

# HOUSE BILL No. 1354

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-36-18.

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

**Effective:** July 1, 2014.

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## Smith V

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January 15, 2014, read first time and referred to Committee on Ways and Means.

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Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

# HOUSE BILL No. 1354

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 6-1.1-36-18 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2014]: **Sec. 18. (a) This section applies to property taxes that are**  
4 **due and unpaid after June 30, 2014, regardless of whether the**  
5 **property taxes were imposed for an assessment date occurring**  
6 **before, on, or after July 1, 2014.**  
7 **(b) As used in this section, "property tax liability" means**  
8 **liability for the tax imposed on property under this article**  
9 **determined after application of all credits and deductions under**  
10 **this article, but does not include any interest or penalty imposed**  
11 **under this article.**  
12 **(c) As used in this section, "qualified taxpayer" means:**  
13 **(1) a nonprofit corporation:**  
14 **(A) organized under or subject to IC 23-17; and**  
15 **(B) organized for educational, literary, scientific, religious,**  
16 **or charitable purposes; or**



- 1           (2) any other nonprofit entity organized as a church or  
2           religious entity.
- 3           (d) With the approval of the attorney general, the department  
4 of local government finance may compromise a qualified  
5 taxpayer's property tax liability by canceling all or part of the  
6 property tax liability on the real or personal property owned by the  
7 qualified taxpayer if the following requirements are met:
- 8           (1) The qualified taxpayer petitions the department of local  
9 government finance to cancel all or part of the qualified  
10 taxpayer's property tax liability on a form prescribed by the  
11 department of local government finance.
- 12           (2) The petition submitted to the department of local  
13 government finance is signed and approved by:
- 14           (A) the county auditor, the county assessor, and the county  
15 treasurer of the county in which the property is located;  
16           and
- 17           (B) the township assessor of the township where the  
18 property is located (if there is a township assessor for the  
19 township where the property is located).
- 20           (3) The department of local government finance determines  
21 that canceling all or part of the qualified taxpayer's property  
22 tax liability is in the best interest of the state and the taxing  
23 units that would otherwise be entitled to receive the property  
24 taxes.
- 25           (4) The property for which the qualified taxpayer is  
26 requesting a compromise of its property tax liability is either  
27 of the following:
- 28           (A) A property that would have been exempt from  
29 property taxation for the assessment date for which  
30 property taxes were imposed if a timely exemption  
31 application had been filed for that assessment date.
- 32           (B) A property that was acquired by the qualified taxpayer  
33 to be owned, operated, and used for a purpose that entitles  
34 the qualified taxpayer to a property tax exemption under  
35 IC 6-1.1-10 and the property taxes from which the  
36 qualified taxpayer seeks relief were imposed on the  
37 property before the qualified taxpayer acquired the  
38 property.
- 39           (e) In deciding whether compromising the qualified taxpayer's  
40 property tax liability is in the best interest of the state and the  
41 taxing units that would otherwise be entitled to receive the  
42 property taxes, the department of local government finance shall



- 1 consider the following:
- 2 (1) The location of the property subject to the requested
- 3 compromise.
- 4 (2) The services that the qualified taxpayer provides to its
- 5 members and the community.
- 6 (3) The economic and social conditions existing in the
- 7 qualified taxpayer's service area.
- 8 (4) Any other factors that show that the presence of the
- 9 qualified taxpayer is beneficial to the residents and taxing
- 10 units of the communities affected by the requested
- 11 compromise.
- 12 (5) Whether compromising the qualified taxpayer's property
- 13 tax liability will expedite the payment of the remaining
- 14 property tax liability, if any.
- 15 (f) If the department of local government finance cancels any
- 16 part of a qualified taxpayer's property tax liability in a
- 17 compromise made under this section, all of the penalties and
- 18 interest due with respect to any unpaid taxes on the property
- 19 subject to the compromise are canceled.
- 20 (g) The following apply if the department of local government
- 21 finance cancels only part of a taxpayer's property tax liability:
- 22 (1) The department of local government finance shall
- 23 promptly notify the appropriate county auditor of the amount
- 24 of the property tax liability canceled under this section and
- 25 the amount of the qualified taxpayer's remaining property tax
- 26 liability.
- 27 (2) The county treasurer shall bill the qualified taxpayer for
- 28 the remaining property tax liability in accordance with this
- 29 article.
- 30 (3) The qualified taxpayer's remaining property tax liability
- 31 is due and payable in accordance with this article.
- 32 (4) The property taxes collected from the qualified taxpayer
- 33 must be allocated proportionately among the taxing units
- 34 imposing the property taxes according to the amount levied
- 35 by each taxing unit.
- 36 (h) The authority granted to the department of local
- 37 government finance to compromise a taxpayer's property tax
- 38 liability under this section does not limit any other procedure or
- 39 remedy provided by law, including the reinstatement of a property
- 40 tax exemption under IC 6-1.1-11-4(d).

