

# HOUSE BILL No. 1234

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-20.6.

**Synopsis:** Property tax limits on agricultural real property. Applies the 2% limitation on property taxes applicable to agricultural land to all agricultural real property, including buildings.

**Effective:** July 1, 2024.

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## Prescott, Culp

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

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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. 1234

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 6-1.1-20.6-0.6 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2024]: **Sec. 0.6. As used in this chapter,**  
4 **"agricultural real property" refers to real property assessed as**  
5 **agricultural real property under the real property assessment rules**  
6 **and guidelines of the department of local government finance,**  
7 **including agricultural land and buildings.**

8 SECTION 2. IC 6-1.1-20.6-2.5, AS AMENDED BY P.L.182-2023,  
9 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2024]: Sec. 2.5. As used in this chapter, "nonresidential real  
11 property" refers to real property that is not:  
12 (1) a homestead;  
13 (2) residential property;  
14 (3) long term care property; or  
15 (4) agricultural:  
16 (A) land, **for the purpose of property taxes first due and**  
17 **payable after 2009 and before 2025; and**



- 1                   **(B) real property, for the purpose of property taxes first**  
 2                   **due and payable after 2024.**  
 3                   SECTION 3. IC 6-1.1-20.6-7.5, AS AMENDED BY P.L.205-2013,  
 4                   SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5                   JULY 1, 2024]: Sec. 7.5. (a) A person is entitled to a credit against the  
 6                   person's property tax liability for property taxes first due and payable  
 7                   after 2009. The amount of the credit is the amount by which the  
 8                   person's property tax liability attributable to the person's:  
 9                   (1) homestead exceeds one percent (1%);  
 10                   (2) residential property exceeds two percent (2%);  
 11                   (3) long term care property exceeds two percent (2%);  
 12                   (4) agricultural:  
 13                       **(A) land exceeds two percent (2%), for property taxes first**  
 14                       **due and payable after 2009 and before 2025; and**  
 15                       **(B) real property exceeds two percent (2%), for property**  
 16                       **taxes first due and payable after 2024;**  
 17                   (5) nonresidential real property exceeds three percent (3%); or  
 18                   (6) personal property exceeds three percent (3%);  
 19                   of the gross assessed value of the property that is the basis for  
 20                   determination of property taxes for that calendar year.  
 21                   (b) This subsection applies to property taxes first due and payable  
 22                   after 2009. Property taxes imposed after being approved by the voters  
 23                   in a referendum or local public question shall not be considered for  
 24                   purposes of calculating a person's credit under this section.  
 25                   (c) This subsection applies to property taxes first due and payable  
 26                   after 2009. As used in this subsection, "eligible county" means only a  
 27                   county for which the general assembly determines in 2008 that limits  
 28                   to property tax liability under this chapter are expected to reduce in  
 29                   2010 the aggregate property tax revenue that would otherwise be  
 30                   collected by all units of local government and school corporations in  
 31                   the county by at least twenty percent (20%). Property taxes imposed in  
 32                   an eligible county:  
 33                   (1) to pay debt service:  
 34                       (A) on bonds issued before July 1, 2008; or  
 35                       (B) on bonds that:  
 36                           (i) are issued to refund bonds originally issued before July  
 37                           1, 2008; and  
 38                           (ii) have a maturity date that is not later than the maturity  
 39                           date of the bonds refunded;  
 40                   (2) to make lease payments on leases entered into before July 1,  
 41                   2008, to secure bonds;  
 42                   (3) to make lease payments on leases:



1 (A) that are amended to refund bonds secured by leases  
2 entered into before July 1, 2008; and  
3 (B) that have a term that is not longer than the term of the  
4 leases amended; or  
5 (4) to make lease payments on leases:  
6 (A) that secure bonds:  
7 (i) issued to refund bonds originally issued before July 1,  
8 2008; and  
9 (ii) that have a maturity date that is not later than the  
10 maturity date of the bonds refunded; and  
11 (B) that have a term that ends not later than the maturity date  
12 of the bonds refunded;  
13 shall not be considered for purposes of calculating a person's credit  
14 under this section.

