

HOUSE BILL No. 1220

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12-9; IC 6-1.1-20.6-8.5.

Synopsis: Tax deduction and credit for persons 65 or older. Increases, for purposes of the deduction for persons 65 or older: (1) the adjusted gross income threshold for an individual from \$30,000 to \$40,000; (2) the combined adjusted gross income threshold for an individual filing a joint return with the individual's spouse from \$40,000 to \$50,000; (3) the combined adjusted gross income for an individual and all other individuals that are joint tenants or tenants in common from \$40,000 to \$50,000; and (4) the maximum assessed value of the property subject to the deduction from \$240,000 to \$350,000. Increases, for purposes of the over 65 circuit breaker credit: (1) the adjusted gross income threshold for an individual from \$30,000 to \$40,000; (2) the combined adjusted gross income threshold for an individual filing a joint return with the individual's spouse from \$40,000 to \$50,000; and (3) the maximum assessed value of the property subject to the credit from \$240,000 to \$350,000. Makes conforming changes.

Effective: July 1, 2024.

Abbott, Payne

January 9, 2024, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1220

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-12-9, AS AMENDED BY P.L.239-2023,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2024]: Sec. 9. (a) An individual may obtain a deduction from
4 the assessed value of the individual's real property, or mobile home or
5 manufactured home which is not assessed as real property, if:
6 (1) the individual is at least sixty-five (65) years of age on or
7 before December 31 of the calendar year preceding the year in
8 which the deduction is claimed;
9 (2) for assessment dates before January 1, 2020, the combined
10 adjusted gross income (as defined in Section 62 of the Internal
11 Revenue Code) of:
12 (A) the individual and the individual's spouse; or
13 (B) the individual and all other individuals with whom:
14 (i) the individual shares ownership; or
15 (ii) the individual is purchasing the property under a
16 contract;
17 as joint tenants or tenants in common;



1 for the calendar year preceding the year in which the deduction is
 2 claimed did not exceed twenty-five thousand dollars (\$25,000);

3 (3) for assessment dates after December 31, 2019, **and before**
 4 **January 1, 2025:**

5 (A) the individual had, in the case of an individual who filed
 6 a single return, adjusted gross income (as defined in Section
 7 62 of the Internal Revenue Code) not exceeding thirty
 8 thousand dollars (\$30,000), and beginning for the January 1,
 9 2023, assessment date, and each assessment date thereafter,
 10 adjusted annually by an amount equal to the percentage cost
 11 of living increase applied for Social Security benefits for the
 12 immediately preceding calendar year;

13 (B) the individual had, in the case of an individual who filed
 14 a joint income tax return with the individual's spouse,
 15 combined adjusted gross income (as defined in Section 62 of
 16 the Internal Revenue Code) not exceeding forty thousand
 17 dollars (\$40,000), and beginning for the January 1, 2023,
 18 assessment date, and each assessment date thereafter, adjusted
 19 annually by an amount equal to the percentage cost of living
 20 increase applied for Social Security benefits for the
 21 immediately preceding calendar year; or

22 (C) the combined adjusted gross income (as defined in Section
 23 62 of the Internal Revenue Code) of the individual and all
 24 other individuals with whom:

25 (i) the individual shares ownership; or

26 (ii) the individual is purchasing the property under a
 27 contract;

28 as joint tenants or tenants in common did not exceed forty
 29 thousand dollars (\$40,000), and beginning for the January 1,
 30 2023, assessment date, and each assessment date thereafter,
 31 adjusted annually by an amount equal to the percentage cost
 32 of living increase applied for Social Security benefits for the
 33 immediately preceding calendar year;

34 for the calendar year preceding by two (2) years the calendar year
 35 in which the property taxes are first due and payable;

36 **(4) for assessment dates after December 31, 2024:**

37 **(A) the individual had, in the case of an individual who**
 38 **filed a single return, adjusted gross income (as defined in**
 39 **Section 62 of the Internal Revenue Code) not exceeding**
 40 **forty thousand dollars (\$40,000), and beginning for the**
 41 **January 1, 2026, assessment date, and each assessment**
 42 **date thereafter, adjusted annually by an amount equal to**



1 the percentage cost of living increase applied for Social
2 Security benefits for the immediately preceding calendar
3 year;
4 **(B) the individual had, in the case of an individual who**
5 **filed a joint income tax return with the individual's spouse,**
6 **combined adjusted gross income (as defined in Section 62**
7 **of the Internal Revenue Code) not exceeding fifty thousand**
8 **dollars (\$50,000), and beginning for the January 1, 2026,**
9 **assessment date, and each assessment date thereafter,**
10 **adjusted annually by an amount equal to the percentage**
11 **cost of living increase applied for Social Security benefits**
12 **for the immediately preceding calendar year; or**
13 **(C) the combined adjusted gross income (as defined in**
14 **Section 62 of the Internal Revenue Code) of the individual**
15 **and all other individuals with whom:**
16 **(i) the individual shares ownership; or**
17 **(ii) the individual is purchasing the property under a**
18 **contract;**
19 **as joint tenants or tenants in common did not exceed fifty**
20 **thousand dollars (\$50,000), and beginning for the January**
21 **1, 2026, assessment date, and each assessment date**
22 **thereafter, adjusted annually by an amount equal to the**
23 **percentage cost of living increase applied for Social**
24 **Security benefits for the immediately preceding calendar**
25 **year;**
26 **for the calendar year preceding by two (2) years the calendar**
27 **year in which the property taxes are first due and payable;**
28 ~~(4)~~ **(5) the individual has owned the real property, mobile home,**
29 **or manufactured home for at least one (1) year before claiming**
30 **the deduction; or the individual has been buying the real property,**
31 **mobile home, or manufactured home under a contract that**
32 **provides that the individual is to pay the property taxes on the real**
33 **property, mobile home, or manufactured home for at least one (1)**
34 **year before claiming the deduction, and the contract or a**
35 **memorandum of the contract is recorded in the county recorder's**
36 **office;**
37 ~~(5)~~ **(6) for assessment dates:**
38 **(A) before January 1, 2020, the individual and any individuals**
39 **covered by subdivision (2)(B) reside on the real property,**
40 **mobile home, or manufactured home; or**
41 **(B) after December 31, 2019, and before January 1, 2025,**
42 **the individual and any individuals covered by subdivision**



- 1 (3)(C) reside on the real property, mobile home, or
 2 manufactured home; or
 3 **(C) after December 31, 2024, the individual and any**
 4 **individuals covered by subdivision (4)(C) reside on the real**
 5 **property, mobile home, or manufactured home.**
 6 ~~(6)~~ (7) except as provided in subsection (i), the assessed value of
 7 the real property, mobile home, or manufactured home does not
 8 exceed ~~two hundred forty thousand dollars (\$240,000)~~: **three**
 9 **hundred fifty thousand dollars (\$350,000).**
 10 ~~(7)~~ (8) the individual receives no other property tax deduction for
 11 the year in which the deduction is claimed, except the deductions
 12 provided by sections 37, (for assessment dates after February 28,
 13 2008) 37.5, and 38 of this chapter; and
 14 ~~(8)~~ (9) the person:
 15 (A) owns the real property, mobile home, or manufactured
 16 home; or
 17 (B) is buying the real property, mobile home, or manufactured
 18 home under contract;
 19 on the date the statement required by section 10.1 of this chapter
 20 is filed.
 21 For purposes of applying the annual cost of living increases described
 22 in subdivision (3)(A) through (3)(C) **and subdivision (4)(A) through**
 23 **(4)(C)**, the annual percentage increase is applied to the adjusted
 24 amount of income from the immediately preceding year.
 25 (b) Except as provided in subsection (h), in the case of real property,
 26 an individual's deduction under this section equals the lesser of:
 27 (1) one-half (1/2) of the assessed value of the real property; or
 28 (2) fourteen thousand dollars (\$14,000).
 29 (c) Except as provided in subsection (h) and section 40.5 of this
 30 chapter, in the case of a mobile home that is not assessed as real
 31 property or a manufactured home which is not assessed as real
 32 property, an individual's deduction under this section equals the lesser
 33 of:
 34 (1) one-half (1/2) of the assessed value of the mobile home or
 35 manufactured home; or
 36 (2) fourteen thousand dollars (\$14,000).
 37 (d) An individual may not be denied the deduction provided under
 38 this section because the individual is absent from the real property,
 39 mobile home, or manufactured home while in a nursing home or
 40 hospital.
 41 (e) For purposes of this section, if real property, a mobile home, or
 42 a manufactured home is owned by:



1 (1) tenants by the entirety;

2 (2) joint tenants; or

3 (3) tenants in common;

4 only one (1) deduction may be allowed. However, the age requirement
5 is satisfied if any one (1) of the tenants is at least sixty-five (65) years
6 of age.

7 (f) A surviving spouse is entitled to the deduction provided by this
8 section if:

9 (1) the surviving spouse is at least sixty (60) years of age on or
10 before December 31 of the calendar year preceding the year in
11 which the deduction is claimed;

12 (2) the surviving spouse's deceased husband or wife was at least
13 sixty-five (65) years of age at the time of a death;

14 (3) the surviving spouse has not remarried; and

15 (4) the surviving spouse satisfies the requirements prescribed in
16 subsection (a)(2) through ~~(a)(8)~~: **(a)(9)**.

17 (g) An individual who has sold real property to another person
18 under a contract that provides that the contract buyer is to pay the
19 property taxes on the real property may not claim the deduction
20 provided under this section against that real property.

21 (h) In the case of tenants covered by subsection (a)(2)(B), ~~or~~
22 (a)(3)(C), **or (a)(4)(C)**, if all of the tenants are not at least sixty-five
23 (65) years of age, the deduction allowed under this section shall be
24 reduced by an amount equal to the deduction multiplied by a fraction.
25 The numerator of the fraction is the number of tenants who are not at
26 least sixty-five (65) years of age, and the denominator is the total
27 number of tenants.

28 (i) For purposes of determining the assessed value of the real
29 property, mobile home, or manufactured home under subsection ~~(a)(6)~~
30 **(a)(7)** for an individual who has received a deduction under this section
31 in a previous year, increases in assessed value that occur after the later
32 of:

33 (1) December 31, 2019; or

34 (2) the first year that the individual has received the deduction;
35 are not considered unless the increase in assessed value is attributable
36 to substantial renovation or new improvements. Where there is an
37 increase in assessed value for purposes of the deduction under this
38 section, the assessor shall provide a report to the county auditor
39 describing the substantial renovation or new improvements, if any, that
40 were made to the property prior to the increase in assessed value.

41 SECTION 2. IC 6-1.1-20.6-8.5, AS AMENDED BY P.L.239-2023,
42 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



- 1 JULY 1, 2024]; Sec. 8.5. (a) This section applies to an individual who:
 2 (1) qualified for a standard deduction granted under
 3 IC 6-1.1-12-37 for the individual's homestead property in the
 4 immediately preceding calendar year (or was married at the time
 5 of death to a deceased spouse who qualified for a standard
 6 deduction granted under IC 6-1.1-12-37 for the individual's
 7 homestead property in the immediately preceding calendar year);
 8 (2) qualifies for a standard deduction granted under
 9 IC 6-1.1-12-37 for the same homestead property in the current
 10 calendar year;
 11 (3) is or will be at least sixty-five (65) years of age on or before
 12 December 31 of the calendar year immediately preceding the
 13 current calendar year; ~~and~~
 14 (4) ~~had:~~ **for assessment dates before January 1, 2025:**
 15 (A) **the individual had**, in the case of an individual who filed
 16 a single return, adjusted gross income (as defined in Section
 17 62 of the Internal Revenue Code) not exceeding thirty
 18 thousand dollars (\$30,000), and beginning for the January 1,
 19 2023, assessment date, and each assessment date thereafter,
 20 adjusted annually by an amount equal to the percentage cost
 21 of living increase applied for Social Security benefits for the
 22 immediately preceding calendar year; or
 23 (B) **the individual had**, in the case of an individual who filed
 24 a joint income tax return with the individual's spouse,
 25 combined adjusted gross income (as defined in Section 62 of
 26 the Internal Revenue Code) not exceeding forty thousand
 27 dollars (\$40,000), and beginning for the January 1, 2023,
 28 assessment date, and each assessment date thereafter, adjusted
 29 annually by an amount equal to the percentage cost of living
 30 increase applied for Social Security benefits for the
 31 immediately preceding calendar year;
 32 for the calendar year preceding by two (2) years the calendar year
 33 in which property taxes are first due and payable; ~~and~~
 34 **(5) for assessment dates after December 31, 2024:**
 35 **(A) the individual had, in the case of an individual who**
 36 **filed a single return, adjusted gross income (as defined in**
 37 **Section 62 of the Internal Revenue Code) not exceeding**
 38 **forty thousand dollars (\$40,000), and beginning for the**
 39 **January 1, 2026, assessment date, and each assessment**
 40 **date thereafter, adjusted annually by an amount equal to**
 41 **the percentage cost of living increase applied for Social**
 42 **Security benefits for the immediately preceding calendar**



1 year; or
 2 **(B) the individual had, in the case of an individual who**
 3 **filed a joint income tax return with the individual's spouse,**
 4 **combined adjusted gross income (as defined in Section 62**
 5 **of the Internal Revenue Code) not exceeding fifty thousand**
 6 **dollars (\$50,000), and beginning for the January 1, 2026,**
 7 **assessment date, and each assessment date thereafter,**
 8 **adjusted annually by an amount equal to the percentage**
 9 **cost of living increase applied for Social Security benefits**
 10 **for the immediately preceding calendar year;**
 11 **for the calendar year preceding by two (2) years the calendar**
 12 **year in which property taxes are first due and payable.**

13 For purposes of applying the annual cost of living increases described
 14 in subdivision (4)(A) and (4)(B) **and subdivision (5)(A) and (5)(B),**
 15 the annual percentage increase is applied to the adjusted amount of
 16 income from the immediately preceding year.

17 (b) Except as provided in subsection (g), this section does not apply
 18 if:

19 (1) for an individual who received a credit under this section
 20 before January 1, 2020, the gross assessed value of the homestead
 21 on the assessment date for which property taxes are imposed is at
 22 least two hundred thousand dollars (\$200,000);

23 (2) for an individual who initially applies for a credit under this
 24 section after December 31, 2019, and before January 1, 2023, the
 25 assessed value of the individual's Indiana real property is at least
 26 two hundred thousand dollars (\$200,000); or

27 (3) for an individual who initially applies for a credit under this
 28 section after December 31, 2022, **and before January 1, 2025,**
 29 the assessed value of the individual's Indiana real property is at
 30 least two hundred forty thousand dollars (\$240,000); or

31 **(4) for an individual who initially applies for a credit under**
 32 **this section after December 31, 2024, the assessed value of the**
 33 **individual's Indiana real property is at least three hundred**
 34 **fifty thousand dollars (\$350,000).**

35 (c) An individual is entitled to an additional credit under this section
 36 for property taxes first due and payable for a calendar year on a
 37 homestead if:

38 (1) the individual and the homestead qualify for the credit under
 39 subsection (a) for the calendar year;

40 (2) the homestead is not disqualified for the credit under
 41 subsection (b) for the calendar year; and

42 (3) the filing requirements under subsection (e) are met.



1 (d) The amount of the credit is equal to the greater of zero (0) or the
2 result of:

3 (1) the property tax liability first due and payable on the
4 homestead property for the calendar year; minus

5 (2) the result of:

6 (A) the property tax liability first due and payable on the
7 qualified homestead property for the immediately preceding
8 year after the application of the credit granted under this
9 section for that year; multiplied by

10 (B) one and two hundredths (1.02).

11 However, property tax liability imposed on any improvements to or
12 expansion of the homestead property after the assessment date for
13 which property tax liability described in subdivision (2) was imposed
14 shall not be considered in determining the credit granted under this
15 section in the current calendar year.

16 (e) Applications for a credit under this section shall be filed in the
17 manner provided for an application for a deduction under
18 IC 6-1.1-12-9. However, an individual who remains eligible for the
19 credit in the following year is not required to file a statement to apply
20 for the credit in the following year. An individual who receives a credit
21 under this section in a particular year and who becomes ineligible for
22 the credit in the following year shall notify the auditor of the county in
23 which the homestead is located of the individual's ineligibility not later
24 than sixty (60) days after the individual becomes ineligible.

25 (f) The auditor of each county shall, in a particular year, apply a
26 credit provided under this section to each individual who received the
27 credit in the preceding year unless the auditor determines that the
28 individual is no longer eligible for the credit.

29 (g) For purposes of determining the:

30 (1) assessed value of the homestead on the assessment date for
31 which property taxes are imposed under subsection (b)(1); **or**

32 (2) assessed value of the individual's Indiana real property under
33 subsection (b)(2), **(b)(3)**, or **(b)(4)**; **or**

34 ~~(3) assessed value of the individual's Indiana real property under~~
35 ~~subsection (b)(3);~~

36 for an individual who has received a credit under this section in a
37 previous year, increases in assessed value that occur after the later of
38 December 31, 2019, or the first year that the individual has received
39 the credit are not considered unless the increase in assessed value is
40 attributable to substantial renovation or new improvements. Where
41 there is an increase in assessed value for purposes of the credit under
42 this section, the assessor shall provide a report to the county auditor



1 describing the substantial renovation or new improvements, if any, that
2 were made to the property prior to the increase in assessed value.

3 SECTION 3. [EFFECTIVE JULY 1, 2024] **(a) IC 6-1.1-12-9 and**
4 **IC 6-1.1-20.6-8.5, both as amended by this act, applies to**
5 **assessment dates occurring after December 31, 2024.**

6 **(b) This SECTION expires January 1, 2027.**

