

# HOUSE BILL No. 1051

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## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Property tax relief. Permits counties, cities, and towns (including Marion County) to establish a neighborhood enhancement property tax relief program (program) to provide an assessed value deduction for longtime owner-occupants of homesteads having an assessed value of not more than \$200,000 in certain designated areas. Authorizes the redevelopment commission (or the metropolitan development commission in the case of Marion County) to identify the areas for purposes of the program based on specified conditions. Requires the county auditor to notify each owner of property that qualifies for a deduction under a program and provide the owner with an application for the deduction. Requires an owner of property that qualifies for a deduction to apply to the county auditor to receive the deduction. Provides a penalty for wrongly receiving the deduction that is the same as the penalty for wrongly receiving the homestead standard deduction.

**Effective:** July 1, 2023.

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January 9, 2023, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

## HOUSE BILL No. 1051

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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 6-1.1-12-17.8, AS AMENDED BY P.L.174-2022,  
2 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2023]: Sec. 17.8. (a) An individual who receives a deduction  
4 provided under section 9, 11, 13, 14, 16, 17.4 (before its expiration), or  
5 37 of this chapter **or IC 6-1.1-48.2** in a particular year and who  
6 remains eligible for the deduction in the following year is not required  
7 to file a statement to apply for the deduction in the following year.  
8 However, for purposes of a deduction under section 37 of this chapter,  
9 the county auditor may, in the county auditor's discretion, terminate the  
10 deduction for assessment dates after January 15, 2012, if the individual  
11 does not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired  
12 January 1, 2015), as determined by the county auditor, before January  
13 1, 2013. Before the county auditor terminates the deduction because  
14 the taxpayer claiming the deduction did not comply with the  
15 requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before  
16 January 1, 2013, the county auditor shall mail notice of the proposed  
17 termination of the deduction to:

2023

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1 (1) the last known address of each person liable for any property  
 2 taxes or special assessment, as shown on the tax duplicate or  
 3 special assessment records; or

4 (2) the last known address of the most recent owner shown in the  
 5 transfer book.

6 (b) An individual who receives a deduction provided under section  
 7 9, 11, 13, 14, 16, or 17.4 (before its expiration) of this chapter in a  
 8 particular year and who becomes ineligible for the deduction in the  
 9 following year shall notify the auditor of the county in which the real  
 10 property, mobile home, or manufactured home for which the individual  
 11 claims the deduction is located of the individual's ineligibility in the  
 12 year in which the individual becomes ineligible. An individual who  
 13 becomes ineligible for a deduction under section 37 of this chapter  
 14 shall notify the county auditor of the county in which the property is  
 15 located in conformity with section 37 of this chapter.

16 (c) The auditor of each county shall, in a particular year, apply a  
 17 deduction provided under section 9, 11, 13, 14, 16, 17.4 (before its  
 18 expiration), or 37 of this chapter **or IC 6-1.1-48.2** to each individual  
 19 who received the deduction in the preceding year unless the auditor  
 20 determines that the individual is no longer eligible for the deduction.

21 (d) An individual who receives a deduction provided under section  
 22 9, 11, 13, 14, 16, 17.4 (before its expiration), or 37 of this chapter **or**  
 23 **IC 6-1.1-48.2** for property that is jointly held with another owner in a  
 24 particular year and remains eligible for the deduction in the following  
 25 year is not required to file a statement to reapply for the deduction  
 26 following the removal of the joint owner if:

27 (1) the individual is the sole owner of the property following the  
 28 death of the individual's spouse; or

29 (2) the individual is the sole owner of the property following the  
 30 death of a joint owner who was not the individual's spouse.

31 If a county auditor terminates a deduction under section 9 of this  
 32 chapter, a deduction under section 37 of this chapter, or a credit under  
 33 IC 6-1.1-20.6-8.5 after June 30, 2017, and before May 1, 2019, because  
 34 the taxpayer claiming the deduction or credit did not comply with a  
 35 requirement added to this subsection by P.L.255-2017 to reapply for  
 36 the deduction or credit, the county auditor shall reinstate the deduction  
 37 or credit if the taxpayer provides proof that the taxpayer is eligible for  
 38 the deduction or credit and is not claiming the deduction or credit for  
 39 any other property.

40 (e) A trust entitled to a deduction under section 9, 11, 13, 14, 16,  
 41 17.4 (before its expiration), or 37 of this chapter for real property  
 42 owned by the trust and occupied by an individual in accordance with



1 section 17.9 of this chapter is not required to file a statement to apply  
2 for the deduction, if:

- 3 (1) the individual who occupies the real property receives a  
4 deduction provided under section 9, 11, 13, 14, 16, 17.4 (before  
5 its expiration), or 37 of this chapter in a particular year; and  
6 (2) the trust remains eligible for the deduction in the following  
7 year.

8 However, for purposes of a deduction under section 37 of this chapter,  
9 the individuals that qualify the trust for a deduction must comply with  
10 the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015)  
11 before January 1, 2013.

12 (f) A cooperative housing corporation (as defined in 26 U.S.C. 216)  
13 that is entitled to a deduction under section 37 of this chapter in the  
14 immediately preceding calendar year for a homestead (as defined in  
15 section 37 of this chapter) is not required to file a statement to apply for  
16 the deduction for the current calendar year if the cooperative housing  
17 corporation remains eligible for the deduction for the current calendar  
18 year. However, the county auditor may, in the county auditor's  
19 discretion, terminate the deduction for assessment dates after January  
20 15, 2012, if the individual does not comply with the requirement in  
21 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the  
22 county auditor, before January 1, 2013. Before the county auditor  
23 terminates a deduction because the taxpayer claiming the deduction did  
24 not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired  
25 January 1, 2015) before January 1, 2013, the county auditor shall mail  
26 notice of the proposed termination of the deduction to:

- 27 (1) the last known address of each person liable for any property  
28 taxes or special assessment, as shown on the tax duplicate or  
29 special assessment records; or  
30 (2) the last known address of the most recent owner shown in the  
31 transfer book.

32 (g) An individual who:

- 33 (1) was eligible for a homestead credit under IC 6-1.1-20.9  
34 (repealed) for property taxes imposed for the March 1, 2007, or  
35 January 15, 2008, assessment date; or  
36 (2) would have been eligible for a homestead credit under  
37 IC 6-1.1-20.9 (repealed) for property taxes imposed for the March  
38 1, 2008, or January 15, 2009, assessment date if IC 6-1.1-20.9 had  
39 not been repealed;

40 is not required to file a statement to apply for a deduction under section  
41 37 of this chapter if the individual remains eligible for the deduction in  
42 the current year. An individual who filed for a homestead credit under



1 IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if  
 2 the property is real property), or after January 1, 2008 (if the property  
 3 is personal property), shall be treated as an individual who has filed for  
 4 a deduction under section 37 of this chapter. However, the county  
 5 auditor may, in the county auditor's discretion, terminate the deduction  
 6 for assessment dates after January 15, 2012, if the individual does not  
 7 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January  
 8 1, 2015), as determined by the county auditor, before January 1, 2013.  
 9 Before the county auditor terminates the deduction because the  
 10 taxpayer claiming the deduction did not comply with the requirement  
 11 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,  
 12 2013, the county auditor shall mail notice of the proposed termination  
 13 of the deduction to the last known address of each person liable for any  
 14 property taxes or special assessment, as shown on the tax duplicate or  
 15 special assessment records, or to the last known address of the most  
 16 recent owner shown in the transfer book.

17 (h) If a county auditor terminates a deduction because the taxpayer  
 18 claiming the deduction did not comply with the requirement in  
 19 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013,  
 20 the county auditor shall reinstate the deduction if the taxpayer provides  
 21 proof that the taxpayer is eligible for the deduction and is not claiming  
 22 the deduction for any other property.

23 (i) A taxpayer described in section 37(k) of this chapter is not  
 24 required to file a statement to apply for the deduction provided by  
 25 section 37 of this chapter for a calendar year beginning after December  
 26 31, 2008, if the property owned by the taxpayer remains eligible for the  
 27 deduction for that calendar year. However, the county auditor may  
 28 terminate the deduction for assessment dates after January 15, 2012, if  
 29 the individual residing on the property owned by the taxpayer does not  
 30 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January  
 31 1, 2015), as determined by the county auditor, before January 1, 2013.  
 32 Before the county auditor terminates a deduction because the  
 33 individual residing on the property did not comply with the  
 34 requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before  
 35 January 1, 2013, the county auditor shall mail notice of the proposed  
 36 termination of the deduction to:

- 37 (1) the last known address of each person liable for any property  
 38 taxes or special assessment, as shown on the tax duplicate or  
 39 special assessment records; or
- 40 (2) the last known address of the most recent owner shown in the  
 41 transfer book.

42 SECTION 2. IC 6-1.1-48.2 IS ADDED TO THE INDIANA CODE



1 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2023]:

3 **Chapter 48.2. Neighborhood Enhancement Property Tax Relief**  
4 **Program**

5 **Sec. 1.** As used in this chapter, "designated area" refers to a  
6 geographic territory identified as a designated area by a  
7 redevelopment commission under section 7 of this chapter and  
8 established as a designated area in a neighborhood enhancement  
9 property tax relief program adopted under section 8 of this  
10 chapter.

11 **Sec. 2.** As used in this chapter, "enhancement base value" means  
12 the net assessed value for a qualified homestead on the assessment  
13 date immediately preceding the assessment date to which the  
14 deduction under this chapter is first being applied to that qualified  
15 homestead.

16 **Sec. 3.** As used in this chapter, "homestead" refers to a  
17 homestead that has been granted a standard deduction under  
18 IC 6-1.1-12-37. However, the term does not include a residence that  
19 an individual is entitled to occupy as a tenant-stockholder (as  
20 defined in 26 U.S.C. 216) of a cooperative housing corporation (as  
21 defined in 26 U.S.C. 216).

22 **Sec. 4.** As used in this chapter, "longtime owner-occupant"  
23 means any individual who has, or joint property owners who all  
24 have, owned and occupied the same homestead as a principal  
25 residence and domicile for at least the immediately preceding ten  
26 (10) annual assessment dates before the assessment date to which  
27 the neighborhood enhancement property tax relief program first  
28 applies.

29 **Sec. 5.** As used in this chapter, "qualified homestead" means a  
30 homestead that:

- 31 (1) is located in a designated area;
- 32 (2) is owned by a longtime owner-occupant; and
- 33 (3) has a gross assessed value of not more than two hundred  
34 thousand dollars (\$200,000) on the assessment date of the year  
35 before the year the neighborhood enhancement property tax  
36 relief program first applies.

37 **Sec. 6.** As used in this chapter, "redevelopment commission"  
38 refers to:

- 39 (1) a redevelopment commission established under  
40 IC 36-7-14-3 by a county, city, or town; or
- 41 (2) the metropolitan development commission acting as the  
42 redevelopment commission of a consolidated city under



1           **IC 36-7-15.1.**

2           **Sec. 7. (a) A redevelopment commission may identify an area in**  
 3 **a county, city, or town within the jurisdiction of the redevelopment**  
 4 **commission as a designated area for purposes of this chapter in**  
 5 **consultation with the county auditor, the county treasurer, and the**  
 6 **county assessor.**

7           **(b) Except as provided in section 9 of this chapter, a designated**  
 8 **area must meet the following conditions:**

9           **(1) The area must be a long established residential area with**  
 10 **deteriorated, vacant, or abandoned residences and properties**  
 11 **where homestead values are:**

12           **(A) currently rising; or**

13           **(B) expected to rise;**

14 **markedly as a consequence of the refurbishing or renovating**  
 15 **of deteriorating residences in the area or the construction of**  
 16 **new residences in the area.**

17           **(2) The area must include at least five (5) homesteads.**

18           **(3) All of the areas designated by the redevelopment**  
 19 **commission in the county, city, or town (whichever is**  
 20 **applicable) in the aggregate may not exceed ten percent**  
 21 **(10%) of the geographic territory of the county, city, or town.**

22           **(c) If a redevelopment commission determines that an area**  
 23 **meets the conditions in subsection (b), the redevelopment**  
 24 **commission may adopt written findings identifying the area as a**  
 25 **designated area for purposes of this chapter, or modifying the**  
 26 **boundaries of an existing designated area under this chapter,**  
 27 **subject to subsection (d). Any written findings adopted by a**  
 28 **redevelopment commission must include:**

29           **(1) the geographic boundaries of the designated area;**

30           **(2) identification of each qualified homestead in the**  
 31 **designated area on the date of the written findings; and**

32           **(3) a description of the factors supporting the required**  
 33 **conditions for designating the area.**

34 **A redevelopment commission must provide a certified copy of any**  
 35 **written findings adopted under this subsection to the applicable**  
 36 **adopting body under section 8 of this chapter not less than five (5)**  
 37 **days after the findings are adopted.**

38           **(d) A redevelopment commission may not:**

39           **(1) adopt findings to reduce or expand the boundaries of an**  
 40 **existing designated area in a manner that would exclude any**  
 41 **qualified homestead in the existing designated area from the**  
 42 **boundaries of the modified designated area; or**



1           (2) adopt findings to expand the boundaries of an existing  
2           designated area unless the designated area as expanded meets  
3           the conditions in subsection (b).

4           Sec. 8. (a) The city-county council in a county having a  
5           consolidated city may, after receiving written findings identifying  
6           a designated area under section 7 of this chapter, adopt an  
7           ordinance or a resolution to establish a neighborhood enhancement  
8           property tax relief program providing for a real property assessed  
9           value deduction to owners of qualified homesteads in the  
10          designated area. The designated area may only be within the  
11          territorial jurisdiction of the city. A designated area may be  
12          subsequently modified as set forth in subsection (c).

13          (b) A board of county commissioners in a county not having a  
14          consolidated city, a county council, a city common council, or a  
15          town council may, after receiving written findings identifying a  
16          designated area under section 7 of this chapter, adopt an ordinance  
17          or a resolution to establish a neighborhood enhancement property  
18          tax relief program providing for a real property assessed value  
19          deduction to owners of qualified homesteads in the designated  
20          area. A board of county commissioners or a county council may  
21          designate an area only within the unincorporated area of the  
22          county. For a city or town, the designated area may only be within  
23          the territorial jurisdiction of the city or town. A designated area  
24          may be subsequently modified as set forth in subsection (c).

25          (c) If, after establishing a designated area under subsection (a)  
26          or (b), the adopting body receives written findings for a  
27          modification of the designated area under section 7 of this chapter,  
28          the adopting body may modify the existing designated area to  
29          either expand or reduce the geographic boundaries of the  
30          designated area using the same procedures and subject to the same  
31          restrictions that apply to the establishment of a designated area  
32          under this section.

33          (d) Before adopting an ordinance or a resolution establishing or  
34          modifying a neighborhood enhancement property tax relief  
35          program and a designated area under this section, the adopting  
36          body shall conduct a public hearing in compliance with IC 5-14-1.5  
37          on the proposed ordinance or resolution.

38          (e) The ordinance or resolution establishing or modifying a  
39          neighborhood enhancement property tax relief program under this  
40          section must include a boundary description of each designated  
41          area in which a homestead is eligible to be a qualified homestead.

42          (f) Notwithstanding any other provision of this chapter, an





1 adopting body may not rescind a neighborhood enhancement  
 2 property tax relief program establishing a designated area under  
 3 this section as long as one (1) or more qualifying homesteads that  
 4 are receiving the deduction under this chapter remain in that  
 5 designated area.

6 **Sec. 9.** An adopting body under section 8 of this chapter may  
 7 adopt an ordinance or resolution authorizing a redevelopment  
 8 commission to apply additional requirements for an owner or  
 9 homestead to qualify for purposes of designating an area under  
 10 section 7 of this chapter. The additional requirements must be the  
 11 same for all designated areas. The ordinance or resolution may  
 12 include the following:

13 (1) A maximum geographic territory for all designated areas  
 14 that is less than the maximum area otherwise specified in  
 15 section 7 of this chapter.

16 (2) A maximum net assessed value for a homestead to qualify  
 17 under the program that is less than the maximum assessed  
 18 value otherwise specified in section 5 of this chapter.

19 (3) A minimum number of homesteads that must be located in  
 20 an area that is greater than the minimum number of  
 21 homesteads otherwise specified in section 7 of this chapter.

22 (4) Allowing an individual to be considered a longtime  
 23 owner-occupant who did not own the homestead for the ten  
 24 (10) annual assessment dates immediately preceding the  
 25 assessment date to which the program first applies but who  
 26 owned the homestead for the ten (10) annual assessment dates  
 27 immediately preceding the assessment date the deduction  
 28 would first apply to that owner. A condition adopted under  
 29 this subdivision may include a requirement for the individual  
 30 to provide substantiating information in the application  
 31 submitted to the county auditor for the deduction.

32 (5) Any other provision not inconsistent with this chapter.

33 However, a program may not include the income of the owner as  
 34 a condition for having a qualified homestead.

35 **Sec. 10. (a)** The deduction under this chapter is first applicable  
 36 to the assessment date in the year the homestead becomes a  
 37 qualified homestead under the program for property taxes first  
 38 due and payable in the following year.

39 (b) The amount of the deduction for a qualified homestead is  
 40 determined as follows:

41 **STEP ONE: Determine:**

42 (A) the net assessed value for the qualified homestead for



1 the assessment date before applying the deduction for that  
2 assessment date; minus

3 **(B) that part of the assessed value that is:**

4 **(i) attributable to additions to the qualified homestead or**  
5 **parcel; and**

6 **(ii) being included in the gross assessed value of the**  
7 **qualified homestead since the assessment date that was**  
8 **used to determine the enhancement base value.**

9 **STEP TWO: Determine:**

10 **(A) the enhancement base value for the qualified**  
11 **homestead; multiplied by**

12 **(B) the sum of:**

13 **(i) one hundred three percent (103%); plus**

14 **(ii) three percent (3%) for each year after the first year**  
15 **the deduction is applied.**

16 **STEP THREE: Determine the greater of zero (0) or:**

17 **(A) the STEP ONE amount; minus**

18 **(B) the STEP TWO amount.**

19 **Sec. 11. (a) If a neighborhood enhancement property tax relief**  
20 **program is established under this chapter, the county assessor shall**  
21 **provide to the county auditor a list by parcel number of the**  
22 **qualified homesteads in each designated area, and the county**  
23 **auditor shall send a letter by certified mail to the owner of each**  
24 **qualified homestead that includes an application for a deduction**  
25 **under this chapter, notifies the owner of the deduction, and advises**  
26 **the owner of the following:**

27 **(1) The owner's property is a qualified homestead that is**  
28 **eligible for a deduction under the program.**

29 **(2) The owner may claim the deduction under the program by**  
30 **completing and submitting the enclosed application to the**  
31 **county auditor not later than a specified number of days from**  
32 **the mailing date of the letter.**

33 **The redevelopment commission that identified the designated area**  
34 **shall reimburse the county auditor for the cost of the certified**  
35 **mailings of the letters under this subsection.**

36 **(b) An owner of a qualified homestead is required to apply to**  
37 **receive the deduction provided by the program. If an owner of a**  
38 **qualified homestead submits a completed application for a**  
39 **deduction under the program to the county auditor, the county**  
40 **auditor shall record and make the deduction for the person**  
41 **qualifying for the deduction under this chapter for the next**  
42 **following assessment date.**



1 (c) Each qualified homestead is eligible for only one (1)  
 2 deduction under this chapter regardless of the number of owners  
 3 of the homestead. If the ownership of a qualified homestead  
 4 changes, the county auditor shall remove the designation as a  
 5 qualified homestead and remove the deduction effective on the  
 6 assessment date in that year.

7 (d) The county auditor shall, in a particular year, apply the  
 8 deduction provided under this chapter to the qualified homestead  
 9 that received the deduction in the preceding year unless the county  
 10 auditor determines that the homestead is no longer a qualified  
 11 homestead.

12 **Sec. 12. (a) If an individual who is receiving the deduction**  
 13 **provided by this chapter:**

14 (1) knows or should have known that the individual does not  
 15 qualify for the deduction under this chapter; or

16 (2) changes the use of the individual's property so that part or  
 17 all of the property no longer qualifies for the deduction under  
 18 this chapter;

19 the individual must file a certified statement with the county  
 20 auditor, notifying the county auditor of the applicable  
 21 circumstance under subdivision (1) or (2), not more than sixty (60)  
 22 days after the date a circumstance described in subdivision (1) or  
 23 (2) first applies.

24 (b) An individual who fails to file the statement required by this  
 25 section is liable for any additional taxes that would have been due  
 26 on the property if the individual had filed the statement as  
 27 required by this section, plus a civil penalty equal to ten percent  
 28 (10%) of the additional taxes due. The additional taxes owed plus  
 29 the civil penalty become part of the property tax liability for  
 30 purposes of this article.

31 (c) The civil penalty imposed under this section is in addition to  
 32 any interest and penalties for a delinquent payment that might  
 33 otherwise be due. One percent (1%) of the total civil penalty  
 34 collected under this section shall be transferred by the county to  
 35 the department of local government finance for use by the  
 36 department in establishing and maintaining the homestead  
 37 property data base under IC 6-1.1-12-37(i) and, to the extent there  
 38 is money remaining, for any other purposes of the department.

39 **Sec. 13. The department of local government finance may adopt**  
 40 **rules or guidelines concerning the deduction under this chapter not**  
 41 **later than July 1, 2024.**

