

HOUSE BILL No. 1189

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-46.

Synopsis: Property taxes. Permits the department of local government finance, with the approval of the attorney general, to waive all or part of the property taxes imposed on property owned by a: (1) nonprofit corporation organized for educational, literary, scientific, religious, or charitable purposes; or (2) nonprofit entity, other than a corporation, that is organized as a church or religious entity. Provides that certain requirements must be met before a taxpayer's property tax liability may be waived.

Effective: July 1, 2015.

Smith V, Truitt

January 12, 2015, read first time and referred to Committee on Ways and Means.



First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1189



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 6-1.1-46 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]:
4 **Chapter 46. Property Tax Waiver for Qualified Nonprofit**
5 **Entities**
6 **Sec. 1. This chapter applies to property taxes that are due and**
7 **unpaid after June 30, 2015, regardless of whether the property**
8 **taxes were imposed for an assessment date occurring before, on, or**
9 **after July 1, 2015.**
10 **Sec. 2. As used in this chapter, "department" refers to the**
11 **department of local government finance.**
12 **Sec. 3. As used in this chapter, "property tax liability" means**
13 **liability for the tax imposed on property under this article**
14 **determined after application of all credits and deductions under**
15 **this article. However, the term does not include any interest or**



1 penalty imposed under this article.

2 **Sec. 4. As used in this chapter, "qualified taxpayer" means:**

3 **(1) a nonprofit corporation that is:**

4 **(A) organized under or subject to IC 23-17; and**

5 **(B) organized for educational, literary, scientific, religious,**
6 **or charitable purposes; or**

7 **(2) a nonprofit entity, other than a corporation, that is**
8 **organized as a church or religious entity.**

9 **Sec. 5. With the approval of the attorney general, the**
10 **department may waive all or part of the property tax liability on**
11 **the real or personal property owned by a qualified taxpayer if the**
12 **following requirements are met:**

13 **(1) The property for which the qualified taxpayer requests a**
14 **waiver of all or part of its property tax liability is either of the**
15 **following:**

16 **(A) A property that would have been exempt from**
17 **property taxation for the assessment date for which**
18 **property taxes were imposed if a timely exemption**
19 **application had been filed for that assessment date.**

20 **(B) A property that was acquired by the qualified taxpayer**
21 **to be owned, operated, and used for a purpose that entitles**
22 **the qualified taxpayer to a property tax exemption under**
23 **IC 6-1.1-10 and the property taxes from which the**
24 **qualified taxpayer seeks relief were imposed on the**
25 **property before the qualified taxpayer acquired the**
26 **property.**

27 **(2) The department determines that waiving all or part of the**
28 **qualified taxpayer's property tax liability is in the best**
29 **interest of the state and the taxing units affected by an**
30 **approved waiver.**

31 **Sec. 6. (a) To obtain a waiver of all or part of the qualified**
32 **taxpayer's property tax liability under section 5 of this chapter, the**
33 **qualified taxpayer must:**

34 **(1) request the waiver on a form prescribed by the**
35 **department; and**

36 **(2) submit the request form to the department in the manner**
37 **required by the department.**

38 **(b) Before submitting the waiver request form required by**
39 **subsection (a) to the department, a qualified taxpayer shall have**
40 **the waiver request form signed and approved by:**

41 **(1) the county auditor, the county assessor, and the county**
42 **treasurer of the county in which the qualified taxpayer's**



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property is located; and
(2) the township assessor of the township in which the property is located (if there is a township assessor for the township in which the property is located).

Sec. 7. In determining whether waiving all or part of the qualified taxpayer's property tax liability under section 5 of this chapter is in the best interest of the state and the affected taxing units, the department shall consider the following:

- (1) The location of the property subject to the requested waiver.
- (2) The services that the qualified taxpayer provides to its members and the community.
- (3) The economic and social conditions existing in the qualified taxpayer's service area.
- (4) Any other factors that show that the presence of the qualified taxpayer is beneficial to the residents and taxing units of the communities affected by the requested waiver.
- (5) Whether waiving the qualified taxpayer's property tax liability will expedite the payment of the remaining property tax liability, if any.

Sec. 8. If the department waives any part of a qualified taxpayer's property tax liability under section 5 of this chapter, all of the penalties and interest due at the time the waiver is granted are canceled.

Sec. 9. The following apply if the department waives only part of a taxpayer's property tax liability:

- (1) The department shall promptly notify the appropriate county auditor of the amount of the property tax liability waived under section 5 of this chapter and the amount of the qualified taxpayer's remaining property tax liability.
- (2) The county treasurer shall bill the qualified taxpayer for the remaining property tax liability in accordance with this article.
- (3) Except as provided in section 8 of this chapter, the qualified taxpayer's remaining property tax liability is due and payable in accordance with this article.
- (4) The property taxes collected from the qualified taxpayer must be allocated proportionately among the taxing units imposing the property taxes according to the amount levied by each taxing unit.

Sec. 10. The authority granted to the department to waive all or part of a taxpayer's property tax liability under section 5 of this



1 **chapter does not limit any other procedure or remedy provided by**
2 **law, including the reinstatement of a property tax exemption under**
3 **IC 6-1.1-11-4(f).**

