

# HOUSE BILL No. 1476

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## DIGEST OF INTRODUCED BILL

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

**Synopsis:** County option property tax replacement fee. Permits a county council or county income tax council to establish an annual property tax replacement fee on any parcel receiving assessed value deductions or property tax credits that reduce the annual property tax liability on the parcel to less than \$100. Provides that the minimum annual amount due in property taxes and the property tax replacement fee per parcel is \$100 in an adopting county. Changes the county option amount from \$25 to \$100 for requiring the payment of property taxes and the property tax replacement fee, if any, in one installment.

**Effective:** January 1, 2016.

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## Karickhoff

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January 14, 2015, read first time and referred to Committee on Ways and Means.

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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. 1476



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 6-1.1-7-7, AS AMENDED BY P.L.3-2008,  
2 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2016]: Sec. 7. (a) The owner of a mobile home on the  
4 assessment date of a year is liable for the taxes imposed upon the  
5 mobile home for that year. Except as provided in subsection (b), the  
6 owner shall pay the taxes in two (2) equal, semi-annual installments.  
7 These semi-annual installments are due on May 10 and November 10  
8 of the year of assessment.

9 (b) A county council may adopt an ordinance to require an owner to  
10 pay **his the owner's** property tax liability **and property tax**  
11 **replacement fee, if any**, for **his the owner's** mobile home in one (1)  
12 installment, if the tax liability **plus property tax replacement fee, if**  
13 **any**, for a particular year is ~~less than twenty-five dollars (\$25)~~: **one**  
14 **hundred dollars (\$100) or less**. If the county council has adopted such  
15 an ordinance, then whenever a tax statement mailed under



1 IC 6-1.1-22-8.1 shows that an owner's property tax liability **and**  
 2 **property tax replacement fee, if any**, for a particular year for a  
 3 mobile home is ~~less than twenty-five dollars (\$25)~~; **one hundred**  
 4 **dollars (\$100) or less**, the owner shall pay the entire tax liability **and**  
 5 **property tax replacement fee, if any**, for the mobile home for that  
 6 year on May 10 of that year.

7 SECTION 2. IC 6-1.1-20.6-8.5, AS AMENDED BY P.L.113-2010,  
 8 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9 JANUARY 1, 2016]: Sec. 8.5. (a) This section applies to an individual  
 10 who:

11 (1) qualified for a standard deduction granted under  
 12 IC 6-1.1-12-37 for the individual's homestead property in the  
 13 immediately preceding calendar year (or was married at the time  
 14 of death to a deceased spouse who qualified for a standard  
 15 deduction granted under IC 6-1.1-12-37 for the individual's  
 16 homestead property in the immediately preceding calendar year);  
 17 (2) qualifies for a standard deduction granted under  
 18 IC 6-1.1-12-37 for the same homestead property in the current  
 19 calendar year;

20 (3) is or will be at least sixty-five (65) years of age on or before  
 21 December 31 of the calendar year immediately preceding the  
 22 current calendar year; and

23 (4) had:

24 (A) in the case of an individual who filed a single return,  
 25 adjusted gross income (as defined in Section 62 of the Internal  
 26 Revenue Code) not exceeding thirty thousand dollars  
 27 (\$30,000); or

28 (B) in the case of an individual who filed a joint income tax  
 29 return with the individual's spouse, combined adjusted gross  
 30 income (as defined in Section 62 of the Internal Revenue  
 31 Code) not exceeding forty thousand dollars (\$40,000);

32 for the calendar year preceding by two (2) years the calendar year  
 33 in which property taxes are first due and payable.

34 (b) This section does not apply if the gross assessed value of the  
 35 homestead on the assessment date for which property taxes are  
 36 imposed is at least one hundred sixty thousand dollars (\$160,000).

37 (c) An individual is entitled to an additional credit under this section  
 38 for property taxes first due and payable for a calendar year on a  
 39 homestead if:

40 (1) the individual and the homestead qualify for the credit under  
 41 subsection (a) for the calendar year;

42 (2) the homestead is not disqualified for the credit under



1 subsection (b) for the calendar year; and

2 (3) the filing requirements under subsection (e) are met.

3 (d) **If the qualified homestead property is located in a county**  
 4 **that has adopted a property tax replacement fee under**  
 5 **IC 6-1.1-22-9 and the annual property tax liability first due and**  
 6 **payable on the qualified homestead property is one hundred**  
 7 **dollars (\$100) or less for the immediately preceding year after the**  
 8 **application of the credit granted under this section for that year,**  
 9 **the credit is the amount by which the property tax liability first due**  
 10 **and payable on the homestead property for the calendar year**  
 11 **exceeds one hundred dollars (\$100). If the property tax liability**  
 12 **first due and payable on the qualified homestead property for the**  
 13 **immediately preceding year after the application of the credit**  
 14 **granted under this section for that year is greater than one**  
 15 **hundred dollars (\$100), the amount of the credit is equal to the greater**  
 16 **of zero (0) or the result of:**

17 (1) the property tax liability first due and payable on the  
 18 homestead property for the calendar year; minus

19 (2) the result of:

20 (A) the property tax liability first due and payable on the  
 21 qualified homestead property for the immediately preceding  
 22 year after the application of the credit granted under this  
 23 section for that year; multiplied by

24 (B) one and two hundredths (1.02).

25 However, property tax liability imposed on any improvements to or  
 26 expansion of the homestead property after the assessment date for  
 27 which property tax liability described in subdivision (2) was imposed  
 28 shall not be considered in determining the credit granted under this  
 29 section in the current calendar year.

30 (e) Applications for a credit under this section shall be filed in the  
 31 manner provided for an application for a deduction under  
 32 IC 6-1.1-12-9. However, an individual who remains eligible for the  
 33 credit in the following year is not required to file a statement to apply  
 34 for the credit in the following year. An individual who receives a credit  
 35 under this section in a particular year and who becomes ineligible for  
 36 the credit in the following year shall notify the auditor of the county in  
 37 which the homestead is located of the individual's ineligibility not later  
 38 than sixty (60) days after the individual becomes ineligible.

39 (f) The auditor of each county shall, in a particular year, apply a  
 40 credit provided under this section to each individual who received the  
 41 credit in the preceding year unless the auditor determines that the  
 42 individual is no longer eligible for the credit.



1 SECTION 3. IC 6-1.1-22-9, AS AMENDED BY P.L.218-2013,  
 2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JANUARY 1, 2016]: Sec. 9. (a) Except as provided in subsection (b),  
 4 the property taxes assessed for a year under this article are due in two  
 5 (2) equal installments on May 10 and November 10 of the following  
 6 year.

7 (b) Subsection (a) does not apply if any of the following apply to the  
 8 property taxes assessed for the year under this article:

- 9 (1) Subsection (c).  
 10 (2) Subsection (d).  
 11 (3) IC 6-1.1-7-7.  
 12 (4) Section 9.5 of this chapter.  
 13 (5) Section 9.7 of this chapter.  
 14 (6) Section 9.9 of this chapter.

15 (c) A county council may adopt an ordinance to require a person to  
 16 pay the person's property tax liability **and property tax replacement**  
 17 **fee, if any**, in one (1) installment, if the tax liability **plus any property**  
 18 **tax replacement fee, if any**, for a particular year is ~~less than~~  
 19 ~~twenty-five dollars (\$25);~~ **one hundred dollars (\$100) or less**. If the  
 20 county council has adopted such an ordinance, then whenever a tax  
 21 statement mailed under section 8.1 of this chapter shows that the  
 22 person's property tax liability **and property tax replacement fee, if**  
 23 **any**, for a year is ~~less than twenty-five dollars (\$25)~~ **one hundred**  
 24 **dollars (\$100) or less** for the property covered by that statement, the  
 25 tax liability **and property tax replacement fee, if any**, for that year is  
 26 due in one (1) installment on May 10 of that year.

27 (d) If the county treasurer receives a copy of an appeal petition  
 28 under IC 6-1.1-18.5-12(d) before the county treasurer mails or  
 29 transmits statements under section 8.1 of this chapter, the county  
 30 treasurer may:

- 31 (1) mail or transmit the statements without regard to the pendency  
 32 of the appeal and, if the resolution of the appeal by the department  
 33 of local government finance results in changes in levies, mail or  
 34 transmit reconciling statements under subsection (e); or  
 35 (2) delay the mailing or transmission of statements under section  
 36 8.1 of this chapter so that:  
 37 (A) the due date of the first installment that would otherwise  
 38 be due under subsection (a) is delayed by not more than sixty  
 39 (60) days; and  
 40 (B) all statements reflect any changes in levies that result from  
 41 the resolution of the appeal by the department of local  
 42 government finance.



1 (e) A reconciling statement under subsection (d)(1) must indicate:

2 (1) the total amount due for the year;

3 (2) the total amount of the installments paid that did not reflect  
4 the resolution of the appeal under IC 6-1.1-18.5-12(d) by the  
5 department of local government finance;

6 (3) if the amount under subdivision (1) exceeds the amount under  
7 subdivision (2), the adjusted amount that is payable by the  
8 taxpayer:

9 (A) as a final reconciliation of all amounts due for the year;  
10 and

11 (B) not later than:

12 (i) November 10; or

13 (ii) the date or dates established under section 9.5 of this  
14 chapter; and

15 (4) if the amount under subdivision (2) exceeds the amount under  
16 subdivision (1), that the taxpayer may claim a refund of the excess  
17 under IC 6-1.1-26.

18 (f) If property taxes are not paid on or before the due date, the  
19 penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent  
20 taxes.

21 (g) Notwithstanding any other law, a property tax liability of less  
22 than five dollars (\$5) is increased to five dollars (\$5). the difference  
23 between the actual liability and the five dollar (\$5) amount that appears  
24 on the statement is a statement processing charge. The statement  
25 processing charge is considered a part of the tax liability.  
26 **Notwithstanding any other law, a county fiscal body or a county**  
27 **income tax council established by IC 6-3.5-6-2 for the county may**  
28 **adopt an ordinance to impose a property tax replacement fee on**  
29 **any parcel receiving assessed value deductions under this article or**  
30 **property tax credits under any other law that results in the annual**  
31 **property tax liability on the parcel to be less than one hundred**  
32 **dollars (\$100), including when a zero dollar (\$0) amount is due. If**  
33 **such an ordinance is in effect in the county, the county treasurer**  
34 **shall collect a property tax replacement fee equal to the difference**  
35 **between the actual liability and one hundred dollars (\$100). The**  
36 **revenue from the fee shall be allocated in the same manner and at**  
37 **the same time as property taxes. The body that adopted the**  
38 **ordinance under this subsection is the only body that may rescind**  
39 **the ordinance.**

40 (h) This subsection applies only if a statement for payment of  
41 property taxes and special assessments by electronic mail is transmitted  
42 to a person under section 8.1(h) of this chapter. If a response to the



1 transmission of electronic mail to a person indicates that the electronic  
2 mail was not received, the county treasurer shall mail to the person a  
3 hard copy of the statement in the manner required by section 8.1(a) of  
4 this chapter for persons who do not opt to receive statements by  
5 electronic mail. The due date for the property taxes and special  
6 assessments under a statement mailed to a person under this subsection  
7 is the due date indicated in the statement transmitted to the person by  
8 electronic mail.

9 (i) In a county in which an authorizing ordinance is adopted under  
10 section 8.1(h) of this chapter, a person may direct the county treasurer  
11 to transmit a reconciling statement under subsection (d)(1) by  
12 electronic mail under section 8.1(h) of this chapter.

