

HOUSE BILL No. 1345

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12.

Synopsis: Property tax deductions for veterans. Authorizes the fiscal body of a county to adopt an ordinance to allow a property tax deduction to veterans of World War II, the Korean Conflict, and the Vietnam Conflict. Provides that the deduction is subject to the same procedures and eligibility limits as the expired deduction for World War I veterans. Authorizes the fiscal body of a county to adopt an ordinance to provide a property tax deduction to the surviving spouses of veterans of World War II, the Korean Conflict, and the Vietnam Conflict that is equivalent to the current property tax deduction for surviving spouses of World War I veterans. Provides that properties remain subject to the deduction following the repeal of a deduction ordinance as long as the owner and the property remain otherwise eligible for the deduction.

Effective: July 1, 2017.

Moseley

January 12, 2017, read first time and referred to Committee on Ways and Means.



First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

HOUSE BILL No. 1345

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 6-1.1-12-16, AS AMENDED BY P.L.1-2009,
2 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]: Sec. 16. (a) Except as provided in section 40.5 of this
4 chapter, a surviving spouse may have the sum of eighteen thousand
5 seven hundred twenty dollars (\$18,720) deducted from the assessed
6 value of his or her tangible property, or real property, mobile home not
7 assessed as real property, or manufactured home not assessed as real
8 property that the surviving spouse is buying under a contract that
9 provides that the surviving spouse is to pay property taxes on the real
10 property, mobile home, or manufactured home, if the contract or a
11 memorandum of the contract is recorded in the county recorder's office,
12 and if:
13 (1) the deceased spouse served in the military or naval forces of
14 the United States before November 12, 1918;
15 (2) the deceased spouse received an honorable discharge; and
16 (3) the surviving spouse:
17 (A) owns the real property, mobile home, or manufactured



1 home; or
 2 (B) is buying the real property, mobile home, or manufactured
 3 home under contract;
 4 on the date the statement required by section 17 of this chapter is
 5 filed.

6 **(b) For an assessment date occurring after December 31, 2017,**
 7 **the fiscal body of a county may adopt an ordinance to provide a**
 8 **deduction to the surviving spouse of a deceased veteran if the**
 9 **following requirements are met:**

10 **(1) The deceased veteran served in the military or naval forces**
 11 **of the United States at any time during any of the following**
 12 **periods:**

13 **(A) Beginning December 7, 1941, and ending December 31,**
 14 **1946 (World War II).**

15 **(B) Beginning June 27, 1950, and ending January 31, 1955**
 16 **(Korean Conflict).**

17 **(C) Beginning August 5, 1964, and ending May 7, 1975**
 18 **(Vietnam Conflict).**

19 **(2) The deceased veteran received an honorable discharge.**

20 **(3) The surviving spouse of the deceased veteran:**

21 **(A) owns the real property, mobile home, or manufactured**
 22 **home; or**

23 **(B) is buying the real property, mobile home, or**
 24 **manufactured home under contract;**

25 **on the date the statement required by section 17 of this**
 26 **chapter is filed.**

27 **An ordinance adopted under this subsection must provide that the**
 28 **amount of the deduction is equal to the amount of the deduction**
 29 **provided by subsection (a). All recording and other requirements**
 30 **imposed upon the ownership of the surviving spouse's property for**
 31 **a deduction provided under subsection (a) apply to a deduction**
 32 **provided under this subsection.**

33 **(b) (c)** A surviving spouse who receives the deduction provided by
 34 this section may not receive the deduction provided by section 13 of
 35 this chapter. However, he or she may receive any other deduction
 36 which he or she is entitled to by law.

37 **(c) (d)** An individual who has sold real property, a mobile home not
 38 assessed as real property, or a manufactured home not assessed as real
 39 property to another person under a contract that provides that the
 40 contract buyer is to pay the property taxes on the real property, mobile
 41 home, or manufactured home may not claim the deduction provided
 42 under this section against that real property, mobile home, or



1 manufactured home.

2 **(e) A county fiscal body may repeal a deduction ordinance**
 3 **adopted under subsection (b). However, if a county fiscal body**
 4 **repeals a deduction ordinance, the property of a surviving spouse**
 5 **that was subject to a deduction under subsection (b) on the**
 6 **assessment date immediately preceding the date of the repeal of the**
 7 **deduction ordinance remains subject to the deduction for as long**
 8 **as the surviving spouse and the property otherwise qualify for the**
 9 **deduction, notwithstanding the repeal of the deduction ordinance.**

10 SECTION 2. IC 6-1.1-12-17, AS AMENDED BY P.L.183-2014,
 11 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2017]: Sec. 17. **(a)** Except as provided in section 17.8 of this
 13 chapter and subject to section 45 of this chapter, a surviving spouse
 14 who desires to claim the deduction provided by section 16 of this
 15 chapter must file a statement with the auditor of the county in which
 16 the surviving spouse resides. With respect to real property, the
 17 statement must be completed and dated in the calendar year for which
 18 the person wishes to obtain the deduction and filed with the county
 19 auditor on or before January 5 of the immediately succeeding calendar
 20 year. With respect to a mobile home that is not assessed as real
 21 property or a manufactured home that is not assessed as real property,
 22 the statement must be filed during the twelve (12) months before
 23 March 31 of each year for which the individual wishes to obtain the
 24 deduction. The statement may be filed in person or by mail. If mailed,
 25 the mailing must be postmarked on or before the last day for filing. The
 26 statement shall contain:

- 27 (1) a sworn statement that the surviving spouse is entitled to the
 28 deduction; and
 29 (2) the record number and page where the contract or
 30 memorandum of the contract is recorded, if the individual is
 31 buying the real property on a contract that provides that the
 32 individual is to pay property taxes on the real property.

33 **(b)** In addition to the statement **required by subsection (a)**, the
 34 surviving spouse shall submit to the county auditor for the auditor's
 35 inspection a letter or certificate from the United States Department of
 36 Veterans Affairs establishing the service of the deceased spouse in the
 37 military or naval forces of the United States:

- 38 (1) before November 12, 1918; or
 39 (2) **during at least one (1) of the periods specified under**
 40 **section 16(b)(1) of this chapter if the surviving spouse resides**
 41 **in a county in which an ordinance adopted under section 16(b)**
 42 **of this chapter is in effect.**



1 SECTION 3. IC 6-1.1-12-17.1 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2017]: **Sec. 17.1. (a) As used in this section,**
 4 **"adopting county" means any Indiana county in which an**
 5 **ordinance adopted under subsection (c) is in effect.**

6 **(b) As used in this section, "eligible veteran" refers to an**
 7 **individual who has served as a member of the armed forces of the**
 8 **United States at any time during at least one (1) of the following**
 9 **periods:**

10 **(1) Beginning December 7, 1941, and ending December 31,**
 11 **1946 (World War II).**

12 **(2) Beginning June 27, 1950, and ending January 31, 1955**
 13 **(Korean Conflict).**

14 **(3) Beginning August 5, 1964, and ending May 7, 1975**
 15 **(Vietnam Conflict).**

16 **(c) For an assessment date occurring after December 31, 2017,**
 17 **the fiscal body of a county may adopt an ordinance to allow a**
 18 **property tax deduction to eligible veterans who meet the**
 19 **requirements of this section.**

20 **(d) Except as provided in section 40.5 of this chapter, an eligible**
 21 **veteran who is a resident of an adopting county is entitled to have**
 22 **the sum of eighteen thousand seven hundred twenty dollars**
 23 **(\$18,720) deducted from the assessed valuation of the real property**
 24 **(including a mobile home that is assessed as real property), mobile**
 25 **home that is not assessed as real property, or manufactured home**
 26 **that is not assessed as real property that the eligible veteran owns**
 27 **or is buying under a contract that requires the eligible veteran to**
 28 **pay property taxes on the real property, if the contract or a**
 29 **memorandum of the contract is recorded in the county recorder's**
 30 **office, if:**

31 **(1) the real property, mobile home, or manufactured home is**
 32 **the eligible veteran's principal residence;**

33 **(2) the assessed valuation of the real property, mobile home,**
 34 **or manufactured home does not exceed two hundred six**
 35 **thousand five hundred dollars (\$206,500);**

36 **(3) the eligible veteran owns the real property, mobile home,**
 37 **or manufactured home for at least one (1) year before**
 38 **claiming the deduction; and**

39 **(4) the eligible veteran:**

40 **(A) owns the real property, mobile home, or manufactured**
 41 **home; or**

42 **(B) is buying the real property, mobile home, or**



- 1 **manufactured home under contract;**
 2 **on the date the statement required by section 17.5 of this**
 3 **chapter is filed.**
- 4 **(e) An individual may not be denied the deduction provided by**
 5 **this section because the individual is absent from the individual's**
 6 **principal residence while in a nursing home or hospital.**
- 7 **(f) For purposes of this section, if real property, a mobile home,**
 8 **or a manufactured home is owned by a married couple as tenants**
 9 **by the entirety, only one (1) deduction may be allowed under this**
 10 **section. However, the deduction provided in this section applies if**
 11 **either spouse satisfies the requirements prescribed in subsection**
 12 **(d).**
- 13 **(g) An individual who has sold real property, a mobile home not**
 14 **assessed as real property, or a manufactured home not assessed as**
 15 **real property to another person under a contract that provides that**
 16 **the contract buyer is to pay the property taxes on the real**
 17 **property, mobile home, or manufactured home may not claim the**
 18 **deduction provided under this section with respect to that real**
 19 **property, mobile home, or manufactured home.**
- 20 **(h) A county fiscal body may repeal a deduction ordinance**
 21 **adopted under subsection (c). However, if a county fiscal body**
 22 **repeals a deduction ordinance, the property of an eligible veteran**
 23 **that was subject to a deduction under an ordinance adopted under**
 24 **subsection (c) on the assessment date immediately preceding the**
 25 **date of the repeal of the deduction ordinance remains subject to the**
 26 **deduction for as long as the eligible veteran and the property**
 27 **otherwise qualify for the deduction, notwithstanding the repeal of**
 28 **the deduction ordinance.**
- 29 SECTION 4. IC 6-1.1-12-17.5, AS AMENDED BY P.L.250-2015,
 30 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2017]: Sec. 17.5. (a) Except as provided in section 17.8 of this
 32 chapter and subject to section 45 of this chapter, a veteran who desires
 33 to claim the deduction provided in **section 17.1 of this chapter or**
 34 section 17.4 of this chapter (before its expiration) must file a sworn
 35 statement, on forms prescribed by the department of local government
 36 finance, with the auditor of the county in which the real property,
 37 mobile home, or manufactured home is assessed. With respect to real
 38 property, the veteran must complete and date the statement in the
 39 calendar year for which the veteran wishes to obtain the deduction and
 40 file the statement with the county auditor on or before January 5 of the
 41 immediately succeeding calendar year. With respect to a mobile home
 42 that is not assessed as real property or a manufactured home that is not



1 assessed as real property, the statement must be filed during the twelve
 2 (12) months before March 31 of each year for which the individual
 3 wishes to obtain the deduction. The statement may be filed in person
 4 or by mail. If mailed, the mailing must be postmarked on or before the
 5 last day for filing.

6 (b) The statement required under this section shall be in affidavit
 7 form or require verification under penalties of perjury. The statement
 8 shall be filed in duplicate if the veteran has, or is buying under a
 9 contract, real property in more than one (1) county or in more than one
 10 (1) taxing district in the same county. The statement shall contain:

- 11 (1) a description and the assessed value of the real property,
 12 mobile home, or manufactured home;
- 13 (2) the veteran's full name and complete residence address;
- 14 (3) the record number and page where the contract or
 15 memorandum of the contract is recorded, if the individual is
 16 buying the real property, mobile home, or manufactured home on
 17 a contract that provides that the individual is to pay property taxes
 18 on the real property, mobile home, or manufactured home; and
- 19 (4) any additional information that the department of local
 20 government finance may require.

21 SECTION 5. IC 6-1.1-12-17.8, AS AMENDED BY P.L.250-2015,
 22 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2017]: Sec. 17.8. (a) An individual who receives a deduction
 24 provided under section 1, 9, 11, 13, 14, 16, **17.1**, 17.4 (before its
 25 expiration), or 37 of this chapter in a particular year and who remains
 26 eligible for the deduction in the following year is not required to file a
 27 statement to apply for the deduction in the following year. However, for
 28 purposes of a deduction under section 37 of this chapter, the county
 29 auditor may, in the county auditor's discretion, terminate the deduction
 30 for assessment dates after January 15, 2012, if the individual does not
 31 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
 32 1, 2015), as determined by the county auditor, before January 1, 2013.
 33 Before the county auditor terminates the deduction because the
 34 taxpayer claiming the deduction did not comply with the requirement
 35 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,
 36 2013, the county auditor shall mail notice of the proposed termination
 37 of the deduction to:

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



1 (b) An individual who receives a deduction provided under section
2 1, 9, 11, 13, 14, 16, **17.1**, or 17.4 (before its expiration) of this chapter
3 in a particular year and who becomes ineligible for the deduction in the
4 following year shall notify the auditor of the county in which the real
5 property, mobile home, or manufactured home for which the individual
6 claims the deduction is located of the individual's ineligibility in the
7 year in which the individual becomes ineligible. An individual who
8 becomes ineligible for a deduction under section 37 of this chapter
9 shall notify the county auditor of the county in which the property is
10 located in conformity with section 37 of this chapter.

11 (c) The auditor of each county shall, in a particular year, apply a
12 deduction provided under section 1, 9, 11, 13, 14, 16, **17.1**, 17.4
13 (before its expiration), or 37 of this chapter to each individual who
14 received the deduction in the preceding year unless the auditor
15 determines that the individual is no longer eligible for the deduction.

16 (d) An individual who receives a deduction provided under section
17 1, 9, 11, 13, 14, 16, **17.1**, 17.4 (before its expiration), or 37 of this
18 chapter for property that is jointly held with another owner in a
19 particular year and remains eligible for the deduction in the following
20 year is not required to file a statement to reapply for the deduction
21 following the removal of the joint owner if:

- 22 (1) the individual is the sole owner of the property following the
23 death of the individual's spouse;
- 24 (2) the individual is the sole owner of the property following the
25 death of a joint owner who was not the individual's spouse; or
- 26 (3) the individual is awarded sole ownership of the property in a
27 divorce decree.

28 However, for purposes of a deduction under section 37 of this chapter,
29 if the removal of the joint owner occurs before the date that a notice
30 described in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) is sent, the
31 county auditor may, in the county auditor's discretion, terminate the
32 deduction for assessment dates after January 15, 2012, if the individual
33 does not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired
34 January 1, 2015), as determined by the county auditor, before January
35 1, 2013. Before the county auditor terminates the deduction because
36 the taxpayer claiming the deduction did not comply with the
37 requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before
38 January 1, 2013, the county auditor shall mail notice of the proposed
39 termination of the deduction to the last known address of each person
40 liable for any property taxes or special assessment, as shown on the tax
41 duplicate or special assessment records or the last known address of the
42 most recent owner shown in the transfer book.



1 (e) A trust entitled to a deduction under section 9, 11, 13, 14, 16,
 2 **17.1**, 17.4 (before its expiration), or 37 of this chapter for real property
 3 owned by the trust and occupied by an individual in accordance with
 4 section 17.9 of this chapter is not required to file a statement to apply
 5 for the deduction, if:

6 (1) the individual who occupies the real property receives a
 7 deduction provided under section 9, 11, 13, 14, 16, **17.1**, 17.4
 8 (before its expiration), or 37 of this chapter in a particular year;
 9 and

10 (2) the trust remains eligible for the deduction in the following
 11 year.

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

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

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

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

36 (g) An individual who:

37 (1) was eligible for a homestead credit under IC 6-1.1-20.9
 38 (repealed) for property taxes imposed for the March 1, 2007, or
 39 January 15, 2008, assessment date; or

40 (2) would have been eligible for a homestead credit under
 41 IC 6-1.1-20.9 (repealed) for property taxes imposed for the March
 42 1, 2008, or January 15, 2009, assessment date if IC 6-1.1-20.9 had



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

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

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

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



1 special assessment records; or
2 (2) the last known address of the most recent owner shown in the
3 transfer book.
4 SECTION 6. [EFFECTIVE JULY 1, 2017] (a) **IC 6-1.1-12-16,**
5 **IC 6-1.1-12-17, IC 6-1.1-12-17.5, and IC 6-1.1-12-17.8, all as**
6 **amended by this act, apply to assessment dates after December 31,**
7 **2017.**
8 (b) **IC 6-1.1-12-17.1, as added by this act, applies to assessment**
9 **dates after December 31, 2017.**
10 (c) **This SECTION expires January 1, 2020.**

