.1-38(1) (previously referred to Ind. Code § 12-7-2-21(1)).
 - Technical change, no substantive impact.

SEC. 25 – Ind. Code § 6-1.1-51.3-2 – Effective July 1, 2026



Over 65 Credit

- HEA 1210 – Over 65 Credit Requirements
 - Applicant must now reside on the real property, mobile home, or manufactured home that will receive the credit.
 - Individual still may not be denied the credit if absent from the property while in a nursing home or hospital.

SEC. 95 – Ind. Code § 6-1.1-51.3-1 – Effective January 1, 2026



County Option Circuit Breaker Credit

- SEA 163 – Extension of County Option Circuit Breaker Credit
- SEA 163 extends the expiration date for the County Option Circuit Breaker Credit by one year to January 1, 2029.

SEC. 3 & 4 – Ind. Code §§ 6-1.1-49-4 & -11 – Effective July 1, 2026



Phase-Out of Homestead Standard Deduction

- SEA 1-2025– Specified 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



Increase to Supplemental Homestead Deduction

- SEA 1-2025– Specified that 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.



Deduction for 2% Circuit Breaker Properties

- SEA 1-2025 – Deduction Amount for Eligible Properties
- “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

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



HEA 1210 – Homestead Deduction Changes

- HEA 1210 – Homestead Deduction Changes
 - Adds definition for “Principal place of residence” to statute – An individual’s true, fixed, permanent home to which the individual intends to return after an absence. (Previously defined by 50 IAC 24-2-5.)
 - Makes a technical correction.



HEA 1210 – Homestead Deduction Ineligibility

- HEA 1210 – Homestead Deduction Ineligibility
 - States that an individual who fails to notify auditor within 60 days of becoming ineligible shall (instead of may) be liable for any additional taxes that would have been due on the homestead plus a civil penalty of 10% of the additional taxes due.

SEC. 54 – Ind. Code § 6-1.1-12-37 – Effective July 1, 2026



HEA 1210 – Homestead Deduction Ineligibility

- HEA 1210 – Homestead Deduction Ineligibility
 - Ind. Code § 6-1.1-36-17 was also amended; auditors shall (instead of may) issue a notice of taxes, interest, and penalties due to the owner if auditor determines property was not eligible for homestead deduction. Auditors shall include a 10% fine as a penalty for claiming the homestead deduction falsely, calculated as 10% of total tax bill as if the deduction had not been applied.



HEA 1210 – Eligibility of Trusts for Credits

- HEA 1210 – Eligibility of Trusts for Credits
 - Adds Ind. Code § 6-1.1-51.3-7 as a new section.
 - Trusts may be eligible for the following credits:
 - Over 65 (Ind. Code § 6-1.1-51.3-1)
 - Blind/Disabled (Ind. Code § 6-1.1-51.3-2)
 - Veteran At Least 62 with Disability of 10% or More (Ind. Code § 6-1.1-51.3-5)
 - Veteran with Service-Connected Disability (Ind. Code § 6-1.1-51.3-6)



HEA 1210 – Eligibility of Trusts for Deductions

- HEA 1210 – Eligibility of Trusts for Deductions
 - Amends Ind. Code § 6-1.1-12-17.9.
 - Trusts may be eligible for the following deductions:
 - Surviving spouses of World War I veterans (Ind. Code § 6-1.1-12-16)
 - HEA 1210 removed the deduction under Ind. Code § 6-1.1-12-14 (totally disabled veterans) as a deduction to which a trust might be entitled.



Eligibility of Trusts – Eligibility

- The trust-owned property must be occupied by an individual who:
 - Upon verification in the body of the deed or otherwise, has either:
 - A beneficial interest in the trust; or
 - The right to occupy the real property rent free under the terms of a qualified person residence trust created by the individual under the US Treasury Regulation 25.2702-5(c)(2); and
 - Otherwise qualifies for the deduction or credit being claimed.



Order of Operations

- Below is an outline of the order of operations for applying exemptions, deductions, and credits to an individual's property tax liability:

Order of Operations		Protected (Debt)	Exempt (Referendum)
1	Exemptions	N/A	N/A
2	Deductions	N/A	N/A
3	Local Property Tax Credits (PTC)	N/A	N/A
4	Property Tax Caps	Yes	Yes
5	Over 65 Credit, Blind/Disabled Credit, Disabled Veterans Credits (new)	No	No
6	Supplemental Homestead Credit	Yes	Yes
7A	Over 65 Circuit Breaker Credit	No	No
7B	County Option Circuit Breaker Credit	Yes	Yes
8	County Option Homestead Relief Credit	N/A	N/A



HEA 1406 – Nonprofit Hospital System Exemption

- HEA 1406 – Nonprofit Hospital System Exemption
- Only applies to an Indiana Nonprofit Hospital System as defined in Ind. Code § 16-21-18-2:

IC 16-21-18-2 "Indiana nonprofit hospital system"

Sec. 2. For purposes of this chapter, "Indiana nonprofit hospital system" means a hospital that:

(1) is organized as a nonprofit corporation or a charitable trust under Indiana law or the laws of any other state or country and that is:

- (A) eligible for tax exempt bond financing; or
- (B) exempt from state or local taxes;

SEC. 5 – Ind. Code § 6-1.1-10-16(r) – Effective January 1, 2027



HEA 1406 – Nonprofit Hospital System Exemption

- (2) is licensed under [IC 16-21-2](#);
- (3) filed jointly one (1) hospital audited financial statement with the Indiana department of health in 2021; and
- (4) has an annual patient service revenue derived in Indiana of at least two billion dollars (\$2,000,000,000) based on the hospital system's most recently submitted audited financial statements submitted under [IC 16-21-6-13](#). As used in this subdivision, "patient service revenue" includes similar terms, including net patient service revenue and patient care service revenue.



HEA 1406 – Nonprofit Hospital System Exemption

- HEA 1406 – Nonprofit Hospital System Exemption
- A tract of land of a nonprofit hospital system is exempt if:
 - it is purchased for the purpose of erecting a building that is to be owned, occupied, and used in such a manner that the building will be exempt under Ind. Code § 6-1.1-10-16(a) or (b) (exemptions for educational, literary, scientific, religious, or charitable purposes); and
 - the nonprofit hospital system proves it has been issued a certificate of occupancy (or has submitted a certificate of completion and compliance, if applicable) within four years of purchasing the property.

SEC. 5 – Ind. Code § 6-1.1-10-16(r) – Effective January 1, 2027



HEA 1406 – Nonprofit Hospital System Exemption

- HEA 1406 – Nonprofit Hospital System Exemption
- If the nonprofit hospital system sells, leases, or otherwise transfers the exempt land, it is liable for taxes that were not imposed on the land during the period beginning January 1, of the fourth year following the purchase of the property and ending on December 31 of the year of the sale, lease or transfer. The county auditor of the county in which the land is located may establish an installment plan for the repayment of taxes due, which may allow the repayment of taxes over a period of years equal to the number of years for which property taxes must be repaid under this subsection.

SEC. 5 – Ind. Code § 6-1.1-10-16(r) – Effective January 1, 2027



HEA 1210 – Indiana Nonprofit Senior Living Communities

- HEA 1210 – Indiana Nonprofit Senior Living Communities
- Adds Ind. Code § 6-1.1-10.2 as a new chapter.
 - Sec. 1 – “It is the intent of the general assembly that Indiana nonprofit senior living communities identified in this chapter that also meet the requirements set out in this chapter be exempt from property taxation, including real and tangible property.”

SEC. 41 – Ind. Code § 6-1.1-10.2 – Effective January 1, 2026



HEA 1210 – Indiana Nonprofit Senior Living Communities

- HEA 1210 – Indiana Nonprofit Senior Living Communities
 - Sec. 2 – All or part of a building is exempt if owned by an Indiana nonprofit entity that is:
 - registered as a continuing care retirement community under Ind. Code § 23-2-4;
 - defined as a small house health facility under Ind. Code § 16-18-2-331.9; or
 - licensed as a health care or residential care facility under Ind. Code § 16-28.

SEC. 41 – Ind. Code § 6-1.1-10.2 – Effective January 1, 2026



HEA 1210 – Indiana Nonprofit Senior Living Communities

- HEA 1210 – Indiana Nonprofit Senior Living Communities
 - Sec. 3 – Tangible personal property is exempt if owned by an Indiana nonprofit entity that is:
 - registered as a continuing care retirement community under Ind. Code § 23-2-4;
 - defined as a small house health facility under Ind. Code § 16-18-2-331.9; or
 - licensed as a health care or residential care facility under Ind. Code § 16-28.

SEC. 41 – Ind. Code § 6-1.1-10.2 – Effective January 1, 2026



HEA 1210 – Indiana Historical Society Exemption

- HEA 1210 – Indiana Historical Society Exemption
 - Adds the Indiana Historical Society, Inc. to a list of organizations exempt from property taxation for tangible property owned by the organizations.
 - Exemption only applies if the property is exclusively used, and in the case of real property actually occupied, for the purposes and objectives of the organization.

SEC. 40 – Ind. Code § 6-1.1-10-25 – Effective January 1, 2026



Additional Information

- Additional information related to the various legislative changes from the 2026 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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