



February 13, 2023

HOUSE BILL No. 1499

DIGEST OF HB 1499 (Updated February 9, 2023 5:32 pm - DI 125)

Citations Affected: IC 6-1.1; IC 6-3; IC 6-3.6; noncode.

Synopsis: Property tax matters. Provides that the circuit-breaker credit is equal to the amount by which a person's property tax liability attributable to the person's homestead exceeds, for property taxes first due and payable: (1) in 2024, 0.95%; and (2) in 2025, 0.975%; of the gross assessed value of the property that is the basis for determination of the property taxes. Increases the amount of the supplemental homestead deduction for property taxes first due and payable in 2024 and 2025. Provides that if a taxpayer presents an appraisal to the county property tax assessment board of appeals (county board) that meets specified requirements, the appraisal is presumed to be correct. Provides that if the county board disagrees with the taxpayer's appraisal, the county board may seek review of the appraisal or obtain an independent appraisal. Provides that after the assignment of value, the parties shall retain their rights to appeal the assessment or assessments to the Indiana board of tax review. Provides that, notwithstanding any increase in assessed value of property from the previous assessment date, the total amount of operating referendum tax that may be levied by a school corporation for taxes first due and
(Continued next page)

Effective: Upon passage; January 1, 2023 (retroactive); July 1, 2023.

Thompson, Cherry, Clere, Pryor

January 17, 2023, read first time and referred to Committee on Ways and Means.
February 13, 2023, amended, reported — Do Pass.

HB 1499—LS 7090/DI 125



Digest Continued

payable in 2024 may not increase by more than 3% over the maximum operating referendum tax that could be levied by the school corporation in the previous year. Increases the renter's state income tax deduction to \$4,000. Increases the residential property state income tax deduction to \$3,500. Authorizes a county fiscal body to adopt an ordinance to provide property tax relief for property tax liability attributable to homesteads for qualified individuals. Modifies the threshold amounts used for determining whether a political subdivision's project is a controlled project and whether the petition and remonstrance process or the referendum process applies based on the political subdivision's total debt service tax rate. Provides a calculation to be used in determining the maximum levy growth quotient in 2024 and 2025.

HB 1499—LS 7090/DI 125



February 13, 2023

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. 1499

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 6-1.1-12-37.5, AS ADDED BY P.L.146-2008,
2 SECTION 116, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 37.5. (a) A person who is
4 entitled to a standard deduction from the assessed value of property
5 under section 37 of this chapter is also entitled to receive a
6 supplemental deduction from the assessed value of the homestead to
7 which the standard deduction applies after the application of the
8 standard deduction but before the application of any other deduction,
9 exemption, or credit for which the person is eligible.
10 (b) The amount of the deduction under this section is equal to the
11 sum of the following:
12 (1) **For property taxes first due and payable:**
13 (A) before January 1, 2024, thirty-five percent (35%);
14 (B) in 2024, forty percent (40%);
15 (C) in 2025, thirty-seven and five-tenths percent (37.5%);
16 and
17 (D) after December 31, 2025, thirty-five percent (35%);

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1 of the assessed value determined under subsection (a) that is not
2 more than six hundred thousand dollars (\$600,000).

3 **(2) For property taxes first due and payable:**

4 **(A) before January 1, 2024, twenty-five percent (25%);**

5 **(B) in 2024, thirty percent (30%);**

6 **(C) in 2025, twenty-seven and five-tenths percent (27.5%);**

7 **and**

8 **(D) after December 31, 2025, twenty-five percent (25%);**

9 of the assessed value determined under subsection (a) that is more
10 than six hundred thousand dollars (\$600,000).

11 (c) The auditor of the county shall record and make the deduction
12 for the person qualifying for the deduction.

13 (d) The deduction granted under this section shall not be considered
14 in applying section 40.5 of this chapter to the deductions applicable to
15 property. Section 40.5 of this chapter does not apply to the deduction
16 granted under this section.

17 SECTION 2. IC 6-1.1-15-1.2, AS AMENDED BY P.L.121-2019,
18 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2023]: Sec. 1.2. (a) A county or township official who
20 receives a written notice under section 1.1 of this chapter shall
21 schedule, at a time during business hours that is convenient to the
22 taxpayer, a preliminary informal meeting with the taxpayer in order to
23 resolve the appeal. If the taxpayer raises a claim regarding a matter that
24 is in the discretion of the county auditor, the informal meeting must
25 include the county auditor. At the preliminary informal meeting, in
26 order to facilitate understanding and the resolution of disputed issues,
27 a county or township official, the county auditor, if the matter is in the
28 discretion of the county auditor, and the taxpayer shall exchange the
29 information that each party is relying on at the time of the preliminary
30 informal meeting to support the party's respective position on each
31 disputed issue concerning the assessment or deduction. If additional
32 information is obtained by the county or township official, the county
33 auditor, or the taxpayer after the preliminary informal meeting and
34 before the hearing held by the county board, the party obtaining the
35 information shall provide the information to the other party. If the
36 county or township official, the county auditor, or the taxpayer obtains
37 additional information and provides the information to the other party
38 for the first time at the hearing held by the county board, the county
39 board, unless waived by the receiving party, shall continue the hearing
40 until a future hearing date of the county board so that the receiving
41 party has an opportunity to review all the information that the offering
42 party is relying on to support the offering party's positions on the



1 disputed issues concerning the assessment or deduction.

2 (b) The official shall report on a form prescribed by the department
3 of local government finance the results of the informal meeting. If the
4 taxpayer and the official agree on the resolution of all issues in the
5 appeal, the report shall state the agreed resolution of the matter and be
6 signed by the official and the taxpayer. If an informal meeting is not
7 held, or the informal meeting is unsuccessful, the official shall report
8 those facts on the form. The official shall forward the report on the
9 informal meeting to the county board.

10 (c) If the county board receives a report on the informal meeting
11 indicating an agreed resolution of the matter, the county board shall
12 vote to accept or deny the agreed resolution. If the county board accepts
13 the agreed resolution, the county board shall issue a notification of final
14 assessment determination adopting the agreed resolution and vacating
15 the hearing if scheduled.

16 (d) The county board, upon receipt of a written notice under section
17 1.1 of this chapter, shall hold a hearing on the appeal not later than one
18 hundred eighty (180) days after the filing date of the written notice.
19 The county board shall, by mail, give at least thirty (30) days notice of
20 the date, time, and place fixed for the hearing to the taxpayer, the
21 county or township official with whom the taxpayer filed the written
22 notice, and the county auditor. If the county board has notice that the
23 taxpayer is represented by a third person, any hearing notice shall be
24 mailed to the representative.

25 (e) If good cause is shown, the county board shall grant a request for
26 continuance filed in writing at least ten (10) days before the hearing,
27 and reschedule the hearing under subsection (d).

28 (f) A taxpayer may withdraw an appeal by filing a written request
29 at least ten (10) days before the hearing. The county board shall issue
30 a notification of final assessment determination indicating the
31 withdrawal and no change in the assessment. A withdrawal waives a
32 taxpayer's right to appeal to the Indiana board.

33 (g) The county board shall determine an appeal without a hearing if
34 requested by the taxpayer in writing at least twenty (20) days before the
35 hearing.

36 (h) If a taxpayer appeals the assessment of tangible property under
37 section 1.1 of this chapter, the taxpayer is not required to have an
38 appraisal of the property in order to initiate the appeal or prosecute the
39 appeal. **If the taxpayer presents an appraisal to the county board**
40 **that:**

41 **(1) is prepared by a certified appraiser in compliance with the**
42 **Uniform Standards of Professional Appraisal Practice to**



1 **determine the market value in use;**
 2 **(2) is addressed to the property owner or the assessor's office;**
 3 **(3) is commissioned for the purpose of the assessment appeal;**
 4 **and**
 5 **(4) has an effective date that is the same date as the date of the**
 6 **assessment that is the subject of the appeal;**

7 **the value of the property contained in the appraisal is presumed to**
 8 **be correct. If the county board disagrees with the taxpayer's**
 9 **appraisal, the county board may seek review of the appraisal by a**
 10 **third party independent certified appraiser or obtain an**
 11 **independent appraisal report conducted by a certified appraiser in**
 12 **compliance with the Uniform Standards of Professional Appraisal**
 13 **Practice. If the county board's appraisal differs from the**
 14 **taxpayer's appraisal, the county board shall weigh the evidence**
 15 **and determine the true tax value of the property based on the**
 16 **totality of the probative evidence before the county board. The**
 17 **county board's determination of the property's true tax value may**
 18 **be higher or lower than the assessment but may not be lower than**
 19 **the lowest appraisal presented to or obtained by the county board,**
 20 **or higher than the highest appraisal presented to or obtained by**
 21 **the county board. After the assignment of value, the parties shall**
 22 **retain their rights to appeal the assessment or assessments to the**
 23 **Indiana board, which must hear the appeal de novo.**

24 (i) At a hearing under subsection (d), the taxpayer shall have the
 25 opportunity to present testimony and evidence regarding the matters on
 26 appeal. If the matters on appeal are in the discretion of the county
 27 auditor, the county auditor or the county auditor's representative shall
 28 attend the hearing. A county or township official, or the county auditor
 29 or the county auditor's representative, shall have an opportunity to
 30 present testimony and evidence regarding the matters on appeal. The
 31 county board may adjourn and continue the hearing to a later date in
 32 order to make a physical inspection or consider the evidence presented.

33 (j) The county board shall determine the assessment by motion and
 34 majority vote. A county board may, based on the evidence before it,
 35 increase an assessment. The county board shall issue a written
 36 decision. Written notice of the decision shall be given to the township
 37 official, county official, county auditor, and the taxpayer.

38 (k) If more than one hundred eighty (180) days have passed since
 39 the date the notice of appeal was filed, and the county board has not
 40 issued a determination, a taxpayer may initiate any appeal with the
 41 Indiana board of tax review under section 3 of this chapter.

42 (l) The county assessor may assess a penalty of fifty dollars (\$50)



1 against the taxpayer if the taxpayer or representative fails to appear at
 2 a hearing under subsection (d) and, under subsection (e), the taxpayer's
 3 request for continuance is denied, or the taxpayer's request for
 4 continuance, request for the board to take action without a hearing, or
 5 withdrawal is not timely filed. A taxpayer may appeal the assessment
 6 of the penalty to the Indiana board or directly to the tax court. The
 7 penalty may not be added as an amount owed on the property tax
 8 statement under IC 6-1.1-22 or IC 6-1.1-22.5.

9 SECTION 3. IC 6-1.1-17-3.1 IS ADDED TO THE INDIANA
 10 CODE AS A NEW SECTION TO READ AS FOLLOWS
 11 [EFFECTIVE UPON PASSAGE]: **Sec. 3.1. (a) This section:**

12 **(1) applies only to an operating referendum tax levy under**
 13 **IC 20-46-1 approved by the voters before January 1, 2023,**
 14 **that is imposed by a school corporation for taxes first due and**
 15 **payable in 2024;**

16 **(2) does not apply to an operating referendum tax levy under**
 17 **IC 20-46-1 approved by the voters after December 31, 2022,**
 18 **and before January 1, 2024, that is imposed by a school**
 19 **corporation for taxes first due and payable in 2024; and**

20 **(3) does not apply to any other tax year.**

21 **(b) Notwithstanding any increase in the assessed value of**
 22 **property from the previous assessment date, the total amount of**
 23 **operating referendum tax that may be levied by a school**
 24 **corporation may not exceed the lesser of:**

25 **(1) the maximum operating referendum tax that could be**
 26 **levied by the school corporation for taxes first due and**
 27 **payable in 2023 multiplied by one and three-hundredths**
 28 **(1.03); or**

29 **(2) the maximum operating referendum tax that could**
 30 **otherwise be levied by the school corporation for taxes first**
 31 **due and payable in 2024.**

32 **The tax rate for an operating referendum tax levy shall be**
 33 **decreased, if necessary, to comply with this limitation.**

34 **(c) This section expires July 1, 2025.**

35 SECTION 4. IC 6-1.1-18.5-2, AS AMENDED BY P.L.159-2020,
 36 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 UPON PASSAGE]: Sec. 2. (a) As used in this section, "Indiana
 38 nonfarm personal income" means the estimate of total nonfarm
 39 personal income for Indiana in a calendar year as computed by the
 40 federal Bureau of Economic Analysis using any actual data for the
 41 calendar year and any estimated data determined appropriate by the
 42 federal Bureau of Economic Analysis.



1 (b) Except as provided in ~~subsection (c)~~ **subsections (c) and (e)**, for
 2 purposes of determining a civil taxing unit's maximum permissible ad
 3 valorem property tax levy for an ensuing calendar year, the civil taxing
 4 unit shall use the maximum levy growth quotient determined in the last
 5 STEP of the following STEPS:

6 STEP ONE: For each of the six (6) calendar years immediately
 7 preceding the year in which a budget is adopted under
 8 IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana
 9 nonfarm personal income for the calendar year by the Indiana
 10 nonfarm personal income for the calendar year immediately
 11 preceding that calendar year, rounding to the nearest
 12 one-thousandth (0.001).

13 STEP TWO: Determine the sum of the STEP ONE results.

14 STEP THREE: Divide the STEP TWO result by six (6), rounding
 15 to the nearest one-thousandth (0.001).

16 STEP FOUR: Determine the lesser of the following:

17 (A) The STEP THREE quotient.

18 (B) One and six-hundredths (1.06).

19 (c) **Except as provided in subsection (f)**, a school corporation shall
 20 use for its operations fund maximum levy calculation under
 21 IC 20-46-8-1 the maximum levy growth quotient determined in the last
 22 STEP of the following STEPS:

23 STEP ONE: Determine for each school corporation, the average
 24 annual growth in net assessed value using the three (3) calendar
 25 years immediately preceding the year in which a budget is
 26 adopted under IC 6-1.1-17-5 for the ensuing calendar year.

27 STEP TWO: Determine the greater of:

28 (A) zero (0); or

29 (B) the STEP ONE amount minus the sum of:

30 (i) the maximum levy growth quotient determined under
 31 subsection (b) minus one (1); plus

32 (ii) two-hundredths (0.02).

33 STEP THREE: Determine the lesser of:

34 (A) the STEP TWO amount; or

35 (B) four-hundredths (0.04).

36 STEP FOUR: Determine the sum of:

37 (A) the STEP THREE amount; plus

38 (B) the maximum levy growth quotient determined under
 39 subsection (b).

40 STEP FIVE: Determine the greater of:

41 (A) the STEP FOUR amount; or

42 (B) the maximum levy growth quotient determined under



1 subsection (b).

2 (d) The budget agency shall provide the maximum levy growth
3 quotient for the ensuing year to civil taxing units, school corporations,
4 and the department of local government finance before July 1 of each
5 year.

6 **(e) This subsection applies only for purposes of determining the**
7 **maximum levy growth quotient to be used in determining a civil**
8 **taxing unit's maximum permissible ad valorem property tax levy**
9 **in calendar years 2024 and 2025. For purposes of determining the**
10 **maximum levy growth quotient in calendar years 2024 and 2025,**
11 **instead of the result determined in the last STEP in subsection (b),**
12 **the maximum levy growth quotient is determined in the last STEP**
13 **of the following STEPS:**

14 **(1) For the 2024 calendar year, determine the following:**
15 **STEP ONE: Determine the result of STEP FOUR of**
16 **subsection (b), calculated as if this subsection was not in**
17 **effect.**

18 **STEP TWO: Subtract one (1) from the STEP ONE result.**

19 **STEP THREE: Multiply the STEP TWO result by**
20 **five-tenths (0.5).**

21 **STEP FOUR: Add one (1) to the STEP THREE result.**

22 **STEP FIVE: Determine the lesser of:**

23 **(i) the STEP FOUR result; or**

24 **(ii) one and three hundredths (1.03).**

25 **(2) For the 2025 calendar year, determine the following:**

26 **STEP ONE: Determine the result of STEP FOUR of**
27 **subsection (b), calculated as if this subsection was not in**
28 **effect.**

29 **STEP TWO: Subtract one (1) from the STEP ONE result.**

30 **STEP THREE: Multiply the STEP TWO result by**
31 **seventy-five hundredths (0.75).**

32 **STEP FOUR: Add one (1) to the STEP THREE result.**

33 **STEP FIVE: Determine the lesser of:**

34 **(i) the STEP FOUR result; or**

35 **(ii) one and three-hundredths (1.03).**

36 **(f) This subsection applies only for purposes of determining the**
37 **maximum levy growth quotient to be used in determining a school**
38 **corporation's operations fund maximum levy in calendar years**
39 **2024 and 2025. For purposes of determining the maximum levy**
40 **growth quotient in calendar years 2024 and 2025, instead of the**
41 **result determined in the last STEP in subsection (c), the maximum**
42 **levy growth quotient is determined in the last STEP of the**



- 1 following STEPS:
- 2 (1) For the 2024 calendar year, determine the following:
- 3 STEP ONE: Determine the result of STEP FIVE of
- 4 subsection (c), calculated as if this subsection was not in
- 5 effect.
- 6 STEP TWO: Subtract one (1) from the STEP ONE result.
- 7 STEP THREE: Multiply the STEP TWO result by
- 8 five-tenths (0.5).
- 9 STEP FOUR: Add one (1) to the STEP THREE result.
- 10 STEP FIVE: Determine the lesser of:
- 11 (i) the STEP FOUR result; or
- 12 (ii) one and three-hundredths (1.03).
- 13 (2) For the 2025 calendar year, determine the following:
- 14 STEP ONE: Determine the result of STEP FIVE of
- 15 subsection (c), calculated as if this subsection was not in
- 16 effect.
- 17 STEP TWO: Subtract one (1) from the STEP ONE result.
- 18 STEP THREE: Multiply the STEP TWO result by
- 19 seventy-five hundredths (0.75).
- 20 STEP FOUR: Add one (1) to the STEP THREE result.
- 21 STEP FIVE: Determine the lesser of:
- 22 (i) the STEP FOUR result; or
- 23 (ii) one and three-hundredths (1.03).
- 24 SECTION 5. IC 6-1.1-20-1.1, AS AMENDED BY P.L.32-2021,
- 25 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 26 JULY 1, 2023]: Sec. 1.1. (a) As used in this chapter, "controlled
- 27 project" means any project financed by bonds or a lease, except for the
- 28 following:
- 29 (1) A project for which the political subdivision reasonably
- 30 expects to pay:
- 31 (A) debt service; or
- 32 (B) lease rentals;
- 33 from funds other than property taxes that are exempt from the
- 34 levy limitations of IC 6-1.1-18.5 or (before January 1, 2009)
- 35 IC 20-45-3. A project is not a controlled project even though the
- 36 political subdivision has pledged to levy property taxes to pay the
- 37 debt service or lease rentals if those other funds are insufficient.
- 38 (2) **Subject to subsection (b)**, a project that will not cost the
- 39 political subdivision more than the lesser of the following:
- 40 (A) An amount equal to the following:
- 41 (i) In the case of an ordinance or resolution adopted before
- 42 January 1, 2018, making a preliminary determination to



- 1 issue bonds or enter into a lease for the project, two million
 2 dollars (\$2,000,000).
- 3 (ii) In the case of an ordinance or resolution adopted after
 4 December 31, 2017, and before January 1, 2019, making a
 5 preliminary determination to issue bonds or enter into a
 6 lease for the project, five million dollars (\$5,000,000).
- 7 (iii) In the case of an ordinance or resolution adopted in a
 8 calendar year after December 31, 2018, making a
 9 preliminary determination to issue bonds or enter into a
 10 lease for the project, an amount (as determined by the
 11 department of local government finance) equal to the result
 12 of the maximum levy growth quotient determined under
 13 IC 6-1.1-18.5-2 for the year multiplied by the amount
 14 determined under this clause for the preceding calendar
 15 year.
- 16 The department of local government finance shall publish the
 17 threshold determined under item (iii) in the Indiana Register
 18 under IC 4-22-7-7 not more than sixty (60) days after the date
 19 the budget agency releases the maximum levy growth quotient
 20 for the ensuing year under IC 6-1.1-18.5-2.
- 21 (B) An amount equal to the following:
- 22 (i) One percent (1%) of the total gross assessed value of
 23 property within the political subdivision on the last
 24 assessment date, if that total gross assessed value is more
 25 than one hundred million dollars (\$100,000,000).
- 26 (ii) One million dollars (\$1,000,000), if the total gross
 27 assessed value of property within the political subdivision
 28 on the last assessment date is not more than one hundred
 29 million dollars (\$100,000,000).
- 30 (3) A project that is being refinanced for the purpose of providing
 31 gross or net present value savings to taxpayers.
- 32 (4) A project for which bonds were issued or leases were entered
 33 into before January 1, 1996, or where the state board of tax
 34 commissioners has approved the issuance of bonds or the
 35 execution of leases before January 1, 1996.
- 36 (5) A project that is required by a court order holding that a
 37 federal law mandates the project.
- 38 (6) A project that is in response to:
- 39 (A) a natural disaster;
- 40 (B) an accident; or
- 41 (C) an emergency;
- 42 in the political subdivision that makes a building or facility



- 1 unavailable for its intended use.
- 2 (7) A project that was not a controlled project under this section
- 3 as in effect on June 30, 2008, and for which:
- 4 (A) the bonds or lease for the project were issued or entered
- 5 into before July 1, 2008; or
- 6 (B) the issuance of the bonds or the execution of the lease for
- 7 the project was approved by the department of local
- 8 government finance before July 1, 2008.
- 9 (8) A project of the Little Calumet River basin development
- 10 commission for which bonds are payable from special
- 11 assessments collected under IC 14-13-2-18.6.
- 12 (9) A project for engineering, land and right-of-way acquisition,
- 13 construction, resurfacing, maintenance, restoration, and
- 14 rehabilitation exclusively for or of:
- 15 (A) local road and street systems, including bridges that are
- 16 designated as being in a local road and street system;
- 17 (B) arterial road and street systems, including bridges that are
- 18 designated as being in an arterial road and street system; or
- 19 (C) any combination of local and arterial road and street
- 20 systems, including designated bridges.
- 21 **(b) If:**
- 22 **(1) a political subdivision's total debt service tax rate is more**
- 23 **than forty cents (\$0.40) per one hundred dollars (\$100) of**
- 24 **assessed value; and**
- 25 **(2) subsection (a)(1) and subsection (a)(3) through (a)(9) are**
- 26 **not applicable;**
- 27 **the term includes any project to be financed by bonds or a lease,**
- 28 **including a project that does not otherwise meet the threshold**
- 29 **amount provided in subsection (a)(2).**
- 30 SECTION 6. IC 6-1.1-20-3.1, AS AMENDED BY P.L.159-2020,
- 31 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 32 JULY 1, 2023]: Sec. 3.1. (a) Subject to section 3.5(a)(1)(C) of this
- 33 chapter, this section applies only to the following:
- 34 (1) A controlled project (as defined in section 1.1 of this chapter
- 35 as in effect June 30, 2008) for which the proper officers of a
- 36 political subdivision make a preliminary determination in the
- 37 manner described in subsection (b) before July 1, 2008.
- 38 (2) An elementary school building, middle school building, high
- 39 school building, or other school building for academic instruction
- 40 that:
- 41 (A) is a controlled project;
- 42 (B) will be used for any combination of kindergarten through



- 1 grade 12; and
- 2 (C) will not cost more than the lesser of the following:
- 3 (i) The threshold amount determined under this item. In the
- 4 case of an ordinance or resolution adopted before January 1,
- 5 2018, making a preliminary determination to issue bonds or
- 6 enter into a lease for the project, the threshold amount is ten
- 7 million dollars (\$10,000,000). In the case of an ordinance or
- 8 resolution adopted after December 31, 2017, and before
- 9 January 1, 2019, making a preliminary determination to
- 10 issue bonds or enter into a lease for the project, the threshold
- 11 amount is fifteen million dollars (\$15,000,000). In the case
- 12 of an ordinance or resolution adopted in a calendar year after
- 13 December 31, 2018, making a preliminary determination to
- 14 issue bonds or enter into a lease for the project, the threshold
- 15 amount is an amount (as determined by the department of
- 16 local government finance) equal to the result of the
- 17 maximum levy growth quotient determined under
- 18 IC 6-1.1-18.5-2 for the year multiplied by the threshold
- 19 amount determined under this item for the preceding
- 20 calendar year. In the case of a threshold amount determined
- 21 under this item that applies for a calendar year after
- 22 December 31, 2018, the department of local government
- 23 finance shall publish the threshold in the Indiana Register
- 24 under IC 4-22-7-7 not more than sixty (60) days after the
- 25 date the budget agency releases the maximum levy growth
- 26 quotient for the ensuing year under IC 6-1.1-18.5-2.
- 27 (ii) An amount equal to one percent (1%) of the total gross
- 28 assessed value of property within the political subdivision
- 29 on the last assessment date, if that total gross assessed value
- 30 is more than one billion dollars (\$1,000,000,000), or ten
- 31 million dollars (\$10,000,000), if the total gross assessed
- 32 value of property within the political subdivision on the last
- 33 assessment date is not more than one billion dollars
- 34 (\$1,000,000,000).
- 35 (3) Any other controlled project that:
- 36 (A) is not a controlled project described in subdivision (1) or
- 37 (2); and
- 38 (B) will not cost the political subdivision more than the lesser
- 39 of the following:
- 40 (i) The threshold amount determined under this item. In the
- 41 case of an ordinance or resolution adopted before January 1,
- 42 2018, making a preliminary determination to issue bonds or



1 enter into a lease for the project, the threshold amount is
 2 twelve million dollars (\$12,000,000). In the case of an
 3 ordinance or resolution adopted after December 31, 2017,
 4 and before January 1, 2019, making a preliminary
 5 determination to issue bonds or enter into a lease for the
 6 project, the threshold amount is fifteen million dollars
 7 (\$15,000,000). In the case of an ordinance or resolution
 8 adopted in a calendar year after December 31, 2018, making
 9 a preliminary determination to issue bonds or enter into a
 10 lease for the project, the threshold amount is an amount (as
 11 determined by the department of local government finance)
 12 equal to the result of the maximum levy growth quotient
 13 determined under IC 6-1.1-18.5-2 for the year multiplied by
 14 the threshold amount determined under this item for the
 15 preceding calendar year. In the case of a threshold amount
 16 determined under this item that applies for a calendar year
 17 after December 31, 2018, the department of local
 18 government finance shall publish the threshold in the
 19 Indiana Register under IC 4-22-7-7 not more than sixty (60)
 20 days after the date the budget agency releases the maximum
 21 levy growth quotient for the ensuing year under
 22 IC 6-1.1-18.5-2.

23 (ii) An amount equal to one percent (1%) of the total gross
 24 assessed value of property within the political subdivision
 25 on the last assessment date, if that total gross assessed value
 26 is more than one hundred million dollars (\$100,000,000), or
 27 one million dollars (\$1,000,000), if the total gross assessed
 28 value of property within the political subdivision on the last
 29 assessment date is not more than one hundred million
 30 dollars (\$100,000,000).

31 **(4) Any other controlled project if both of the following apply:**

32 **(A) The political subdivision's total debt service tax rate is**
 33 **more than forty cents (\$0.40) per one hundred dollars**
 34 **(\$100) of assessed value, but less than eighty cents (\$0.80)**
 35 **per one hundred dollars (\$100) of assessed value.**

36 **(B) The controlled project is not otherwise described in**
 37 **section 3.5(a)(1) of this chapter.**

38 (b) A political subdivision may not impose property taxes to pay
 39 debt service on bonds or lease rentals on a lease for a controlled project
 40 without completing the following procedures:

41 (1) The proper officers of a political subdivision shall publish
 42 notice in accordance with IC 5-3-1 and send notice by first class



1 mail to the circuit court clerk and to any organization that delivers
 2 to the officers, before January 1 of that year, an annual written
 3 request for such notices of any meeting to consider adoption of a
 4 resolution or an ordinance making a preliminary determination to
 5 issue bonds or enter into a lease and shall conduct at least two (2)
 6 public hearings on a preliminary determination before adoption
 7 of the resolution or ordinance. The political subdivision must at
 8 each of the public hearings on the preliminary determination
 9 allow the public to testify regarding the preliminary determination
 10 and must make the following information available to the public
 11 at each of the public hearings on the preliminary determination,
 12 in addition to any other information required by law:

13 (A) The result of the political subdivision's current and
 14 projected annual debt service payments divided by the net
 15 assessed value of taxable property within the political
 16 subdivision.

17 (B) The result of:

18 (i) the sum of the political subdivision's outstanding long
 19 term debt plus the outstanding long term debt of other taxing
 20 units that include any of the territory of the political
 21 subdivision; divided by

22 (ii) the net assessed value of taxable property within the
 23 political subdivision.

24 (C) The information specified in subdivision (3)(A) through
 25 (3)(H).

26 (2) When the proper officers of a political subdivision make a
 27 preliminary determination to issue bonds or enter into a lease for
 28 a controlled project, the officers shall give notice of the
 29 preliminary determination by:

30 (A) publication in accordance with IC 5-3-1; and

31 (B) first class mail to the circuit court clerk and to the
 32 organizations described in subdivision (1).

33 (3) A notice under subdivision (2) of the preliminary
 34 determination of the political subdivision to issue bonds or enter
 35 into a lease for a controlled project must include the following
 36 information:

37 (A) The maximum term of the bonds or lease.

38 (B) The maximum principal amount of the bonds or the
 39 maximum lease rental for the lease.

40 (C) The estimated interest rates that will be paid and the total
 41 interest costs associated with the bonds or lease.

42 (D) The purpose of the bonds or lease.



- 1 (E) A statement that any owners of property within the
 2 political subdivision or registered voters residing within the
 3 political subdivision who want to initiate a petition and
 4 remonstrance process against the proposed debt service or
 5 lease payments must file a petition that complies with
 6 subdivisions (4) and (5) not later than thirty (30) days after
 7 publication in accordance with IC 5-3-1.
- 8 (F) With respect to bonds issued or a lease entered into to
 9 open:
 10 (i) a new school facility; or
 11 (ii) an existing facility that has not been used for at least
 12 three (3) years and that is being reopened to provide
 13 additional classroom space;
 14 the estimated costs the school corporation expects to incur
 15 annually to operate the facility.
- 16 (G) A statement of whether the school corporation expects to
 17 appeal for a new facility adjustment (as defined in
 18 IC 20-45-1-16 (repealed) before January 1, 2009) for an
 19 increased maximum permissible tuition support levy to pay the
 20 estimated costs described in clause (F).
- 21 (H) The following information:
 22 (i) The political subdivision's current debt service levy and
 23 rate.
 24 (ii) The estimated increase to the political subdivision's debt
 25 service levy and rate that will result if the political
 26 subdivision issues the bonds or enters into the lease.
 27 (iii) The estimated amount of the political subdivision's debt
 28 service levy and rate that will result during the following ten
 29 (10) years if the political subdivision issues the bonds or
 30 enters into the lease, after also considering any changes that
 31 will occur to the debt service levy and rate during that
 32 period on account of any outstanding bonds or lease
 33 obligations that will mature or terminate during that period.
- 34 (I) The information specified in subdivision (1)(A) through
 35 (1)(B).
- 36 (4) After notice is given, a petition requesting the application of
 37 a petition and remonstrance process may be filed by the lesser of:
 38 (A) five hundred (500) persons who are either owners of
 39 property within the political subdivision or registered voters
 40 residing within the political subdivision; or
 41 (B) five percent (5%) of the registered voters residing within
 42 the political subdivision.



1 (5) The state board of accounts shall design and, upon request by
 2 the county voter registration office, deliver to the county voter
 3 registration office or the county voter registration office's
 4 designated printer the petition forms to be used solely in the
 5 petition process described in this section. The county voter
 6 registration office shall issue to an owner or owners of property
 7 within the political subdivision or a registered voter residing
 8 within the political subdivision the number of petition forms
 9 requested by the owner or owners or the registered voter. Each
 10 form must be accompanied by instructions detailing the
 11 requirements that:

12 (A) the carrier and signers must be owners of property or
 13 registered voters;

14 (B) the carrier must be a signatory on at least one (1) petition;

15 (C) after the signatures have been collected, the carrier must
 16 swear or affirm before a notary public that the carrier
 17 witnessed each signature; and

18 (D) govern the closing date for the petition period.

19 Persons requesting forms may be required to identify themselves
 20 as owners of property or registered voters and may be allowed to
 21 pick up additional copies to distribute to other owners of property
 22 or registered voters. Each person signing a petition must indicate
 23 whether the person is signing the petition as a registered voter
 24 within the political subdivision or is signing the petition as the
 25 owner of property within the political subdivision. A person who
 26 signs a petition as a registered voter must indicate the address at
 27 which the person is registered to vote. A person who signs a
 28 petition as an owner of property must indicate the address of the
 29 property owned by the person in the political subdivision.

30 (6) Each petition must be verified under oath by at least one (1)
 31 qualified petitioner in a manner prescribed by the state board of
 32 accounts before the petition is filed with the county voter
 33 registration office under subdivision (7).

34 (7) Each petition must be filed with the county voter registration
 35 office not more than thirty (30) days after publication under
 36 subdivision (2) of the notice of the preliminary determination.

37 (8) The county voter registration office shall determine whether
 38 each person who signed the petition is a registered voter.
 39 However, after the county voter registration office has determined
 40 that at least five hundred twenty-five (525) persons who signed
 41 the petition are registered voters within the political subdivision,
 42 the county voter registration office is not required to verify



1 whether the remaining persons who signed the petition are
2 registered voters. If the county voter registration office does not
3 determine that at least five hundred twenty-five (525) persons
4 who signed the petition are registered voters, the county voter
5 registration office shall, not more than fifteen (15) business days
6 after receiving a petition, forward a copy of the petition to the
7 county auditor. Not more than ten (10) business days after
8 receiving the copy of the petition, the county auditor shall provide
9 to the county voter registration office a statement verifying:

10 (A) whether a person who signed the petition as a registered
11 voter but is not a registered voter, as determined by the county
12 voter registration office, is the owner of property in the
13 political subdivision; and

14 (B) whether a person who signed the petition as an owner of
15 property within the political subdivision does in fact own
16 property within the political subdivision.

17 (9) The county voter registration office, not more than ten (10)
18 business days after determining that at least five hundred
19 twenty-five (525) persons who signed the petition are registered
20 voters or receiving the statement from the county auditor under
21 subdivision (8), as applicable, shall make the final determination
22 of the number of petitioners that are registered voters in the
23 political subdivision and, based on the statement provided by the
24 county auditor, the number of petitioners that own property within
25 the political subdivision. Whenever the name of an individual
26 who signs a petition form as a registered voter contains a minor
27 variation from the name of the registered voter as set forth in the
28 records of the county voter registration office, the signature is
29 presumed to be valid, and there is a presumption that the
30 individual is entitled to sign the petition under this section. Except
31 as otherwise provided in this chapter, in determining whether an
32 individual is a registered voter, the county voter registration office
33 shall apply the requirements and procedures used under IC 3 to
34 determine whether a person is a registered voter for purposes of
35 voting in an election governed by IC 3. However, an individual is
36 not required to comply with the provisions concerning providing
37 proof of identification to be considered a registered voter for
38 purposes of this chapter. A person is entitled to sign a petition
39 only one (1) time in a particular petition and remonstrance
40 process under this chapter, regardless of whether the person owns
41 more than one (1) parcel of real property, mobile home assessed
42 as personal property, or manufactured home assessed as personal



1 property, or a combination of those types of property within the
 2 subdivision and regardless of whether the person is both a
 3 registered voter in the political subdivision and the owner of
 4 property within the political subdivision. Notwithstanding any
 5 other provision of this section, if a petition is presented to the
 6 county voter registration office within forty-five (45) days before
 7 an election, the county voter registration office may defer acting
 8 on the petition, and the time requirements under this section for
 9 action by the county voter registration office do not begin to run
 10 until five (5) days after the date of the election.

11 (10) The county voter registration office must file a certificate and
 12 each petition with:

13 (A) the township trustee, if the political subdivision is a
 14 township, who shall present the petition or petitions to the
 15 township board; or

16 (B) the body that has the authority to authorize the issuance of
 17 the bonds or the execution of a lease, if the political
 18 subdivision is not a township;

19 within thirty-five (35) business days of the filing of the petition
 20 requesting a petition and remonstrance process. The certificate
 21 must state the number of petitioners that are owners of property
 22 within the political subdivision and the number of petitioners who
 23 are registered voters residing within the political subdivision.

24 If a sufficient petition requesting a petition and remonstrance process
 25 is not filed by owners of property or registered voters as set forth in this
 26 section, the political subdivision may issue bonds or enter into a lease
 27 by following the provisions of law relating to the bonds to be issued or
 28 lease to be entered into.

29 (c) A political subdivision may not divide a controlled project in
 30 order to avoid the requirements of this section and section 3.2 of this
 31 chapter. A person that owns property within a political subdivision or
 32 a person that is a registered voter residing within a political subdivision
 33 may file a petition with the department of local government finance
 34 objecting that the political subdivision has divided a controlled project
 35 in order to avoid the requirements of this section and section 3.2 of this
 36 chapter. The petition must be filed not more than ten (10) days after the
 37 political subdivision gives notice of the political subdivision's decision
 38 to issue bonds or enter into leases for a capital project that the person
 39 believes is the result of a division of a controlled project that is
 40 prohibited by this subsection. If the department of local government
 41 finance receives a petition under this subsection, the department shall
 42 not later than thirty (30) days after receiving the petition make a final



1 determination on the issue of whether the political subdivision divided
 2 a controlled project in order to avoid the requirements of this section
 3 and section 3.2 of this chapter. If the department of local government
 4 finance determines that a political subdivision divided a controlled
 5 project in order to avoid the requirements of this section and section
 6 3.2 of this chapter and the political subdivision continues to desire to
 7 proceed with the project, the political subdivision shall fulfill the
 8 requirements of this section and section 3.2 of this chapter, if
 9 applicable, regardless of the cost of the project in dispute. A political
 10 subdivision shall be considered to have divided a capital project in
 11 order to avoid the requirements of this section and section 3.2 of this
 12 chapter if the result of one (1) or more of the subprojects cannot
 13 reasonably be considered an independently desirable end in itself
 14 without reference to another capital project. This subsection does not
 15 prohibit a political subdivision from undertaking a series of capital
 16 projects in which the result of each capital project can reasonably be
 17 considered an independently desirable end in itself without reference
 18 to another capital project.

19 SECTION 7. IC 6-1.1-20-3.5, AS AMENDED BY P.L.136-2021,
 20 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2023]: Sec. 3.5. (a) This section applies only to a controlled
 22 project that meets the following conditions:

23 (1) The controlled project is described in one (1) of the following
 24 categories:

25 (A) An elementary school building, middle school building,
 26 high school building, or other school building for academic
 27 instruction that will be used for any combination of
 28 kindergarten through grade 12 and will cost more than the
 29 lesser of the following:

30 (i) The threshold amount determined under this item. In the
 31 case of an ordinance or resolution adopted before January 1,
 32 2018, making a preliminary determination to issue bonds or
 33 enter into a lease for the project, the threshold amount is ten
 34 million dollars (\$10,000,000). In the case of an ordinance or
 35 resolution adopted after December 31, 2017, and before
 36 January 1, 2019, making a preliminary determination to
 37 issue bonds or enter into a lease for the project, the threshold
 38 amount is fifteen million dollars (\$15,000,000). In the case
 39 of an ordinance or resolution adopted in a calendar year after
 40 December 31, 2018, making a preliminary determination to
 41 issue bonds or enter into a lease for the project, the threshold
 42 amount is an amount (as determined by the department of



1 local government finance) equal to the result of the
 2 maximum levy growth quotient determined under
 3 IC 6-1.1-18.5-2 for the year multiplied by the threshold
 4 amount determined under this item for the preceding
 5 calendar year. In the case of a threshold amount determined
 6 under this item that applies for a calendar year after
 7 December 31, 2018, the department of local government
 8 finance shall publish the threshold in the Indiana Register
 9 under IC 4-22-7-7 not more than sixty (60) days after the
 10 date the budget agency releases the maximum levy growth
 11 quotient for the ensuing year under IC 6-1.1-18.5-2.
 12 (ii) An amount equal to one percent (1%) of the total gross
 13 assessed value of property within the political subdivision
 14 on the last assessment date, if that total gross assessed value
 15 is more than one billion dollars (\$1,000,000,000), or ten
 16 million dollars (\$10,000,000), if the total gross assessed
 17 value of property within the political subdivision on the last
 18 assessment date is not more than one billion dollars
 19 (\$1,000,000,000).
 20 (B) Any other controlled project that is not a controlled project
 21 described in clause (A) and will cost the political subdivision
 22 more than the lesser of the following:
 23 (i) The threshold amount determined under this item. In the
 24 case of an ordinance or resolution adopted before January 1,
 25 2018, making a preliminary determination to issue bonds or
 26 enter into a lease for the project, the threshold amount is
 27 twelve million dollars (\$12,000,000). In the case of an
 28 ordinance or resolution adopted after December 31, 2017,
 29 and before January 1, 2019, making a preliminary
 30 determination to issue bonds or enter into a lease for the
 31 project, the threshold amount is fifteen million dollars
 32 (\$15,000,000). In the case of an ordinance or resolution
 33 adopted in a calendar year after December 31, 2018, making
 34 a preliminary determination to issue bonds or enter into a
 35 lease for the project, the threshold amount is an amount (as
 36 determined by the department of local government finance)
 37 equal to the result of the maximum levy growth quotient
 38 determined under IC 6-1.1-18.5-2 for the year multiplied by
 39 the threshold amount determined under this item for the
 40 preceding calendar year. In the case of a threshold amount
 41 determined under this item that applies for a calendar year
 42 after December 31, 2018, the department of local



1 government finance shall publish the threshold in the
 2 Indiana Register under IC 4-22-7-7 not more than sixty (60)
 3 days after the date the budget agency releases the maximum
 4 levy growth quotient for the ensuing year under
 5 IC 6-1.1-18.5-2.

6 (ii) An amount equal to one percent (1%) of the total gross
 7 assessed value of property within the political subdivision
 8 on the last assessment date, if that total gross assessed value
 9 is more than one hundred million dollars (\$100,000,000), or
 10 one million dollars (\$1,000,000), if the total gross assessed
 11 value of property within the political subdivision on the last
 12 assessment date is not more than one hundred million
 13 dollars (\$100,000,000).

14 (C) Any other controlled project for which a political
 15 subdivision adopts an ordinance or resolution making a
 16 preliminary determination to issue bonds or enter into a lease
 17 for the project, if the sum of:

18 (i) the cost of that controlled project; plus

19 (ii) the costs of all other controlled projects for which the
 20 political subdivision has previously adopted within the
 21 preceding three hundred sixty-five (365) days an ordinance
 22 or resolution making a preliminary determination to issue
 23 bonds or enter into a lease for those other controlled
 24 projects;

25 exceeds twenty-five million dollars (\$25,000,000).

26 **(D) Any other controlled project if the political**
 27 **subdivision's total debt service tax rate is at least eighty**
 28 **cents (\$0.80) per one hundred dollars (\$100) of assessed**
 29 **value.**

30 (2) The proper officers of the political subdivision make a
 31 preliminary determination after June 30, 2008, in the manner
 32 described in subsection (b) to issue bonds or enter into a lease for
 33 the controlled project.

34 (b) Subject to subsection (d), a political subdivision may not impose
 35 property taxes to pay debt service on bonds or lease rentals on a lease
 36 for a controlled project without completing the following procedures:

37 (1) The proper officers of a political subdivision shall publish
 38 notice in accordance with IC 5-3-1 and send notice by first class
 39 mail to the circuit court clerk and to any organization that delivers
 40 to the officers, before January 1 of that year, an annual written
 41 request for notices of any meeting to consider the adoption of an
 42 ordinance or a resolution making a preliminary determination to



1 issue bonds or enter into a lease and shall conduct at least two (2)
 2 public hearings on the preliminary determination before adoption
 3 of the ordinance or resolution. The political subdivision must at
 4 each of the public hearings on the preliminary determination
 5 allow the public to testify regarding the preliminary determination
 6 and must make the following information available to the public
 7 at each of the public hearings on the preliminary determination,
 8 in addition to any other information required by law:

9 (A) The result of the political subdivision's current and
 10 projected annual debt service payments divided by the net
 11 assessed value of taxable property within the political
 12 subdivision.

13 (B) The result of:

14 (i) the sum of the political subdivision's outstanding long
 15 term debt plus the outstanding long term debt of other taxing
 16 units that include any of the territory of the political
 17 subdivision; divided by

18 (ii) the net assessed value of taxable property within the
 19 political subdivision.

20 (C) The information specified in subdivision (3)(A) through
 21 (3)(G).

22 (2) If the proper officers of a political subdivision make a
 23 preliminary determination to issue bonds or enter into a lease, the
 24 officers shall give notice of the preliminary determination by:

25 (A) publication in accordance with IC 5-3-1; and

26 (B) first class mail to the circuit court clerk and to the
 27 organizations described in subdivision (1).

28 (3) A notice under subdivision (2) of the preliminary
 29 determination of the political subdivision to issue bonds or enter
 30 into a lease must include the following information:

31 (A) The maximum term of the bonds or lease.

32 (B) The maximum principal amount of the bonds or the
 33 maximum lease rental for the lease.

34 (C) The estimated interest rates that will be paid and the total
 35 interest costs associated with the bonds or lease.

36 (D) The purpose of the bonds or lease.

37 (E) A statement that the proposed debt service or lease
 38 payments must be approved in an election on a local public
 39 question held under section 3.6 of this chapter.

40 (F) With respect to bonds issued or a lease entered into to
 41 open:

42 (i) a new school facility; or



- 1 (ii) an existing facility that has not been used for at least
 2 three (3) years and that is being reopened to provide
 3 additional classroom space;
 4 the estimated costs the school corporation expects to annually
 5 incur to operate the facility.
- 6 (G) The following information:
- 7 (i) The political subdivision's current debt service levy and
 8 rate.
 9 (ii) The estimated increase to the political subdivision's debt
 10 service levy and rate that will result if the political
 11 subdivision issues the bonds or enters into the lease.
 12 (iii) The estimated amount of the political subdivision's debt
 13 service levy and rate that will result during the following ten
 14 (10) years if the political subdivision issues the bonds or
 15 enters into the lease, after also considering any changes that
 16 will occur to the debt service levy and rate during that
 17 period on account of any outstanding bonds or lease
 18 obligations that will mature or terminate during that period.
- 19 (H) The information specified in subdivision (1)(A) through
 20 (1)(B).
- 21 **(4) This subdivision does not apply to a controlled project**
 22 **described in subsection (a)(1)(D).** After notice is given, a
 23 petition requesting the application of the local public question
 24 process under section 3.6 of this chapter may be filed by the lesser
 25 of:
- 26 (A) five hundred (500) persons who are either owners of
 27 property within the political subdivision or registered voters
 28 residing within the political subdivision; or
 29 (B) five percent (5%) of the registered voters residing within
 30 the political subdivision.
- 31 **(5) This subdivision does not apply to a controlled project**
 32 **described in subsection (a)(1)(D).** The state board of accounts
 33 shall design and, upon request by the county voter registration
 34 office, deliver to the county voter registration office or the county
 35 voter registration office's designated printer the petition forms to
 36 be used solely in the petition process described in this section.
 37 The county voter registration office shall issue to an owner or
 38 owners of property within the political subdivision or a registered
 39 voter residing within the political subdivision the number of
 40 petition forms requested by the owner or owners or the registered
 41 voter. Each form must be accompanied by instructions detailing
 42 the requirements that:



- 1 (A) the carrier and signers must be owners of property or
 2 registered voters;
- 3 (B) the carrier must be a signatory on at least one (1) petition;
- 4 (C) after the signatures have been collected, the carrier must
 5 swear or affirm before a notary public that the carrier
 6 witnessed each signature; and
- 7 (D) govern the closing date for the petition period.
- 8 Persons requesting forms may be required to identify themselves
 9 as owners of property or registered voters and may be allowed to
 10 pick up additional copies to distribute to other owners of property
 11 or registered voters. Each person signing a petition must indicate
 12 whether the person is signing the petition as a registered voter
 13 within the political subdivision or is signing the petition as the
 14 owner of property within the political subdivision. A person who
 15 signs a petition as a registered voter must indicate the address at
 16 which the person is registered to vote. A person who signs a
 17 petition as an owner of property must indicate the address of the
 18 property owned by the person in the political subdivision.
- 19 **(6) This subdivision does not apply to a controlled project**
 20 **described in subsection (a)(1)(D).** Each petition must be verified
 21 under oath by at least one (1) qualified petitioner in a manner
 22 prescribed by the state board of accounts before the petition is
 23 filed with the county voter registration office under subdivision
 24 (7).
- 25 **(7) This subdivision does not apply to a controlled project**
 26 **described in subsection (a)(1)(D).** Each petition must be filed
 27 with the county voter registration office not more than thirty (30)
 28 days after publication under subdivision (2) of the notice of the
 29 preliminary determination.
- 30 **(8) This subdivision does not apply to a controlled project**
 31 **described in subsection (a)(1)(D).** The county voter registration
 32 office shall determine whether each person who signed the
 33 petition is a registered voter. However, after the county voter
 34 registration office has determined that at least five hundred
 35 twenty-five (525) persons who signed the petition are registered
 36 voters within the political subdivision, the county voter
 37 registration office is not required to verify whether the remaining
 38 persons who signed the petition are registered voters. If the
 39 county voter registration office does not determine that at least
 40 five hundred twenty-five (525) persons who signed the petition
 41 are registered voters, the county voter registration office, not more
 42 than fifteen (15) business days after receiving a petition, shall



1 forward a copy of the petition to the county auditor. Not more
 2 than ten (10) business days after receiving the copy of the
 3 petition, the county auditor shall provide to the county voter
 4 registration office a statement verifying:

5 (A) whether a person who signed the petition as a registered
 6 voter but is not a registered voter, as determined by the county
 7 voter registration office, is the owner of property in the
 8 political subdivision; and

9 (B) whether a person who signed the petition as an owner of
 10 property within the political subdivision does in fact own
 11 property within the political subdivision.

12 **(9) This subdivision does not apply to a controlled project**
 13 **described in subsection (a)(1)(D).** The county voter registration
 14 office, not more than ten (10) business days after determining that
 15 at least five hundred twenty-five (525) persons who signed the
 16 petition are registered voters or after receiving the statement from
 17 the county auditor under subdivision (8), as applicable, shall
 18 make the final determination of whether a sufficient number of
 19 persons have signed the petition. Whenever the name of an
 20 individual who signs a petition form as a registered voter contains
 21 a minor variation from the name of the registered voter as set
 22 forth in the records of the county voter registration office, the
 23 signature is presumed to be valid, and there is a presumption that
 24 the individual is entitled to sign the petition under this section.
 25 Except as otherwise provided in this chapter, in determining
 26 whether an individual is a registered voter, the county voter
 27 registration office shall apply the requirements and procedures
 28 used under IC 3 to determine whether a person is a registered
 29 voter for purposes of voting in an election governed by IC 3.
 30 However, an individual is not required to comply with the
 31 provisions concerning providing proof of identification to be
 32 considered a registered voter for purposes of this chapter. A
 33 person is entitled to sign a petition only one (1) time in a
 34 particular referendum process under this chapter, regardless of
 35 whether the person owns more than one (1) parcel of real
 36 property, mobile home assessed as personal property, or
 37 manufactured home assessed as personal property or a
 38 combination of those types of property within the political
 39 subdivision and regardless of whether the person is both a
 40 registered voter in the political subdivision and the owner of
 41 property within the political subdivision. Notwithstanding any
 42 other provision of this section, if a petition is presented to the



1 county voter registration office within forty-five (45) days before
 2 an election, the county voter registration office may defer acting
 3 on the petition, and the time requirements under this section for
 4 action by the county voter registration office do not begin to run
 5 until five (5) days after the date of the election.

6 **(10) This subdivision does not apply to a controlled project**
 7 **described in subsection (a)(1)(D).** The county voter registration
 8 office must file a certificate and each petition with:

9 (A) the township trustee, if the political subdivision is a
 10 township, who shall present the petition or petitions to the
 11 township board; or

12 (B) the body that has the authority to authorize the issuance of
 13 the bonds or the execution of a lease, if the political
 14 subdivision is not a township;

15 within thirty-five (35) business days of the filing of the petition
 16 requesting the referendum process. The certificate must state the
 17 number of petitioners who are owners of property within the
 18 political subdivision and the number of petitioners who are
 19 registered voters residing within the political subdivision.

20 **(11) This subdivision does not apply to a controlled project**
 21 **described in subsection (a)(1)(D).** If a sufficient petition
 22 requesting the local public question process is not filed by owners
 23 of property or registered voters as set forth in this section, the
 24 political subdivision may issue bonds or enter into a lease by
 25 following the provisions of law relating to the bonds to be issued
 26 or lease to be entered into.

27 (c) If the proper officers of a political subdivision make a
 28 preliminary determination to issue bonds or enter into a lease, the
 29 officers shall provide to the county auditor:

30 (1) a copy of the notice required by subsection (b)(2); and

31 (2) any other information the county auditor requires to fulfill the
 32 county auditor's duties under section 3.6 of this chapter.

33 (d) In addition to the procedures in subsection (b), if any capital
 34 improvement components addressed in the most recent:

35 (1) threat assessment of the buildings within the school
 36 corporation; or

37 (2) school safety plan (as described in IC 20-26-18.2-2(b));

38 concerning a particular school have not been completed or require
 39 additional funding to be completed, before the school corporation may
 40 impose property taxes to pay debt service on bonds or lease rentals for
 41 a lease for a controlled project, and in addition to any other components
 42 of the controlled project, the controlled project must include any capital



1 improvements necessary to complete those components described in
 2 subdivisions (1) and (2) that have not been completed or that require
 3 additional funding to be completed.

4 (e) In addition to the other procedures in this section, an ordinance
 5 or resolution making a preliminary determination to issue bonds or
 6 enter into leases that is considered for adoption must include a
 7 statement of:

8 (1) the maximum annual debt service for the controlled project for
 9 each year in which the debt service will be paid; and

10 (2) the schedule of the estimated annual tax levy and rate over a
 11 ten (10) year period;

12 factoring in changes that will occur to the debt service levy and tax rate
 13 during the period on account of any outstanding bonds or lease
 14 obligations that will mature or terminate during the period.

15 SECTION 8. IC 6-1.1-20-3.6, AS AMENDED BY P.L.174-2022,
 16 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2023]: Sec. 3.6. (a) Except as provided in sections 3.7 and 3.8
 18 of this chapter, this section applies only to a controlled project
 19 described in section 3.5(a) of this chapter.

20 (b) **In the case of a controlled project:**

21 **(1) described in section 3.5(a)(1)(A) through 3.5(a)(1)(C) of**
 22 **this chapter**, if a sufficient petition requesting the application of
 23 the local public question process has been filed as set forth in
 24 section 3.5 of this chapter; **or**

25 **(2) described in section 3.5(a)(1)(D) of this chapter;**

26 a political subdivision may not impose property taxes to pay debt
 27 service on bonds or lease rentals on a lease for a controlled project
 28 unless the political subdivision's proposed debt service or lease rental
 29 is approved in an election on a local public question held under this
 30 section.

31 (c) Except as provided in subsection (k), the following question
 32 shall be submitted to the eligible voters at the election conducted under
 33 this section:

34 "Shall _____ (insert the name of the political subdivision)
 35 increase property taxes paid to the _____ (insert the type of
 36 taxing unit) by homeowners and businesses? If this public
 37 question is approved by the voters, the average property tax paid
 38 to the _____ (insert the type of taxing unit) per year on a
 39 residence would increase by _____% (insert the estimated
 40 average percentage of property tax increase paid to the political
 41 subdivision on a residence within the political subdivision as
 42 determined under subsection (n)) and the average property tax



1 paid to the _____ (insert the type of taxing unit) per year on a
 2 business property would increase by _____% (insert the
 3 estimated average percentage of property tax increase paid to the
 4 political subdivision on a business property within the political
 5 subdivision as determined under subsection (o)). The political
 6 subdivision may issue bonds or enter into a lease to _____
 7 (insert a brief description of the controlled project), which is
 8 estimated to cost _____ (insert the total cost of the project)
 9 over _____ (insert number of years to bond maturity or
 10 termination of lease) years. The most recent property tax
 11 referendum within the boundaries of the political subdivision for
 12 which this public question is being considered was proposed by
 13 _____ (insert name of political subdivision) in _____ (insert
 14 year of most recent property tax referendum) and _____
 15 (insert whether the measure passed or failed)."

16 The public question must appear on the ballot in the form approved by
 17 the county election board. If the political subdivision proposing to issue
 18 bonds or enter into a lease is located in more than one (1) county, the
 19 county election board of each county shall jointly approve the form of
 20 the public question that will appear on the ballot in each county. The
 21 form approved by the county election board may differ from the
 22 language certified to the county election board by the county auditor.
 23 If the county election board approves the language of a public question
 24 under this subsection, the county election board shall submit the
 25 language and the certification of the county auditor described in
 26 subsection (p) to the department of local government finance for
 27 review.

28 (d) The department of local government finance shall review the
 29 language of the public question to evaluate whether the description of
 30 the controlled project is accurate and is not biased against either a vote
 31 in favor of the controlled project or a vote against the controlled
 32 project. The department of local government finance shall post the
 33 estimated average percentage of property tax increases to be paid to a
 34 political subdivision on a residence and business property that are
 35 certified by the county auditor under subsection (p) on the department's
 36 Internet web site. The department of local government finance may
 37 either approve the ballot language as submitted or recommend that the
 38 ballot language be modified as necessary to ensure that the description
 39 of the controlled project is accurate and is not biased. The department
 40 of local government finance shall certify its approval or
 41 recommendations to the county auditor and the county election board
 42 not more than ten (10) days after the language of the public question is



1 submitted to the department for review. If the department of local
 2 government finance recommends a modification to the ballot language,
 3 the county election board shall, after reviewing the recommendations
 4 of the department of local government finance, submit modified ballot
 5 language to the department for the department's approval or
 6 recommendation of any additional modifications. The public question
 7 may not be certified by the county auditor under subsection (e) unless
 8 the department of local government finance has first certified the
 9 department's final approval of the ballot language for the public
 10 question.

11 (e) The county auditor shall certify the finally approved public
 12 question under IC 3-10-9-3 to the county election board of each county
 13 in which the political subdivision is located. The certification must
 14 occur not later than noon:

- 15 (1) seventy-four (74) days before a primary election if the public
 16 question is to be placed on the primary or municipal primary
 17 election ballot; or
- 18 (2) August 1 if the public question is to be placed on the general
 19 or municipal election ballot.

20 Subject to the certification requirements and deadlines under this
 21 subsection and except as provided in subsection (j), the public question
 22 shall be placed on the ballot at the next primary election, general
 23 election or municipal election in which all voters of the political
 24 subdivision are entitled to vote. However, if a primary election, general
 25 election, or municipal election will not be held during the first year in
 26 which the public question is eligible to be placed on the ballot under
 27 this section and if the political subdivision requests the public question
 28 to be placed on the ballot at a special election, the public question shall
 29 be placed on the ballot at a special election to be held on the first
 30 Tuesday after the first Monday in May or November of the year. The
 31 certification must occur not later than noon seventy-four (74) days
 32 before a special election to be held in May (if the special election is to
 33 be held in May) or noon on August 1 (if the special election is to be
 34 held in November). The fiscal body of the political subdivision that
 35 requests the special election shall pay the costs of holding the special
 36 election. The county election board shall give notice under IC 5-3-1 of
 37 a special election conducted under this subsection. A special election
 38 conducted under this subsection is under the direction of the county
 39 election board. The county election board shall take all steps necessary
 40 to carry out the special election.

41 (f) The circuit court clerk shall certify the results of the public
 42 question to the following:

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- 1 (1) The county auditor of each county in which the political
2 subdivision is located.
- 3 (2) The department of local government finance.
- 4 (g) Subject to the requirements of IC 6-1.1-18.5-8, the political
5 subdivision may issue the proposed bonds or enter into the proposed
6 lease rental if a majority of the eligible voters voting on the public
7 question vote in favor of the public question.
- 8 (h) If a majority of the eligible voters voting on the public question
9 vote in opposition to the public question, both of the following apply:
- 10 (1) The political subdivision may not issue the proposed bonds or
11 enter into the proposed lease rental.
- 12 (2) Another public question under this section on the same or a
13 substantially similar project may not be submitted to the voters
14 earlier than:
- 15 (A) except as provided in clause (B), seven hundred (700)
16 days after the date of the public question; or
- 17 (B) three hundred fifty (350) days after the date of the election,
18 if a petition that meets the requirements of subsection (m) is
19 submitted to the county auditor.
- 20 (i) IC 3, to the extent not inconsistent with this section, applies to an
21 election held under this section.
- 22 (j) A political subdivision may not divide a controlled project in
23 order to avoid the requirements of this section and section 3.5 of this
24 chapter. A person that owns property within a political subdivision or
25 a person that is a registered voter residing within a political subdivision
26 may file a petition with the department of local government finance
27 objecting that the political subdivision has divided a controlled project
28 into two (2) or more capital projects in order to avoid the requirements
29 of this section and section 3.5 of this chapter. The petition must be filed
30 not more than ten (10) days after the political subdivision gives notice
31 of the political subdivision's decision under section 3.5 of this chapter
32 or a determination under section 5 of this chapter to issue bonds or
33 enter into leases for a capital project that the person believes is the
34 result of a division of a controlled project that is prohibited by this
35 subsection. If the department of local government finance receives a
36 petition under this subsection, the department shall not later than thirty
37 (30) days after receiving the petition make a final determination on the
38 issue of whether the political subdivision divided a controlled project
39 in order to avoid the requirements of this section and section 3.5 of this
40 chapter. If the department of local government finance determines that
41 a political subdivision divided a controlled project in order to avoid the
42 requirements of this section and section 3.5 of this chapter and the



1 political subdivision continues to desire to proceed with the project, the
2 political subdivision may appeal the determination of the department
3 of local government finance to the Indiana board of tax review. A
4 political subdivision shall be considered to have divided a capital
5 project in order to avoid the requirements of this section and section
6 3.5 of this chapter if the result of one (1) or more of the subprojects
7 cannot reasonably be considered an independently desirable end in
8 itself without reference to another capital project. This subsection does
9 not prohibit a political subdivision from undertaking a series of capital
10 projects in which the result of each capital project can reasonably be
11 considered an independently desirable end in itself without reference
12 to another capital project.

13 (k) This subsection applies to a political subdivision for which a
14 petition requesting a public question has been submitted under section
15 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of
16 the political subdivision may adopt a resolution to withdraw a
17 controlled project from consideration in a public question. If the
18 legislative body provides a certified copy of the resolution to the county
19 auditor and the county election board not later than sixty-three (63)
20 days before the election at which the public question would be on the
21 ballot, the public question on the controlled project shall not be placed
22 on the ballot and the public question on the controlled project shall not
23 be held, regardless of whether the county auditor has certified the
24 public question to the county election board. If the withdrawal of a
25 public question under this subsection requires the county election
26 board to reprint ballots, the political subdivision withdrawing the
27 public question shall pay the costs of reprinting the ballots. If a political
28 subdivision withdraws a public question under this subsection that
29 would have been held at a special election and the county election
30 board has printed the ballots before the legislative body of the political
31 subdivision provides a certified copy of the withdrawal resolution to
32 the county auditor and the county election board, the political
33 subdivision withdrawing the public question shall pay the costs
34 incurred by the county in printing the ballots. If a public question on a
35 controlled project is withdrawn under this subsection, a public question
36 under this section on the same controlled project or a substantially
37 similar controlled project may not be submitted to the voters earlier
38 than three hundred fifty (350) days after the date the resolution
39 withdrawing the public question is adopted.

40 (l) If a public question regarding a controlled project is placed on
41 the ballot to be voted on at an election under this section, the political
42 subdivision shall submit to the department of local government finance,



1 at least thirty (30) days before the election, the following information
 2 regarding the proposed controlled project for posting on the
 3 department's Internet web site:

4 (1) The cost per square foot of any buildings being constructed as
 5 part of the controlled project.

6 (2) The effect that approval of the controlled project would have
 7 on the political subdivision's property tax rate.

8 (3) The maximum term of the bonds or lease.

9 (4) The maximum principal amount of the bonds or the maximum
 10 lease rental for the lease.

11 (5) The estimated interest rates that will be paid and the total
 12 interest costs associated with the bonds or lease.

13 (6) The purpose of the bonds or lease.

14 (7) In the case of a controlled project proposed by a school
 15 corporation:

16 (A) the current and proposed square footage of school building
 17 space per student;

18 (B) enrollment patterns within the school corporation; and

19 (C) the age and condition of the current school facilities.

20 (m) If a majority of the eligible voters voting on the public question
 21 vote in opposition to the public question, a petition may be submitted
 22 to the county auditor to request that the limit under subsection
 23 (h)(2)(B) apply to the holding of a subsequent public question by the
 24 political subdivision. If such a petition is submitted to the county
 25 auditor and is signed by the lesser of:

26 (1) five hundred (500) persons who are either owners of property
 27 within the political subdivision or registered voters residing
 28 within the political subdivision; or

29 (2) five percent (5%) of the registered voters residing within the
 30 political subdivision;

31 the limit under subsection (h)(2)(B) applies to the holding of a second
 32 public question by the political subdivision and the limit under
 33 subsection (h)(2)(A) does not apply to the holding of a second public
 34 question by the political subdivision.

35 (n) At the request of a political subdivision that proposes to impose
 36 property taxes to pay debt service on bonds or lease rentals on a lease
 37 for a controlled project, the county auditor of a county in which the
 38 political subdivision is located shall determine the estimated average
 39 percentage of property tax increase on a homestead to be paid to the
 40 political subdivision that must be included in the public question under
 41 subsection (c) as follows:

42 STEP ONE: Determine the average assessed value of a homestead



1 located within the political subdivision.
 2 STEP TWO: For purposes of determining the net assessed value
 3 of the average homestead located within the political subdivision,
 4 subtract:
 5 (A) an amount for the homestead standard deduction under
 6 IC 6-1.1-12-37 as if the homestead described in STEP ONE
 7 was eligible for the deduction; and
 8 (B) an amount for the supplemental homestead deduction
 9 under IC 6-1.1-12-37.5 as if the homestead described in STEP
 10 ONE was eligible for the deduction;
 11 from the result of STEP ONE.
 12 STEP THREE: Divide the result of STEP TWO by one hundred
 13 (100).
 14 STEP FOUR: Determine the overall average tax rate per one
 15 hundred dollars (\$100) of assessed valuation for the current year
 16 imposed on property located within the political subdivision.
 17 STEP FIVE: For purposes of determining net property tax liability
 18 of the average homestead located within the political subdivision:
 19 (A) multiply the result of STEP THREE by the result of STEP
 20 FOUR; and
 21 (B) as appropriate, apply any currently applicable county
 22 property tax credit rates and the credit for excessive property
 23 taxes under IC 6-1.1-20.6-7.5(a)(1).
 24 STEP SIX: Determine the amount of the political subdivision's
 25 part of the result determined in STEP FIVE.
 26 STEP SEVEN: Determine the estimated tax rate that will be
 27 imposed if the public question is approved by the voters.
 28 STEP EIGHT: Multiply the result of STEP SEVEN by the result
 29 of STEP THREE.
 30 STEP NINE: Divide the result of STEP EIGHT by the result of
 31 STEP SIX, expressed as a percentage.
 32 (o) At the request of a political subdivision that proposes to impose
 33 property taxes to pay debt service on bonds or lease rentals on a lease
 34 for a controlled project, the county auditor of a county in which the
 35 political subdivision is located shall determine the estimated average
 36 percentage of property tax increase on a business property to be paid
 37 to the political subdivision that must be included in the public question
 38 under subsection (c) as follows:
 39 STEP ONE: Determine the average assessed value of business
 40 property located within the political subdivision.
 41 STEP TWO: Divide the result of STEP ONE by one hundred
 42 (100).



- 1 STEP THREE: Determine the overall average tax rate per one
 2 hundred dollars (\$100) of assessed valuation for the current year
 3 imposed on property located within the political subdivision.
- 4 STEP FOUR: For purposes of determining net property tax
 5 liability of the average business property located within the
 6 political subdivision:
- 7 (A) multiply the result of STEP TWO by the result of STEP
 8 THREE; and
- 9 (B) as appropriate, apply any currently applicable county
 10 property tax credit rates and the credit for excessive property
 11 taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage
 12 was three percent (3%).
- 13 STEP FIVE: Determine the amount of the political subdivision's
 14 part of the result determined in STEP FOUR.
- 15 STEP SIX: Determine the estimated tax rate that will be imposed
 16 if the public question is approved by the voters.
- 17 STEP SEVEN: Multiply the result of STEP TWO by the result of
 18 STEP SIX.
- 19 STEP EIGHT: Divide the result of STEP SEVEN by the result of
 20 STEP FIVE, expressed as a percentage.
- 21 (p) The county auditor shall certify the estimated average
 22 percentage of property tax increase on a homestead to be paid to the
 23 political subdivision determined under subsection (n), and the
 24 estimated average percentage of property tax increase on a business
 25 property to be paid to the political subdivision determined under
 26 subsection (o), in a manner prescribed by the department of local
 27 government finance, and provide the certification to the political
 28 subdivision that proposes to impose property taxes. The political
 29 subdivision shall provide the certification to the county election board
 30 and include the estimated average percentages in the language of the
 31 public question at the time the language of the public question is
 32 submitted to the county election board for approval as described in
 33 subsection (c).
- 34 SECTION 9. IC 6-1.1-20-3.7, AS ADDED BY P.L.182-2009(ss),
 35 SECTION 147, IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2023]: Sec. 3.7. (a) This section applies to the
 37 following:
- 38 (1) The issuance of bonds or the entering into a lease for a
 39 controlled project:
- 40 (A) to which section 3.5 of this chapter applies; and
 41 (B) for which a sufficient petition requesting the application of
 42 the local public question process under section 3.6 of this



- 1 chapter has not been filed as set forth in section 3.5 of this
 2 chapter within the time required under section 3.5(b)(7) of this
 3 chapter.
- 4 (2) The issuance of bonds or the entering into a lease for a capital
 5 project:
- 6 (A) that is not a controlled project to which section 3.5 of this
 7 chapter applies; and
- 8 (B) that would, but for the application of section ~~1.1(6)~~
 9 **1.1(a)(6)** of this chapter to the project, be a controlled project
 10 to which section 3.5 of this chapter applies.
- 11 (b) If the proper officers of a political subdivision make a
 12 preliminary determination to issue bonds described in subsection (a) or
 13 enter into a lease described in subsection (a), the fiscal body of the
 14 political subdivision may adopt a resolution specifying that the local
 15 public question process specified in section 3.6 of this chapter applies
 16 to the issuance of the bonds or the entering into the lease,
 17 notwithstanding that:
- 18 (1) a sufficient petition requesting the application of the local
 19 public question process under section 3.6 of this chapter has not
 20 been filed as set forth in section 3.5 of this chapter (in the case of
 21 bonds or a lease described in subsection (a)(1)); or
- 22 (2) because of the application of section ~~1.1(6)~~ **1.1(a)(6)** of this
 23 chapter, the bonds or lease is not considered to be issued or
 24 entered into for a controlled project (in the case of bonds or a
 25 lease described in subsection (a)(2)).
- 26 (c) The following apply to the adoption of a resolution by the fiscal
 27 body of a political subdivision under subsection (b):
- 28 (1) In the case of bonds or a lease described in subsection (a)(1)
 29 and for which no petition requesting the application of the local
 30 public question process under section 3.6 of this chapter has been
 31 filed within the time required under section 3.5(b)(7) of this
 32 chapter, the fiscal body must adopt the resolution not more than
 33 sixty (60) days after publication of the notice of the preliminary
 34 determination to issue the bonds or enter into the lease.
- 35 (2) In the case of bonds or a lease described in subsection (a)(1)
 36 for which a petition requesting the application of the local public
 37 question process under section 3.6 of this chapter:
- 38 (A) has been filed under section 3.5 of this chapter; and
- 39 (B) is determined to have an insufficient number of signatures
 40 to require application of the local public question process
 41 under section 3.6 of this chapter;
- 42 the fiscal body must adopt the resolution not more than thirty (30)



1 days after the county voter registration office makes the final
 2 determination under section 3.5 of this chapter that a sufficient
 3 number of persons have not signed the petition.

4 (3) In the case of bonds or a lease described in subsection (a)(2),
 5 the fiscal body must adopt the resolution not more than thirty (30)
 6 days after publication of the notice of the preliminary
 7 determination to issue the bonds or enter into the lease.

8 (4) The fiscal body shall certify the resolution to the county
 9 election board of each county in which the political subdivision
 10 is located, and the county election board shall place the public
 11 question on the ballot as provided in section 3.6 of this chapter.

12 (d) Except to the extent it is inconsistent with this section, section
 13 3.6 of this chapter applies to a local public question placed on the
 14 ballot under this section.

15 SECTION 10. IC 6-1.1-20.6-7.5, AS AMENDED BY P.L.205-2013,
 16 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 UPON PASSAGE]: Sec. 7.5. (a) A person is entitled to a credit against
 18 the person's property tax liability for property taxes first due and
 19 payable after 2009. The amount of the credit is the amount by which
 20 the person's property tax liability attributable to the person's:

21 (1) homestead exceeds:

22 **(A) for property taxes first due and payable before**
 23 **January 1, 2024, one percent (1%);**

24 **(B) for property taxes first due and payable in 2024,**
 25 **ninety-five hundredths percent (0.95%);**

26 **(C) for property taxes first due and payable in 2025, nine**
 27 **hundred seventy-five thousandths percent (0.975%); and**

28 **(D) for property taxes first due and payable after**
 29 **December 31, 2025, one percent (1%);**

30 (2) residential property exceeds two percent (2%);

31 (3) long term care property exceeds two percent (2%);

32 (4) agricultural land exceeds two percent (2%);

33 (5) nonresidential real property exceeds three percent (3%); or

34 (6) personal property exceeds three percent (3%);

35 of the gross assessed value of the property that is the basis for
 36 determination of property taxes for that calendar year.

37 (b) This subsection applies to property taxes first due and payable
 38 after 2009. Property taxes imposed after being approved by the voters
 39 in a referendum or local public question shall not be considered for
 40 purposes of calculating a person's credit under this section.

41 (c) This subsection applies to property taxes first due and payable
 42 after 2009. As used in this subsection, "eligible county" means only a



1 county for which the general assembly determines in 2008 that limits
 2 to property tax liability under this chapter are expected to reduce in
 3 2010 the aggregate property tax revenue that would otherwise be
 4 collected by all units of local government and school corporations in
 5 the county by at least twenty percent (20%). Property taxes imposed in
 6 an eligible county:

7 (1) to pay debt service:

8 (A) on bonds issued before July 1, 2008; or

9 (B) on bonds that:

10 (i) are issued to refund bonds originally issued before July
 11 1, 2008; and

12 (ii) have a maturity date that is not later than the maturity
 13 date of the bonds refunded;

14 (2) to make lease payments on leases entered into before July 1,
 15 2008, to secure bonds;

16 (3) to make lease payments on leases:

17 (A) that are amended to refund bonds secured by leases
 18 entered into before July 1, 2008; and

19 (B) that have a term that is not longer than the term of the
 20 leases amended; or

21 (4) to make lease payments on leases:

22 (A) that secure bonds:

23 (i) issued to refund bonds originally issued before July 1,
 24 2008; and

25 (ii) that have a maturity date that is not later than the
 26 maturity date of the bonds refunded; and

27 (B) that have a term that ends not later than the maturity date
 28 of the bonds refunded;

29 shall not be considered for purposes of calculating a person's credit
 30 under this section.

31 SECTION 11. IC 6-1.1-50 IS ADDED TO THE INDIANA CODE
 32 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 33 UPON PASSAGE]:

34 **Chapter 50. County Option Property Tax Relief for Homesteads**

35 **Sec. 1. As used in this chapter, "homestead" refers to a**
 36 **homestead that has been granted a standard deduction under**
 37 **IC 6-1.1-12-37.**

38 **Sec. 2. As used in this chapter, "qualified individual" means an**
 39 **individual who qualified for a standard deduction granted under**
 40 **IC 6-1.1-12-37 for property taxes first due and payable in 2023 on**
 41 **the qualified individual's homestead property.**

42 **Sec. 3. (a) A county fiscal body may adopt an ordinance to**



1 provide property tax relief as provided in this chapter to qualified
2 individuals on property taxes that are:

- 3 (1) attributable to the qualified individual's homestead
4 property; and
5 (2) first due and payable in 2023.

6 (b) An ordinance adopted under this section may allow a
7 qualified individual to elect to receive property tax relief under this
8 chapter in any of the following forms:

- 9 (1) As a rebate check.
10 (2) As a credit against the qualified individual's homestead
11 property tax liability installment due in November 2023.
12 (3) As a credit against the qualified individual's homestead
13 property tax liability first due and payable in 2024.

14 (c) The county fiscal body shall provide the amount of property
15 tax relief to be provided to each qualified individual in an
16 ordinance adopted under this section. The amount may be an
17 amount:

- 18 (1) determined by the county fiscal body that is equal for all
19 qualified individuals; or
20 (2) that is proportional to each qualified individual's share of
21 the total amount of property tax liability first due and payable
22 in 2023 on homesteads.

23 Sec. 4. Before adopting an ordinance under section 3 of this
24 chapter, a county fiscal body must conduct a public hearing on the
25 proposed ordinance. The county fiscal body must publish notice of
26 the public hearing in accordance with IC 5-3-1.

27 Sec. 5. If a county fiscal body adopts an ordinance to provide
28 property tax relief under this chapter, the county fiscal body shall
29 give notice of the adoption of the ordinance to:

- 30 (1) the department of local government finance on the form
31 and in the manner prescribed by the department of local
32 government finance;
33 (2) the county auditor; and
34 (3) the fiscal officer of each taxing unit within the county;

35 including a certified copy of the adopted ordinance.

36 Sec. 6. A qualified individual may elect to receive property tax
37 in a manner described in section 3(b) of this chapter by filing a
38 certified statement on forms prescribed by the department of local
39 government finance with the county auditor.

40 Sec. 7. If a qualified individual elects to receive property tax
41 relief in the form of a rebate check as provided in section 3(b)(1) of
42 this chapter, the county auditor shall provide the rebate check to



1 the qualified individual not later than December 31, 2023.

2 Sec. 8. The auditor of each county shall apply a credit against
3 the homestead property tax liability of each qualified individual
4 who makes an election under section 3(b)(2) or 3(b)(3) of this
5 chapter, against the qualified individual's homestead property tax
6 liability installment due in November 2023 or the qualified
7 individual's homestead property tax liability first due and payable
8 in 2024, as applicable.

9 Sec. 9. The department of local government finance shall
10 provide technical assistance to a county fiscal body in adopting and
11 implementing an ordinance under this chapter, as requested by the
12 county fiscal body. The department of local government finance
13 shall provide technical assistance to a county auditor or affected
14 taxing unit in implementing an ordinance adopted under this
15 chapter, as requested by the county auditor or affected taxing unit.

16 Sec. 10. The department of local government finance may adopt
17 emergency rules under IC 4-22-2-37.1 to implement this chapter.
18 An emergency rule adopted under this section expires on the
19 earlier of the following dates:

20 (1) The expiration date stated in the emergency rule.

21 (2) January 1, 2025.

22 SECTION 12. IC 6-3-1-3.5, AS AMENDED BY P.L.180-2022(ss),
23 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 3.5. When used in this
25 article, the term "adjusted gross income" shall mean the following:

26 (a) In the case of all individuals, "adjusted gross income" (as
27 defined in Section 62 of the Internal Revenue Code), modified as
28 follows:

29 (1) Subtract income that is exempt from taxation under this article
30 by the Constitution and statutes of the United States.

31 (2) Except as provided in subsection (c), add an amount equal to
32 any deduction or deductions allowed or allowable pursuant to
33 Section 62 of the Internal Revenue Code for taxes based on or
34 measured by income and levied at the state level by any state of
35 the United States.

36 (3) Subtract one thousand dollars (\$1,000), or in the case of a
37 joint return filed by a husband and wife, subtract for each spouse
38 one thousand dollars (\$1,000).

39 (4) Subtract one thousand dollars (\$1,000) for:

40 (A) each of the exemptions provided by Section 151(c) of the
41 Internal Revenue Code (as effective January 1, 2017);

42 (B) each additional amount allowable under Section 63(f) of



- 1 the Internal Revenue Code; and
 2 (C) the spouse of the taxpayer if a separate return is made by
 3 the taxpayer and if the spouse, for the calendar year in which
 4 the taxable year of the taxpayer begins, has no gross income
 5 and is not the dependent of another taxpayer.
- 6 (5) Subtract **the following:**
- 7 (A) One thousand five hundred dollars (\$1,500) for each of the
 8 exemptions allowed under Section 151(c)(1)(B) of the Internal
 9 Revenue Code (as effective January 1, 2004).
 10 (B) One thousand five hundred dollars (\$1,500) for each
 11 exemption allowed under Section 151(c) of the Internal
 12 Revenue Code (as effective January 1, 2017) for an individual:
 13 (i) who is less than nineteen (19) years of age or is a
 14 full-time student who is less than twenty-four (24) years of
 15 age;
 16 (ii) for whom the taxpayer is the legal guardian; and
 17 (iii) for whom the taxpayer does not claim an exemption
 18 under clause (A).
 19 (C) Five hundred dollars (\$500) for each additional amount
 20 allowable under Section 63(f)(1) of the Internal Revenue Code
 21 if the federal adjusted gross income of the taxpayer, or the
 22 taxpayer and the taxpayer's spouse in the case of a joint return,
 23 is less than forty thousand dollars (\$40,000). In the case of a
 24 married individual filing a separate return, the qualifying
 25 income amount in this clause is equal to twenty thousand
 26 dollars (\$20,000).
 27 (D) Three thousand dollars (\$3,000) for each exemption
 28 allowed under Section 151(c) of the Internal Revenue Code (as
 29 effective January 1, 2017) for an individual who is:
 30 (i) an adopted child of the taxpayer; and
 31 (ii) less than nineteen (19) years of age or is a full-time
 32 student who is less than twenty-four (24) years of age.
 33 This amount is in addition to any amount subtracted under
 34 clause (A) or (B).
 35 This amount is in addition to the amount subtracted under
 36 subdivision (4).
 37 (6) Subtract any amounts included in federal adjusted gross
 38 income under Section 111 of the Internal Revenue Code as a
 39 recovery of items previously deducted as an itemized deduction
 40 from adjusted gross income.
 41 (7) Subtract any amounts included in federal adjusted gross
 42 income under the Internal Revenue Code which amounts were



- 1 received by the individual as supplemental railroad retirement
 2 annuities under 45 U.S.C. 231 and which are not deductible under
 3 subdivision (1).
- 4 (8) Subtract an amount equal to the amount of federal Social
 5 Security and Railroad Retirement benefits included in a taxpayer's
 6 federal gross income by Section 86 of the Internal Revenue Code.
- 7 (9) In the case of a nonresident taxpayer or a resident taxpayer
 8 residing in Indiana for a period of less than the taxpayer's entire
 9 taxable year, the total amount of the deductions allowed pursuant
 10 to subdivisions (3), (4), and (5) shall be reduced to an amount
 11 which bears the same ratio to the total as the taxpayer's income
 12 taxable in Indiana bears to the taxpayer's total income.
- 13 (10) In the case of an individual who is a recipient of assistance
 14 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
 15 subtract an amount equal to that portion of the individual's
 16 adjusted gross income with respect to which the individual is not
 17 allowed under federal law to retain an amount to pay state and
 18 local income taxes.
- 19 (11) In the case of an eligible individual, subtract the amount of
 20 a Holocaust victim's settlement payment included in the
 21 individual's federal adjusted gross income.
- 22 (12) Subtract an amount equal to the portion of any premiums
 23 paid during the taxable year by the taxpayer for a qualified long
 24 term care policy (as defined in IC 12-15-39.6-5) for the taxpayer
 25 or the taxpayer's spouse if the taxpayer and the taxpayer's spouse
 26 file a joint income tax return or the taxpayer is otherwise entitled
 27 to a deduction under this subdivision for the taxpayer's spouse, or
 28 both.
- 29 (13) Subtract an amount equal to the lesser of:
- 30 (A) ~~two thousand five hundred dollars (\$2,500);~~ **three**
 31 **thousand five hundred dollars (\$3,500),** or ~~one thousand two~~
 32 ~~hundred fifty dollars (\$1,250)~~ **one thousand seven hundred**
 33 **fifty dollars (\$1,750)** in the case of a married individual filing
 34 a separate return; or
- 35 (B) the amount of property taxes that are paid during the
 36 taxable year in Indiana by the individual on the individual's
 37 principal place of residence.
- 38 (14) Subtract an amount equal to the amount of a September 11
 39 terrorist attack settlement payment included in the individual's
 40 federal adjusted gross income.
- 41 (15) Add or subtract the amount necessary to make the adjusted
 42 gross income of any taxpayer that owns property for which bonus



1 depreciation was allowed in the current taxable year or in an
 2 earlier taxable year equal to the amount of adjusted gross income
 3 that would have been computed had an election not been made
 4 under Section 168(k) of the Internal Revenue Code to apply bonus
 5 depreciation to the property in the year that it was placed in
 6 service.

7 (16) Add an amount equal to any deduction allowed under
 8 Section 172 of the Internal Revenue Code (concerning net
 9 operating losses).

10 (17) Add or subtract the amount necessary to make the adjusted
 11 gross income of any taxpayer that placed Section 179 property (as
 12 defined in Section 179 of the Internal Revenue Code) in service
 13 in the current taxable year or in an earlier taxable year equal to
 14 the amount of adjusted gross income that would have been
 15 computed had an election for federal income tax purposes not
 16 been made for the year in which the property was placed in
 17 service to take deductions under Section 179 of the Internal
 18 Revenue Code in a total amount exceeding the sum of:

19 (A) twenty-five thousand dollars (\$25,000) to the extent
 20 deductions under Section 179 of the Internal Revenue Code
 21 were not elected as provided in clause (B); and

22 (B) for taxable years beginning after December 31, 2017, the
 23 deductions elected under Section 179 of the Internal Revenue
 24 Code on property acquired in an exchange if:

25 (i) the exchange would have been eligible for
 26 nonrecognition of gain or loss under Section 1031 of the
 27 Internal Revenue Code in effect on January 1, 2017;

28 (ii) the exchange is not eligible for nonrecognition of gain or
 29 loss under Section 1031 of the Internal Revenue Code; and

30 (iii) the taxpayer made an election to take deductions under
 31 Section 179 of the Internal Revenue Code with regard to the
 32 acquired property in the year that the property was placed
 33 into service.

34 The amount of deductions allowable for an item of property
 35 under this clause may not exceed the amount of adjusted gross
 36 income realized on the property that would have been deferred
 37 under the Internal Revenue Code in effect on January 1, 2017.

38 (18) Subtract an amount equal to the amount of the taxpayer's
 39 qualified military income that was not excluded from the
 40 taxpayer's gross income for federal income tax purposes under
 41 Section 112 of the Internal Revenue Code.

42 (19) Subtract income that is:



- 1 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
2 derived from patents); and
3 (B) included in the individual's federal adjusted gross income
4 under the Internal Revenue Code.
- 5 (20) Add an amount equal to any income not included in gross
6 income as a result of the deferral of income arising from business
7 indebtedness discharged in connection with the reacquisition after
8 December 31, 2008, and before January 1, 2011, of an applicable
9 debt instrument, as provided in Section 108(i) of the Internal
10 Revenue Code. Subtract the amount necessary from the adjusted
11 gross income of any taxpayer that added an amount to adjusted
12 gross income in a previous year to offset the amount included in
13 federal gross income as a result of the deferral of income arising
14 from business indebtedness discharged in connection with the
15 reacquisition after December 31, 2008, and before January 1,
16 2011, of an applicable debt instrument, as provided in Section
17 108(i) of the Internal Revenue Code.
- 18 (21) Add the amount excluded from federal gross income under
19 Section 103 of the Internal Revenue Code for interest received on
20 an obligation of a state other than Indiana, or a political
21 subdivision of such a state, that is acquired by the taxpayer after
22 December 31, 2011.
- 23 (22) Subtract an amount as described in Section 1341(a)(2) of the
24 Internal Revenue Code to the extent, if any, that the amount was
25 previously included in the taxpayer's adjusted gross income for a
26 prior taxable year.
- 27 (23) For taxable years beginning after December 25, 2016, add an
28 amount equal to the deduction for deferred foreign income that
29 was claimed by the taxpayer for the taxable year under Section
30 965(c) of the Internal Revenue Code.
- 31 (24) Subtract any interest expense paid or accrued in the current
32 taxable year but not deducted as a result of the limitation imposed
33 under Section 163(j)(1) of the Internal Revenue Code. Add any
34 interest expense paid or accrued in a previous taxable year but
35 allowed as a deduction under Section 163 of the Internal Revenue
36 Code in the current taxable year. For purposes of this subdivision,
37 an interest expense is considered paid or accrued only in the first
38 taxable year the deduction would have been allowable under
39 Section 163 of the Internal Revenue Code if the limitation under
40 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 41 (25) Subtract the amount that would have been excluded from
42 gross income but for the enactment of Section 118(b)(2) of the



- 1 Internal Revenue Code for taxable years ending after December
2 22, 2017.
- 3 (26) For taxable years beginning after December 31, 2019, and
4 before January 1, 2021, add an amount of the deduction claimed
5 under Section 62(a)(22) of the Internal Revenue Code.
- 6 (27) For taxable years beginning after December 31, 2019, for
7 payments made by an employer under an education assistance
8 program after March 27, 2020:
- 9 (A) add the amount of payments by an employer that are
10 excluded from the taxpayer's federal gross income under
11 Section 127(c)(1)(B) of the Internal Revenue Code; and
- 12 (B) deduct the interest allowable under Section 221 of the
13 Internal Revenue Code, if the disallowance under Section
14 221(e)(1) of the Internal Revenue Code did not apply to the
15 payments described in clause (A). For purposes of applying
16 Section 221(b) of the Internal Revenue Code to the amount
17 allowable under this clause, the amount under clause (A) shall
18 not be added to adjusted gross income.
- 19 (28) Add an amount equal to the remainder of:
- 20 (A) the amount allowable as a deduction under Section 274(n)
21 of the Internal Revenue Code; minus
- 22 (B) the amount otherwise allowable as a deduction under
23 Section 274(n) of the Internal Revenue Code, if Section
24 274(n)(2)(D) of the Internal Revenue Code was not in effect
25 for amounts paid or incurred after December 31, 2020.
- 26 (29) For taxable years beginning after December 31, 2017, and
27 before January 1, 2021, add an amount equal to the excess
28 business loss of the taxpayer as defined in Section 461(l)(3) of the
29 Internal Revenue Code. In addition:
- 30 (A) If a taxpayer has an excess business loss under this
31 subdivision and also has modifications under subdivisions (15)
32 and (17) for property placed in service during the taxable year,
33 the taxpayer shall treat a portion of the taxable year
34 modifications for that property as occurring in the taxable year
35 the property is placed in service and a portion of the
36 modifications as occurring in the immediately following
37 taxable year.
- 38 (B) The portion of the modifications under subdivisions (15)
39 and (17) for property placed in service during the taxable year
40 treated as occurring in the taxable year in which the property
41 is placed in service equals:
- 42 (i) the modification for the property otherwise determined



- 1 under this section; minus
 2 (ii) the excess business loss disallowed under this
 3 subdivision;
 4 but not less than zero (0).
 5 (C) The portion of the modifications under subdivisions (15)
 6 and (17) for property placed in service during the taxable year
 7 treated as occurring in the taxable year immediately following
 8 the taxable year in which the property is placed in service
 9 equals the modification for the property otherwise determined
 10 under this section minus the amount in clause (B).
 11 (D) Any reallocation of modifications between taxable years
 12 under clauses (B) and (C) shall be first allocated to the
 13 modification under subdivision (15), then to the modification
 14 under subdivision (17).
 15 (30) Add an amount equal to the amount excluded from federal
 16 gross income under Section 108(f)(5) of the Internal Revenue
 17 Code. For purposes of this subdivision:
 18 (A) if an amount excluded under Section 108(f)(5) of the
 19 Internal Revenue Code would be excludible under Section
 20 108(a)(1)(B) of the Internal Revenue Code, the exclusion
 21 under Section 108(a)(1)(B) of the Internal Revenue Code shall
 22 take precedence; and
 23 (B) if an amount would have been excludible under Section
 24 108(f)(5) of the Internal Revenue Code as in effect on January
 25 1, 2020, the amount is not required to be added back under this
 26 subdivision.
 27 (31) For taxable years ending after March 12, 2020, subtract an
 28 amount equal to the deduction disallowed pursuant to:
 29 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
 30 as modified by Sections 206 and 207 of the Taxpayer Certainty
 31 and Disaster Relief Tax Act (Division EE of Public Law
 32 116-260); and
 33 (B) Section 3134(e) of the Internal Revenue Code.
 34 (32) Subtract the amount of an annual grant amount distributed to
 35 a taxpayer's Indiana education scholarship account under
 36 IC 20-51.4-4-2 that is used for a qualified expense (as defined in
 37 IC 20-51.4-2-9) or to an Indiana enrichment scholarship account
 38 under IC 20-52 that is used for qualified expenses (as defined in
 39 IC 20-52-2-6), to the extent the distribution used for the qualified
 40 expense is included in the taxpayer's federal adjusted gross
 41 income under the Internal Revenue Code.
 42 (33) For taxable years beginning after December 31, 2019, and



1 before January 1, 2021, add an amount equal to the amount of
 2 unemployment compensation excluded from federal gross income
 3 under Section 85(c) of the Internal Revenue Code.

4 (34) For taxable years beginning after December 31, 2022,
 5 subtract an amount equal to the deduction disallowed under
 6 Section 280C(h) of the Internal Revenue Code.

7 (35) Subtract any other amounts the taxpayer is entitled to deduct
 8 under IC 6-3-2.

9 (b) In the case of corporations, the same as "taxable income" (as
 10 defined in Section 63 of the Internal Revenue Code) adjusted as
 11 follows:

12 (1) Subtract income that is exempt from taxation under this article
 13 by the Constitution and statutes of the United States.

14 (2) Add an amount equal to any deduction or deductions allowed
 15 or allowable pursuant to Section 170 of the Internal Revenue
 16 Code (concerning charitable contributions).

17 (3) Except as provided in subsection (c), add an amount equal to
 18 any deduction or deductions allowed or allowable pursuant to
 19 Section 63 of the Internal Revenue Code for taxes based on or
 20 measured by income and levied at the state level by any state of
 21 the United States.

22 (4) Subtract an amount equal to the amount included in the
 23 corporation's taxable income under Section 78 of the Internal
 24 Revenue Code (concerning foreign tax credits).

25 (5) Add or subtract the amount necessary to make the adjusted
 26 gross income of any taxpayer that owns property for which bonus
 27 depreciation was allowed in the current taxable year or in an
 28 earlier taxable year equal to the amount of adjusted gross income
 29 that would have been computed had an election not been made
 30 under Section 168(k) of the Internal Revenue Code to apply bonus
 31 depreciation to the property in the year that it was placed in
 32 service.

33 (6) Add an amount equal to any deduction allowed under Section
 34 172 of the Internal Revenue Code (concerning net operating
 35 losses).

36 (7) Add or subtract the amount necessary to make the adjusted
 37 gross income of any taxpayer that placed Section 179 property (as
 38 defined in Section 179 of the Internal Revenue Code) in service
 39 in the current taxable year or in an earlier taxable year equal to
 40 the amount of adjusted gross income that would have been
 41 computed had an election for federal income tax purposes not
 42 been made for the year in which the property was placed in



1 service to take deductions under Section 179 of the Internal
2 Revenue Code in a total amount exceeding the sum of:

3 (A) twenty-five thousand dollars (\$25,000) to the extent
4 deductions under Section 179 of the Internal Revenue Code
5 were not elected as provided in clause (B); and

6 (B) for taxable years beginning after December 31, 2017, the
7 deductions elected under Section 179 of the Internal Revenue
8 Code on property acquired in an exchange if:

9 (i) the exchange would have been eligible for
10 nonrecognition of gain or loss under Section 1031 of the
11 Internal Revenue Code in effect on January 1, 2017;

12 (ii) the exchange is not eligible for nonrecognition of gain or
13 loss under Section 1031 of the Internal Revenue Code; and

14 (iii) the taxpayer made an election to take deductions under
15 Section 179 of the Internal Revenue Code with regard to the
16 acquired property in the year that the property was placed
17 into service.

18 The amount of deductions allowable for an item of property
19 under this clause may not exceed the amount of adjusted gross
20 income realized on the property that would have been deferred
21 under the Internal Revenue Code in effect on January 1, 2017.

22 (8) Add to the extent required by IC 6-3-2-20:

23 (A) the amount of intangible expenses (as defined in
24 IC 6-3-2-20) for the taxable year that reduced the corporation's
25 taxable income (as defined in Section 63 of the Internal
26 Revenue Code) for federal income tax purposes; and

27 (B) any directly related interest expenses (as defined in
28 IC 6-3-2-20) that reduced the corporation's adjusted gross
29 income (determined without regard to this subdivision). For
30 purposes of this clause, any directly related interest expense
31 that constitutes business interest within the meaning of Section
32 163(j) of the Internal Revenue Code shall be considered to
33 have reduced the taxpayer's federal taxable income only in the
34 first taxable year in which the deduction otherwise would have
35 been allowable under Section 163 of the Internal Revenue
36 Code if the limitation under Section 163(j)(1) of the Internal
37 Revenue Code did not exist.

38 (9) Add an amount equal to any deduction for dividends paid (as
39 defined in Section 561 of the Internal Revenue Code) to
40 shareholders of a captive real estate investment trust (as defined
41 in section 34.5 of this chapter).

42 (10) Subtract income that is:



- 1 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
2 derived from patents); and
3 (B) included in the corporation's taxable income under the
4 Internal Revenue Code.
- 5 (11) Add an amount equal to any income not included in gross
6 income as a result of the deferral of income arising from business
7 indebtedness discharged in connection with the reacquisition after
8 December 31, 2008, and before January 1, 2011, of an applicable
9 debt instrument, as provided in Section 108(i) of the Internal
10 Revenue Code. Subtract from the adjusted gross income of any
11 taxpayer that added an amount to adjusted gross income in a
12 previous year the amount necessary to offset the amount included
13 in federal gross income as a result of the deferral of income
14 arising from business indebtedness discharged in connection with
15 the reacquisition after December 31, 2008, and before January 1,
16 2011, of an applicable debt instrument, as provided in Section
17 108(i) of the Internal Revenue Code.
- 18 (12) Add the amount excluded from federal gross income under
19 Section 103 of the Internal Revenue Code for interest received on
20 an obligation of a state other than Indiana, or a political
21 subdivision of such a state, that is acquired by the taxpayer after
22 December 31, 2011.
- 23 (13) For taxable years beginning after December 25, 2016:
24 (A) for a corporation other than a real estate investment trust,
25 add:
26 (i) an amount equal to the amount reported by the taxpayer
27 on IRC 965 Transition Tax Statement, line 1; or
28 (ii) if the taxpayer deducted an amount under Section 965(c)
29 of the Internal Revenue Code in determining the taxpayer's
30 taxable income for purposes of the federal income tax, the
31 amount deducted under Section 965(c) of the Internal
32 Revenue Code; and
33 (B) for a real estate investment trust, add an amount equal to
34 the deduction for deferred foreign income that was claimed by
35 the taxpayer for the taxable year under Section 965(c) of the
36 Internal Revenue Code, but only to the extent that the taxpayer
37 included income pursuant to Section 965 of the Internal
38 Revenue Code in its taxable income for federal income tax
39 purposes or is required to add back dividends paid under
40 subdivision (9).
- 41 (14) Add an amount equal to the deduction that was claimed by
42 the taxpayer for the taxable year under Section 250(a)(1)(B) of the



1 Internal Revenue Code (attributable to global intangible
2 low-taxed income). The taxpayer shall separately specify the
3 amount of the reduction under Section 250(a)(1)(B)(i) of the
4 Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the
5 Internal Revenue Code.

6 (15) Subtract any interest expense paid or accrued in the current
7 taxable year but not deducted as a result of the limitation imposed
8 under Section 163(j)(1) of the Internal Revenue Code. Add any
9 interest expense paid or accrued in a previous taxable year but
10 allowed as a deduction under Section 163 of the Internal Revenue
11 Code in the current taxable year. For purposes of this subdivision,
12 an interest expense is considered paid or accrued only in the first
13 taxable year the deduction would have been allowable under
14 Section 163 of the Internal Revenue Code if the limitation under
15 Section 163(j)(1) of the Internal Revenue Code did not exist.

16 (16) Subtract the amount that would have been excluded from
17 gross income but for the enactment of Section 118(b)(2) of the
18 Internal Revenue Code for taxable years ending after December
19 22, 2017.

20 (17) Add an amount equal to the remainder of:

21 (A) the amount allowable as a deduction under Section 274(n)
22 of the Internal Revenue Code; minus

23 (B) the amount otherwise allowable as a deduction under
24 Section 274(n) of the Internal Revenue Code, if Section
25 274(n)(2)(D) of the Internal Revenue Code was not in effect
26 for amounts paid or incurred after December 31, 2020.

27 (18) For taxable years ending after March 12, 2020, subtract an
28 amount equal to the deduction disallowed pursuant to:

29 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
30 as modified by Sections 206 and 207 of the Taxpayer Certainty
31 and Disaster Relief Tax Act (Division EE of Public Law
32 116-260); and

33 (B) Section 3134(e) of the Internal Revenue Code.

34 (19) For taxable years beginning after December 31, 2022,
35 subtract an amount equal to the deduction disallowed under
36 Section 280C(h) of the Internal Revenue Code.

37 (20) Add or subtract any other amounts the taxpayer is:

38 (A) required to add or subtract; or

39 (B) entitled to deduct;

40 under IC 6-3-2.

41 (c) The following apply to taxable years beginning after December
42 31, 2018, for purposes of the add back of any deduction allowed on the



1 taxpayer's federal income tax return for wagering taxes, as provided in
2 subsection (a)(2) if the taxpayer is an individual or subsection (b)(3) if
3 the taxpayer is a corporation:

4 (1) For taxable years beginning after December 31, 2018, and
5 before January 1, 2020, a taxpayer is required to add back under
6 this section eighty-seven and five-tenths percent (87.5%) of any
7 deduction allowed on the taxpayer's federal income tax return for
8 wagering taxes.

9 (2) For taxable years beginning after December 31, 2019, and
10 before January 1, 2021, a taxpayer is required to add back under
11 this section seventy-five percent (75%) of any deduction allowed
12 on the taxpayer's federal income tax return for wagering taxes.

13 (3) For taxable years beginning after December 31, 2020, and
14 before January 1, 2022, a taxpayer is required to add back under
15 this section sixty-two and five-tenths percent (62.5%) of any
16 deduction allowed on the taxpayer's federal income tax return for
17 wagering taxes.

18 (4) For taxable years beginning after December 31, 2021, and
19 before January 1, 2023, a taxpayer is required to add back under
20 this section fifty percent (50%) of any deduction allowed on the
21 taxpayer's federal income tax return for wagering taxes.

22 (5) For taxable years beginning after December 31, 2022, and
23 before January 1, 2024, a taxpayer is required to add back under
24 this section thirty-seven and five-tenths percent (37.5%) of any
25 deduction allowed on the taxpayer's federal income tax return for
26 wagering taxes.

27 (6) For taxable years beginning after December 31, 2023, and
28 before January 1, 2025, a taxpayer is required to add back under
29 this section twenty-five percent (25%) of any deduction allowed
30 on the taxpayer's federal income tax return for wagering taxes.

31 (7) For taxable years beginning after December 31, 2024, and
32 before January 1, 2026, a taxpayer is required to add back under
33 this section twelve and five-tenths percent (12.5%) of any
34 deduction allowed on the taxpayer's federal income tax return for
35 wagering taxes.

36 (8) For taxable years beginning after December 31, 2025, a
37 taxpayer is not required to add back under this section any amount
38 of a deduction allowed on the taxpayer's federal income tax return
39 for wagering taxes.

40 (d) In the case of life insurance companies (as defined in Section
41 816(a) of the Internal Revenue Code) that are organized under Indiana
42 law, the same as "life insurance company taxable income" (as defined



- 1 in Section 801 of the Internal Revenue Code), adjusted as follows:
- 2 (1) Subtract income that is exempt from taxation under this article
- 3 by the Constitution and statutes of the United States.
- 4 (2) Add an amount equal to any deduction allowed or allowable
- 5 under Section 170 of the Internal Revenue Code (concerning
- 6 charitable contributions).
- 7 (3) Add an amount equal to a deduction allowed or allowable
- 8 under Section 805 or Section 832(c) of the Internal Revenue Code
- 9 for taxes based on or measured by income and levied at the state
- 10 level by any state.
- 11 (4) Subtract an amount equal to the amount included in the
- 12 company's taxable income under Section 78 of the Internal
- 13 Revenue Code (concerning foreign tax credits).
- 14 (5) Add or subtract the amount necessary to make the adjusted
- 15 gross income of any taxpayer that owns property for which bonus
- 16 depreciation was allowed in the current taxable year or in an
- 17 earlier taxable year equal to the amount of adjusted gross income
- 18 that would have been computed had an election not been made
- 19 under Section 168(k) of the Internal Revenue Code to apply bonus
- 20 depreciation to the property in the year that it was placed in
- 21 service.
- 22 (6) Add an amount equal to any deduction allowed under Section
- 23 172 of the Internal Revenue Code (concerning net operating
- 24 losses).
- 25 (7) Add or subtract the amount necessary to make the adjusted
- 26 gross income of any taxpayer that placed Section 179 property (as
- 27 defined in Section 179 of the Internal Revenue Code) in service
- 28 in the current taxable year or in an earlier taxable year equal to
- 29 the amount of adjusted gross income that would have been
- 30 computed had an election for federal income tax purposes not
- 31 been made for the year in which the property was placed in
- 32 service to take deductions under Section 179 of the Internal
- 33 Revenue Code in a total amount exceeding the sum of:
- 34 (A) twenty-five thousand dollars (\$25,000) to the extent
- 35 deductions under Section 179 of the Internal Revenue Code
- 36 were not elected as provided in clause (B); and
- 37 (B) for taxable years beginning after December 31, 2017, the
- 38 deductions elected under Section 179 of the Internal Revenue
- 39 Code on property acquired in an exchange if:
- 40 (i) the exchange would have been eligible for
- 41 nonrecognition of gain or loss under Section 1031 of the
- 42 Internal Revenue Code in effect on January 1, 2017;



- 1 (ii) the exchange is not eligible for nonrecognition of gain or
 2 loss under Section 1031 of the Internal Revenue Code; and
 3 (iii) the taxpayer made an election to take deductions under
 4 Section 179 of the Internal Revenue Code with regard to the
 5 acquired property in the year that the property was placed
 6 into service.
- 7 The amount of deductions allowable for an item of property
 8 under this clause may not exceed the amount of adjusted gross
 9 income realized on the property that would have been deferred
 10 under the Internal Revenue Code in effect on January 1, 2017.
- 11 (8) Subtract income that is:
 12 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
 13 derived from patents); and
 14 (B) included in the insurance company's taxable income under
 15 the Internal Revenue Code.
- 16 (9) Add an amount equal to any income not included in gross
 17 income as a result of the deferral of income arising from business
 18 indebtedness discharged in connection with the reacquisition after
 19 December 31, 2008, and before January 1, 2011, of an applicable
 20 debt instrument, as provided in Section 108(i) of the Internal
 21 Revenue Code. Subtract from the adjusted gross income of any
 22 taxpayer that added an amount to adjusted gross income in a
 23 previous year the amount necessary to offset the amount included
 24 in federal gross income as a result of the deferral of income
 25 arising from business indebtedness discharged in connection with
 26 the reacquisition after December 31, 2008, and before January 1,
 27 2011, of an applicable debt instrument, as provided in Section
 28 108(i) of the Internal Revenue Code.
- 29 (10) Add an amount equal to any exempt insurance income under
 30 Section 953(e) of the Internal Revenue Code that is active
 31 financing income under Subpart F of Subtitle A, Chapter 1,
 32 Subchapter N of the Internal Revenue Code.
- 33 (11) Add the amount excluded from federal gross income under
 34 Section 103 of the Internal Revenue Code for interest received on
 35 an obligation of a state other than Indiana, or a political
 36 subdivision of such a state, that is acquired by the taxpayer after
 37 December 31, 2011.
- 38 (12) For taxable years beginning after December 25, 2016, add:
 39 (A) an amount equal to the amount reported by the taxpayer on
 40 IRC 965 Transition Tax Statement, line 1; or
 41 (B) if the taxpayer deducted an amount under Section 965(c)
 42 of the Internal Revenue Code in determining the taxpayer's



- 1 taxable income for purposes of the federal income tax, the
2 amount deducted under Section 965(c) of the Internal Revenue
3 Code.
- 4 (13) Add an amount equal to the deduction that was claimed by
5 the taxpayer for the taxable year under Section 250(a)(1)(B) of the
6 Internal Revenue Code (attributable to global intangible
7 low-taxed income). The taxpayer shall separately specify the
8 amount of the reduction under Section 250(a)(1)(B)(i) of the
9 Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the
10 Internal Revenue Code.
- 11 (14) Subtract any interest expense paid or accrued in the current
12 taxable year but not deducted as a result of the limitation imposed
13 under Section 163(j)(1) of the Internal Revenue Code. Add any
14 interest expense paid or accrued in a previous taxable year but
15 allowed as a deduction under Section 163 of the Internal Revenue
16 Code in the current taxable year. For purposes of this subdivision,
17 an interest expense is considered paid or accrued only in the first
18 taxable year the deduction would have been allowable under
19 Section 163 of the Internal Revenue Code if the limitation under
20 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 21 (15) Subtract the amount that would have been excluded from
22 gross income but for the enactment of Section 118(b)(2) of the
23 Internal Revenue Code for taxable years ending after December
24 22, 2017.
- 25 (16) Add an amount equal to the remainder of:
26 (A) the amount allowable as a deduction under Section 274(n)
27 of the Internal Revenue Code; minus
28 (B) the amount otherwise allowable as a deduction under
29 Section 274(n) of the Internal Revenue Code, if Section
30 274(n)(2)(D) of the Internal Revenue Code was not in effect
31 for amounts paid or incurred after December 31, 2020.
- 32 (17) For taxable years ending after March 12, 2020, subtract an
33 amount equal to the deduction disallowed pursuant to:
34 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
35 as modified by Sections 206 and 207 of the Taxpayer Certainty
36 and Disaster Relief Tax Act (Division EE of Public Law
37 116-260); and
38 (B) Section 3134(e) of the Internal Revenue Code.
- 39 (18) For taxable years beginning after December 31, 2022,
40 subtract an amount equal to the deduction disallowed under
41 Section 280C(h) of the Internal Revenue Code.
- 42 (19) Add or subtract any other amounts the taxpayer is:



- 1 (A) required to add or subtract; or
2 (B) entitled to deduct;
3 under IC 6-3-2.
4 (e) In the case of insurance companies subject to tax under Section
5 831 of the Internal Revenue Code and organized under Indiana law, the
6 same as "taxable income" (as defined in Section 832 of the Internal
7 Revenue Code), adjusted as follows:
8 (1) Subtract income that is exempt from taxation under this article
9 by the Constitution and statutes of the United States.
10 (2) Add an amount equal to any deduction allowed or allowable
11 under Section 170 of the Internal Revenue Code (concerning
12 charitable contributions).
13 (3) Add an amount equal to a deduction allowed or allowable
14 under Section 805 or Section 832(c) of the Internal Revenue Code
15 for taxes based on or measured by income and levied at the state
16 level by any state.
17 (4) Subtract an amount equal to the amount included in the
18 company's taxable income under Section 78 of the Internal
19 Revenue Code (concerning foreign tax credits).
20 (5) Add or subtract the amount necessary to make the adjusted
21 gross income of any taxpayer that owns property for which bonus
22 depreciation was allowed in the current taxable year or in an
23 earlier taxable year equal to the amount of adjusted gross income
24 that would have been computed had an election not been made
25 under Section 168(k) of the Internal Revenue Code to apply bonus
26 depreciation to the property in the year that it was placed in
27 service.
28 (6) Add an amount equal to any deduction allowed under Section
29 172 of the Internal Revenue Code (concerning net operating
30 losses).
31 (7) Add or subtract the amount necessary to make the adjusted
32 gross income of any taxpayer that placed Section 179 property (as
33 defined in Section 179 of the Internal Revenue Code) in service
34 in the current taxable year or in an earlier taxable year equal to
35 the amount of adjusted gross income that would have been
36 computed had an election for federal income tax purposes not
37 been made for the year in which the property was placed in
38 service to take deductions under Section 179 of the Internal
39 Revenue Code in a total amount exceeding the sum of:
40 (A) twenty-five thousand dollars (\$25,000) to the extent
41 deductions under Section 179 of the Internal Revenue Code
42 were not elected as provided in clause (B); and



- 1 (B) for taxable years beginning after December 31, 2017, the
 2 deductions elected under Section 179 of the Internal Revenue
 3 Code on property acquired in an exchange if:
 4 (i) the exchange would have been eligible for
 5 nonrecognition of gain or loss under Section 1031 of the
 6 Internal Revenue Code in effect on January 1, 2017;
 7 (ii) the exchange is not eligible for nonrecognition of gain or
 8 loss under Section 1031 of the Internal Revenue Code; and
 9 (iii) the taxpayer made an election to take deductions under
 10 Section 179 of the Internal Revenue Code with regard to the
 11 acquired property in the year that the property was placed
 12 into service.
- 13 The amount of deductions allowable for an item of property
 14 under this clause may not exceed the amount of adjusted gross
 15 income realized on the property that would have been deferred
 16 under the Internal Revenue Code in effect on January 1, 2017.
- 17 (8) Subtract income that is:
 18 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
 19 derived from patents); and
 20 (B) included in the insurance company's taxable income under
 21 the Internal Revenue Code.
- 22 (9) Add an amount equal to any income not included in gross
 23 income as a result of the deferral of income arising from business
 24 indebtedness discharged in connection with the reacquisition after
 25 December 31, 2008, and before January 1, 2011, of an applicable
 26 debt instrument, as provided in Section 108(i) of the Internal
 27 Revenue Code. Subtract from the adjusted gross income of any
 28 taxpayer that added an amount to adjusted gross income in a
 29 previous year the amount necessary to offset the amount included
 30 in federal gross income as a result of the deferral of income
 31 arising from business indebtedness discharged in connection with
 32 the reacquisition after December 31, 2008, and before January 1,
 33 2011, of an applicable debt instrument, as provided in Section
 34 108(i) of the Internal Revenue Code.
- 35 (10) Add an amount equal to any exempt insurance income under
 36 Section 953(e) of the Internal Revenue Code that is active
 37 financing income under Subpart F of Subtitle A, Chapter 1,
 38 Subchapter N of the Internal Revenue Code.
- 39 (11) Add the amount excluded from federal gross income under
 40 Section 103 of the Internal Revenue Code for interest received on
 41 an obligation of a state other than Indiana, or a political
 42 subdivision of such a state, that is acquired by the taxpayer after



- 1 December 31, 2011.
- 2 (12) For taxable years beginning after December 25, 2016, add:
- 3 (A) an amount equal to the amount reported by the taxpayer on
- 4 IRC 965 Transition Tax Statement, line 1; or
- 5 (B) if the taxpayer deducted an amount under Section 965(c)
- 6 of the Internal Revenue Code in determining the taxpayer's
- 7 taxable income for purposes of the federal income tax, the
- 8 amount deducted under Section 965(c) of the Internal Revenue
- 9 Code.
- 10 (13) Add an amount equal to the deduction that was claimed by
- 11 the taxpayer for the taxable year under Section 250(a)(1)(B) of the
- 12 Internal Revenue Code (attributable to global intangible
- 13 low-taxed income). The taxpayer shall separately specify the
- 14 amount of the reduction under Section 250(a)(1)(B)(i) of the
- 15 Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the
- 16 Internal Revenue Code.
- 17 (14) Subtract any interest expense paid or accrued in the current
- 18 taxable year but not deducted as a result of the limitation imposed
- 19 under Section 163(j)(1) of the Internal Revenue Code. Add any
- 20 interest expense paid or accrued in a previous taxable year but
- 21 allowed as a deduction under Section 163 of the Internal Revenue
- 22 Code in the current taxable year. For purposes of this subdivision,
- 23 an interest expense is considered paid or accrued only in the first
- 24 taxable year the deduction would have been allowable under
- 25 Section 163 of the Internal Revenue Code if the limitation under
- 26 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 27 (15) Subtract the amount that would have been excluded from
- 28 gross income but for the enactment of Section 118(b)(2) of the
- 29 Internal Revenue Code for taxable years ending after December
- 30 22, 2017.
- 31 (16) Add an amount equal to the remainder of:
- 32 (A) the amount allowable as a deduction under Section 274(n)
- 33 of the Internal Revenue Code; minus
- 34 (B) the amount otherwise allowable as a deduction under
- 35 Section 274(n) of the Internal Revenue Code, if Section
- 36 274(n)(2)(D) of the Internal Revenue Code was not in effect
- 37 for amounts paid or incurred after December 31, 2020.
- 38 (17) For taxable years ending after March 12, 2020, subtract an
- 39 amount equal to the deduction disallowed pursuant to:
- 40 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
- 41 as modified by Sections 206 and 207 of the Taxpayer Certainty
- 42 and Disaster Relief Tax Act (Division EE of Public Law



- 1 116-260); and
 2 (B) Section 3134(e) of the Internal Revenue Code.
 3 (18) For taxable years beginning after December 31, 2022,
 4 subtract an amount equal to the deduction disallowed under
 5 Section 280C(h) of the Internal Revenue Code.
 6 (19) Add or subtract any other amounts the taxpayer is:
 7 (A) required to add or subtract; or
 8 (B) entitled to deduct;
 9 under IC 6-3-2.
 10 (f) In the case of trusts and estates, "taxable income" (as defined for
 11 trusts and estates in Section 641(b) of the Internal Revenue Code)
 12 adjusted as follows:
 13 (1) Subtract income that is exempt from taxation under this article
 14 by the Constitution and statutes of the United States.
 15 (2) Subtract an amount equal to the amount of a September 11
 16 terrorist attack settlement payment included in the federal
 17 adjusted gross income of the estate of a victim of the September
 18 11 terrorist attack or a trust to the extent the trust benefits a victim
 19 of the September 11 terrorist attack.
 20 (3) Add or subtract the amount necessary to make the adjusted
 21 gross income of any taxpayer that owns property for which bonus
 22 depreciation was allowed in the current taxable year or in an
 23 earlier taxable year equal to the amount of adjusted gross income
 24 that would have been computed had an election not been made
 25 under Section 168(k) of the Internal Revenue Code to apply bonus
 26 depreciation to the property in the year that it was placed in
 27 service.
 28 (4) Add an amount equal to any deduction allowed under Section
 29 172 of the Internal Revenue Code (concerning net operating
 30 losses).
 31 (5) Add or subtract the amount necessary to make the adjusted
 32 gross income of any taxpayer that placed Section 179 property (as
 33 defined in Section 179 of the Internal Revenue Code) in service
 34 in the current taxable year or in an earlier taxable year equal to
 35 the amount of adjusted gross income that would have been
 36 computed had an election for federal income tax purposes not
 37 been made for the year in which the property was placed in
 38 service to take deductions under Section 179 of the Internal
 39 Revenue Code in a total amount exceeding the sum of:
 40 (A) twenty-five thousand dollars (\$25,000) to the extent
 41 deductions under Section 179 of the Internal Revenue Code
 42 were not elected as provided in clause (B); and



- 1 (B) for taxable years beginning after December 31, 2017, the
 2 deductions elected under Section 179 of the Internal Revenue
 3 Code on property acquired in an exchange if:
 4 (i) the exchange would have been eligible for
 5 nonrecognition of gain or loss under Section 1031 of the
 6 Internal Revenue Code in effect on January 1, 2017;
 7 (ii) the exchange is not eligible for nonrecognition of gain or
 8 loss under Section 1031 of the Internal Revenue Code; and
 9 (iii) the taxpayer made an election to take deductions under
 10 Section 179 of the Internal Revenue Code with regard to the
 11 acquired property in the year that the property was placed
 12 into service.
- 13 The amount of deductions allowable for an item of property
 14 under this clause may not exceed the amount of adjusted gross
 15 income realized on the property that would have been deferred
 16 under the Internal Revenue Code in effect on January 1, 2017.
- 17 (6) Subtract income that is:
 18 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
 19 derived from patents); and
 20 (B) included in the taxpayer's taxable income under the
 21 Internal Revenue Code.
- 22 (7) Add an amount equal to any income not included in gross
 23 income as a result of the deferral of income arising from business
 24 indebtedness discharged in connection with the reacquisition after
 25 December 31, 2008, and before January 1, 2011, of an applicable
 26 debt instrument, as provided in Section 108(i) of the Internal
 27 Revenue Code. Subtract from the adjusted gross income of any
 28 taxpayer that added an amount to adjusted gross income in a
 29 previous year the amount necessary to offset the amount included
 30 in federal gross income as a result of the deferral of income
 31 arising from business indebtedness discharged in connection with
 32 the reacquisition after December 31, 2008, and before January 1,
 33 2011, of an applicable debt instrument, as provided in Section
 34 108(i) of the Internal Revenue Code.
- 35 (8) Add the amount excluded from federal gross income under
 36 Section 103 of the Internal Revenue Code for interest received on
 37 an obligation of a state other than Indiana, or a political
 38 subdivision of such a state, that is acquired by the taxpayer after
 39 December 31, 2011.
- 40 (9) For taxable years beginning after December 25, 2016, add an
 41 amount equal to:
 42 (A) the amount reported by the taxpayer on IRC 965



- 1 Transition Tax Statement, line 1;
 2 (B) if the taxpayer deducted an amount under Section 965(c)
 3 of the Internal Revenue Code in determining the taxpayer's
 4 taxable income for purposes of the federal income tax, the
 5 amount deducted under Section 965(c) of the Internal Revenue
 6 Code; and
 7 (C) with regard to any amounts of income under Section 965
 8 of the Internal Revenue Code distributed by the taxpayer, the
 9 deduction under Section 965(c) of the Internal Revenue Code
 10 attributable to such distributed amounts and not reported to the
 11 beneficiary.
- 12 For purposes of this article, the amount required to be added back
 13 under clause (B) is not considered to be distributed or
 14 distributable to a beneficiary of the estate or trust for purposes of
 15 Sections 651 and 661 of the Internal Revenue Code.
- 16 (10) Subtract any interest expense paid or accrued in the current
 17 taxable year but not deducted as a result of the limitation imposed
 18 under Section 163(j)(1) of the Internal Revenue Code. Add any
 19 interest expense paid or accrued in a previous taxable year but
 20 allowed as a deduction under Section 163 of the Internal Revenue
 21 Code in the current taxable year. For purposes of this subdivision,
 22 an interest expense is considered paid or accrued only in the first
 23 taxable year the deduction would have been allowable under
 24 Section 163 of the Internal Revenue Code if the limitation under
 25 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 26 (11) Add an amount equal to the deduction for qualified business
 27 income that was claimed by the taxpayer for the taxable year
 28 under Section 199A of the Internal Revenue Code.
- 29 (12) Subtract the amount that would have been excluded from
 30 gross income but for the enactment of Section 118(b)(2) of the
 31 Internal Revenue Code for taxable years ending after December
 32 22, 2017.
- 33 (13) Add an amount equal to the remainder of:
 34 (A) the amount allowable as a deduction under Section 274(n)
 35 of the Internal Revenue Code; minus
 36 (B) the amount otherwise allowable as a deduction under
 37 Section 274(n) of the Internal Revenue Code, if Section
 38 274(n)(2)(D) of the Internal Revenue Code was not in effect
 39 for amounts paid or incurred after December 31, 2020.
- 40 (14) For taxable years beginning after December 31, 2017, and
 41 before January 1, 2021, add an amount equal to the excess
 42 business loss of the taxpayer as defined in Section 461(l)(3) of the



- 1 Internal Revenue Code. In addition:
- 2 (A) If a taxpayer has an excess business loss under this
- 3 subdivision and also has modifications under subdivisions (3)
- 4 and (5) for property placed in service during the taxable year,
- 5 the taxpayer shall treat a portion of the taxable year
- 6 modifications for that property as occurring in the taxable year
- 7 the property is placed in service and a portion of the
- 8 modifications as occurring in the immediately following
- 9 taxable year.
- 10 (B) The portion of the modifications under subdivisions (3)
- 11 and (5) for property placed in service during the taxable year
- 12 treated as occurring in the taxable year in which the property
- 13 is placed in service equals:
- 14 (i) the modification for the property otherwise determined
- 15 under this section; minus
- 16 (ii) the excess business loss disallowed under this
- 17 subdivision;
- 18 but not less than zero (0).
- 19 (C) The portion of the modifications under subdivisions (3)
- 20 and (5) for property placed in service during the taxable year
- 21 treated as occurring in the taxable year immediately following
- 22 the taxable year in which the property is placed in service
- 23 equals the modification for the property otherwise determined
- 24 under this section minus the amount in clause (B).
- 25 (D) Any reallocation of modifications between taxable years
- 26 under clauses (B) and (C) shall be first allocated to the
- 27 modification under subdivision (3), then to the modification
- 28 under subdivision (5).
- 29 (15) For taxable years ending after March 12, 2020, subtract an
- 30 amount equal to the deduction disallowed pursuant to:
- 31 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
- 32 as modified by Sections 206 and 207 of the Taxpayer Certainty
- 33 and Disaster Relief Tax Act (Division EE of Public Law
- 34 116-260); and
- 35 (B) Section 3134(e) of the Internal Revenue Code.
- 36 (16) For taxable years beginning after December 31, 2022,
- 37 subtract an amount equal to the deduction disallowed under
- 38 Section 280C(h) of the Internal Revenue Code.
- 39 (17) Add or subtract any other amounts the taxpayer is:
- 40 (A) required to add or subtract; or
- 41 (B) entitled to deduct;
- 42 under IC 6-3-2.



1 (g) Subsections (a)(35), (b)(20), (d)(19), (e)(19), or (f)(17) may not
 2 be construed to require an add back or allow a deduction or exemption
 3 more than once for a particular add back, deduction, or exemption.

4 (h) For taxable years beginning after December 25, 2016, if:

5 (1) a taxpayer is a shareholder, either directly or indirectly, in a
 6 corporation that is an E&P deficit foreign corporation as defined
 7 in Section 965(b)(3)(B) of the Internal Revenue Code, and the
 8 earnings and profit deficit, or a portion of the earnings and profit
 9 deficit, of the E&P deficit foreign corporation is permitted to
 10 reduce the federal adjusted gross income or federal taxable
 11 income of the taxpayer, the deficit, or the portion of the deficit,
 12 shall also reduce the amount taxable under this section to the
 13 extent permitted under the Internal Revenue Code, however, in no
 14 case shall this permit a reduction in the amount taxable under
 15 Section 965 of the Internal Revenue Code for purposes of this
 16 section to be less than zero (0); and

17 (2) the Internal Revenue Service issues guidance that such an
 18 income or deduction is not reported directly on a federal tax
 19 return or is to be reported in a manner different than specified in
 20 this section, this section shall be construed as if federal adjusted
 21 gross income or federal taxable income included the income or
 22 deduction.

23 (i) If a partner is required to include an item of income, a deduction,
 24 or another tax attribute in the partner's adjusted gross income tax return
 25 pursuant to IC 6-3-4.5, such item shall be considered to be includible
 26 in the partner's federal adjusted gross income or federal taxable
 27 income, regardless of whether such item is actually required to be
 28 reported by the partner for federal income tax purposes. For purposes
 29 of this subsection:

30 (1) items for which a valid election is made under IC 6-3-4.5-6,
 31 IC 6-3-4.5-8, or IC 6-3-4.5-9 shall not be required to be included
 32 in the partner's adjusted gross income or taxable income; and

33 (2) items for which the partnership did not make an election under
 34 IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9, but for which the
 35 partnership is required to remit tax pursuant to IC 6-3-4.5-18,
 36 shall be included in the partner's adjusted gross income or taxable
 37 income.

38 SECTION 13. IC 6-3-2-6, AS AMENDED BY P.L.146-2020,
 39 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 6. (a) Each taxable year,
 41 an individual who rents a dwelling for use as the individual's principal
 42 place of residence may deduct from the individual's adjusted gross



1 income (as defined in IC 6-3-1-3.5(a)), the lesser of:

2 (1) the amount of rent paid by the individual with respect to the
3 dwelling during the taxable year; or

4 (2) ~~three thousand dollars (\$3,000)~~; **four thousand dollars**
5 **(\$4,000)**.

6 (b) Notwithstanding subsection (a):

7 (1) a married couple filing a joint return for a particular taxable
8 year may not claim a deduction under this section of more than
9 ~~three thousand dollars (\$3,000)~~; **four thousand dollars (\$4,000)**;
10 and

11 (2) a married individual filing a separate return for a particular
12 taxable year may not claim a deduction under this section of more
13 than ~~one thousand five hundred dollars (\$1,500)~~; **two thousand**
14 **dollars (\$2,000)**.

15 (c) The deduction provided by this section does not apply to an
16 individual who rents a dwelling that is exempt from Indiana property
17 tax.

18 (d) For purposes of this section, a "dwelling" includes a single
19 family dwelling and unit of a multi-family dwelling.

20 SECTION 14. IC 6-3.6-7-9, AS ADDED BY P.L.243-2015,
21 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2023]: Sec. 9. (a) This section applies only to Hancock
23 County.

24 (b) The county fiscal body may, by ordinance, allocate part of the
25 tax rate imposed under IC 6-3.6-5, not to exceed a tax rate of fifteen
26 hundredths percent (0.15%), to a property tax credit against the
27 property tax liability imposed for public libraries in the county, if all
28 territory in the county is included in a library district. The county
29 treasurer shall establish a library property tax replacement fund to be
30 used only for the purposes described in this section. Tax revenues
31 derived from the part of the tax rate imposed under IC 6-3-5 that is
32 designated for property tax replacement credits under this section shall
33 be deposited in the library property tax replacement fund. Any interest
34 earned on money in the library property tax replacement fund shall be
35 credited to the library property tax replacement fund.

36 (c) The amount of property tax replacement credits that each public
37 library in the county is entitled to receive during a calendar year under
38 this section equals the lesser of:

39 (1) the product of:

40 (A) the amount of revenue deposited by the county auditor in
41 the library property tax replacement fund; multiplied by

42 (B) a fraction described as follows:



- 1 (i) The numerator of the fraction equals the sum of the total
 2 property taxes that would have been collected by the public
 3 library during the previous calendar year from taxpayers
 4 located within the library district if the property tax
 5 replacement under this section had not been in effect.
 6 (ii) The denominator of the fraction equals the sum of the
 7 total property taxes that would have been collected during
 8 the previous year from taxpayers located within the county
 9 by all public libraries that are eligible to receive property tax
 10 replacement credits under this section if the property tax
 11 replacement under this section had not been in effect; or
 12 (2) the total property taxes that would otherwise be collected by
 13 the public library for the calendar year if the property tax
 14 replacement credit under this section were not in effect.

15 The department of local government finance shall make any
 16 adjustments necessary to account for the expansion of a library district.
 17 However, a public library is eligible to receive property tax
 18 replacement credits under this section only if it has entered into
 19 reciprocal borrowing agreements with all other public libraries in the
 20 county. If the total amount of tax revenue deposited by the county
 21 auditor in the library property tax replacement fund for a calendar year
 22 exceeds the total property tax liability that would otherwise be imposed
 23 for public libraries in the county for the year, the excess must remain
 24 in the library property tax replacement fund and may be used for library
 25 property tax replacement purposes in the following calendar year.

- 26 (d) A public library receiving property tax replacement credits under
 27 this section shall allocate the credits among each fund for which a
 28 distinct property tax levy is imposed in proportion to the property taxes
 29 levied for each fund. However, if a public library did not impose a
 30 property tax levy during the previous calendar year or did not impose
 31 a property tax levy for a particular fund during the previous calendar
 32 year, but the public library is imposing a property tax levy in the
 33 current calendar year or is imposing a property tax levy for the
 34 particular fund in the current calendar year, the department of local
 35 government finance shall adjust the amount of property tax
 36 replacement credits allocated among the various funds of the public
 37 library and shall provide the adjustment to the county auditor. If a
 38 public library receiving property tax replacement credits under this
 39 section does not impose a property tax levy for a particular fund that is
 40 first due and payable in a calendar year in which the property tax
 41 replacement credits are being distributed, the public library is not
 42 required to allocate to that fund a part of the property tax replacement



1 credits to be distributed to the public library. Notwithstanding
 2 ~~IC 6-1.1-20-1.1(1)~~; **IC 6-1.1-20-1.1(a)(1)**, a public library that receives
 3 property tax replacement credits under this section is subject to the
 4 procedures for the issuance of bonds set forth in IC 6-1.1-20.

5 (e) A public library shall treat property tax replacement credits
 6 received during a particular calendar year under this section as a part
 7 of the public library's property tax levy for each fund for that same
 8 calendar year for purposes of fixing the public library's budget and for
 9 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

10 (f) For the purpose of allocating tax revenue under IC 6-3.6-6 and
 11 computing and distributing tax revenue under IC 6-5.5 or IC 6-6-5, the
 12 property tax replacement credits that are received under this section
 13 shall be treated as though they were property taxes that were due and
 14 payable during that same calendar year.

15 **SECTION 15. [EFFECTIVE UPON PASSAGE] (a) IC 6-3-1-3.5**
 16 **and IC 6-3-2-6, both as amended by this act, apply to taxable years**
 17 **beginning after December 31, 2022.**

18 **(b) This SECTION expires July 1, 2025.**

19 **SECTION 16. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1499, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-12-37.5, AS ADDED BY P.L.146-2008, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37.5. (a) A person who is entitled to a standard deduction from the assessed value of property under section 37 of this chapter is also entitled to receive a supplemental deduction from the assessed value of the homestead to which the standard deduction applies after the application of the standard deduction but before the application of any other deduction, exemption, or credit for which the person is eligible.

(b) The amount of the deduction under this section is equal to the sum of the following:

(1) For property taxes first due and payable:

(A) before January 1, 2024, thirty-five percent (35%);

(B) in 2024, forty percent (40%);

(C) in 2025, thirty-seven and five-tenths percent (37.5%);

and

(D) after December 31, 2025, thirty-five percent (35%);

of the assessed value determined under subsection (a) that is not more than six hundred thousand dollars (\$600,000).

(2) For property taxes first due and payable:

(A) before January 1, 2024, twenty-five percent (25%);

(B) in 2024, thirty percent (30%);

(C) in 2025, twenty-seven and five-tenths percent (27.5%);

and

(D) after December 31, 2025, twenty-five percent (25%);

of the assessed value determined under subsection (a) that is more than six hundred thousand dollars (\$600,000).

(c) The auditor of the county shall record and make the deduction for the person qualifying for the deduction.

(d) The deduction granted under this section shall not be considered in applying section 40.5 of this chapter to the deductions applicable to property. Section 40.5 of this chapter does not apply to the deduction granted under this section.

SECTION 2. IC 6-1.1-15-1.2, AS AMENDED BY P.L.121-2019, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1.2. (a) A county or township official who

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receives a written notice under section 1.1 of this chapter shall schedule, at a time during business hours that is convenient to the taxpayer, a preliminary informal meeting with the taxpayer in order to resolve the appeal. If the taxpayer raises a claim regarding a matter that is in the discretion of the county auditor, the informal meeting must include the county auditor. At the preliminary informal meeting, in order to facilitate understanding and the resolution of disputed issues, a county or township official, the county auditor, if the matter is in the discretion of the county auditor, and the taxpayer shall exchange the information that each party is relying on at the time of the preliminary informal meeting to support the party's respective position on each disputed issue concerning the assessment or deduction. If additional information is obtained by the county or township official, the county auditor, or the taxpayer after the preliminary informal meeting and before the hearing held by the county board, the party obtaining the information shall provide the information to the other party. If the county or township official, the county auditor, or the taxpayer obtains additional information and provides the information to the other party for the first time at the hearing held by the county board, the county board, unless waived by the receiving party, shall continue the hearing until a future hearing date of the county board so that the receiving party has an opportunity to review all the information that the offering party is relying on to support the offering party's positions on the disputed issues concerning the assessment or deduction.

(b) The official shall report on a form prescribed by the department of local government finance the results of the informal meeting. If the taxpayer and the official agree on the resolution of all issues in the appeal, the report shall state the agreed resolution of the matter and be signed by the official and the taxpayer. If an informal meeting is not held, or the informal meeting is unsuccessful, the official shall report those facts on the form. The official shall forward the report on the informal meeting to the county board.

(c) If the county board receives a report on the informal meeting indicating an agreed resolution of the matter, the county board shall vote to accept or deny the agreed resolution. If the county board accepts the agreed resolution, the county board shall issue a notification of final assessment determination adopting the agreed resolution and vacating the hearing if scheduled.

(d) The county board, upon receipt of a written notice under section 1.1 of this chapter, shall hold a hearing on the appeal not later than one hundred eighty (180) days after the filing date of the written notice. The county board shall, by mail, give at least thirty (30) days notice of



the date, time, and place fixed for the hearing to the taxpayer, the county or township official with whom the taxpayer filed the written notice, and the county auditor. If the county board has notice that the taxpayer is represented by a third person, any hearing notice shall be mailed to the representative.

(e) If good cause is shown, the county board shall grant a request for continuance filed in writing at least ten (10) days before the hearing, and reschedule the hearing under subsection (d).

(f) A taxpayer may withdraw an appeal by filing a written request at least ten (10) days before the hearing. The county board shall issue a notification of final assessment determination indicating the withdrawal and no change in the assessment. A withdrawal waives a taxpayer's right to appeal to the Indiana board.

(g) The county board shall determine an appeal without a hearing if requested by the taxpayer in writing at least twenty (20) days before the hearing.

(h) If a taxpayer appeals the assessment of tangible property under section 1.1 of this chapter, the taxpayer is not required to have an appraisal of the property in order to initiate the appeal or prosecute the appeal. **If the taxpayer presents an appraisal to the county board that:**

- (1) is prepared by a certified appraiser in compliance with the Uniform Standards of Professional Appraisal Practice to determine the market value in use;**
- (2) is addressed to the property owner or the assessor's office;**
- (3) is commissioned for the purpose of the assessment appeal;**
- and**
- (4) has an effective date that is the same date as the date of the assessment that is the subject of the appeal;**

the value of the property contained in the appraisal is presumed to be correct. If the county board disagrees with the taxpayer's appraisal, the county board may seek review of the appraisal by a third party independent certified appraiser or obtain an independent appraisal report conducted by a certified appraiser in compliance with the Uniform Standards of Professional Appraisal Practice. If the county board's appraisal differs from the taxpayer's appraisal, the county board shall weigh the evidence and determine the true tax value of the property based on the totality of the probative evidence before the county board. The county board's determination of the property's true tax value may be higher or lower than the assessment but may not be lower than the lowest appraisal presented to or obtained by the county board,



or higher than the highest appraisal presented to or obtained by the county board. After the assignment of value, the parties shall retain their rights to appeal the assessment or assessments to the Indiana board, which must hear the appeal de novo.

(i) At a hearing under subsection (d), the taxpayer shall have the opportunity to present testimony and evidence regarding the matters on appeal. If the matters on appeal are in the discretion of the county auditor, the county auditor or the county auditor's representative shall attend the hearing. A county or township official, or the county auditor or the county auditor's representative, shall have an opportunity to present testimony and evidence regarding the matters on appeal. The county board may adjourn and continue the hearing to a later date in order to make a physical inspection or consider the evidence presented.

(j) The county board shall determine the assessment by motion and majority vote. A county board may, based on the evidence before it, increase an assessment. The county board shall issue a written decision. Written notice of the decision shall be given to the township official, county official, county auditor, and the taxpayer.

(k) If more than one hundred eighty (180) days have passed since the date the notice of appeal was filed, and the county board has not issued a determination, a taxpayer may initiate any appeal with the Indiana board of tax review under section 3 of this chapter.

(l) The county assessor may assess a penalty of fifty dollars (\$50) against the taxpayer if the taxpayer or representative fails to appear at a hearing under subsection (d) and, under subsection (e), the taxpayer's request for continuance is denied, or the taxpayer's request for continuance, request for the board to take action without a hearing, or withdrawal is not timely filed. A taxpayer may appeal the assessment of the penalty to the Indiana board or directly to the tax court. The penalty may not be added as an amount owed on the property tax statement under IC 6-1.1-22 or IC 6-1.1-22.5.

SECTION 3. IC 6-1.1-17-3.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.1. (a) This section:**

(1) applies only to an operating referendum tax levy under IC 20-46-1 approved by the voters before January 1, 2023, that is imposed by a school corporation for taxes first due and payable in 2024;

(2) does not apply to an operating referendum tax levy under IC 20-46-1 approved by the voters after December 31, 2022, and before January 1, 2024, that is imposed by a school corporation for taxes first due and payable in 2024; and



(3) does not apply to any other tax year.

(b) Notwithstanding any increase in the assessed value of property from the previous assessment date, the total amount of operating referendum tax that may be levied by a school corporation may not exceed the lesser of:

(1) the maximum operating referendum tax that could be levied by the school corporation for taxes first due and payable in 2023 multiplied by one and three-hundredths (1.03); or

(2) the maximum operating referendum tax that could otherwise be levied by the school corporation for taxes first due and payable in 2024.

The tax rate for an operating referendum tax levy shall be decreased, if necessary, to comply with this limitation.

(c) This section expires July 1, 2025.

SECTION 4, IC 6-1.1-18.5-2, AS AMENDED BY P.L.159-2020, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) Except as provided in ~~subsection (e)~~ **subsections (c) and (e)**, for purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the maximum levy growth quotient determined in the last STEP of the following STEPS:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

(c) Except as provided in subsection (f), a school corporation shall



use for its operations fund maximum levy calculation under IC 20-46-8-1 the maximum levy growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine for each school corporation, the average annual growth in net assessed value using the three (3) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year.

STEP TWO: Determine the greater of:

(A) zero (0); or

(B) the STEP ONE amount minus the sum of:

(i) the maximum levy growth quotient determined under subsection (b) minus one (1); plus

(ii) two-hundredths (0.02).

STEP THREE: Determine the lesser of:

(A) the STEP TWO amount; or

(B) four-hundredths (0.04).

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the maximum levy growth quotient determined under subsection (b).

STEP FIVE: Determine the greater of:

(A) the STEP FOUR amount; or

(B) the maximum levy growth quotient determined under subsection (b).

(d) The budget agency shall provide the maximum levy growth quotient for the ensuing year to civil taxing units, school corporations, and the department of local government finance before July 1 of each year.

(e) This subsection applies only for purposes of determining the maximum levy growth quotient to be used in determining a civil taxing unit's maximum permissible ad valorem property tax levy in calendar years 2024 and 2025. For purposes of determining the maximum levy growth quotient in calendar years 2024 and 2025, instead of the result determined in the last STEP in subsection (b), the maximum levy growth quotient is determined in the last STEP of the following STEPS:

(1) For the 2024 calendar year, determine the following:

STEP ONE: Determine the result of STEP FOUR of subsection (b), calculated as if this subsection was not in effect.

STEP TWO: Subtract one (1) from the STEP ONE result.

STEP THREE: Multiply the STEP TWO result by



five-tenths (0.5).

STEP FOUR: Add one (1) to the STEP THREE result.

STEP FIVE: Determine the lesser of:

(i) the STEP FOUR result; or

(ii) one and three hundredths (1.03).

(2) For the 2025 calendar year, determine the following:

STEP ONE: Determine the result of STEP FOUR of subsection (b), calculated as if this subsection was not in effect.

STEP TWO: Subtract one (1) from the STEP ONE result.

STEP THREE: Multiply the STEP TWO result by seventy-five hundredths (0.75).

STEP FOUR: Add one (1) to the STEP THREE result.

STEP FIVE: Determine the lesser of:

(i) the STEP FOUR result; or

(ii) one and three-hundredths (1.03).

(f) This subsection applies only for purposes of determining the maximum levy growth quotient to be used in determining a school corporation's operations fund maximum levy in calendar years 2024 and 2025. For purposes of determining the maximum levy growth quotient in calendar years 2024 and 2025, instead of the result determined in the last STEP in subsection (c), the maximum levy growth quotient is determined in the last STEP of the following STEPS:

(1) For the 2024 calendar year, determine the following:

STEP ONE: Determine the result of STEP FIVE of subsection (c), calculated as if this subsection was not in effect.

STEP TWO: Subtract one (1) from the STEP ONE result.

STEP THREE: Multiply the STEP TWO result by five-tenths (0.5).

STEP FOUR: Add one (1) to the STEP THREE result.

STEP FIVE: Determine the lesser of:

(i) the STEP FOUR result; or

(ii) one and three-hundredths (1.03).

(2) For the 2025 calendar year, determine the following:

STEP ONE: Determine the result of STEP FIVE of subsection (c), calculated as if this subsection was not in effect.

STEP TWO: Subtract one (1) from the STEP ONE result.

STEP THREE: Multiply the STEP TWO result by seventy-five hundredths (0.75).



STEP FOUR: Add one (1) to the STEP THREE result.

STEP FIVE: Determine the lesser of:

(i) the STEP FOUR result; or

(ii) one and three-hundredths (1.03).

SECTION 5. IC 6-1.1-20-1.1, AS AMENDED BY P.L.32-2021, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1.1. **(a)** As used in this chapter, "controlled project" means any project financed by bonds or a lease, except for the following:

(1) A project for which the political subdivision reasonably expects to pay:

(A) debt service; or

(B) lease rentals;

from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or (before January 1, 2009) IC 20-45-3. A project is not a controlled project even though the political subdivision has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient.

(2) **Subject to subsection (b)**, a project that will not cost the political subdivision more than the lesser of the following:

(A) An amount equal to the following:

(i) In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, two million dollars (\$2,000,000).

(ii) In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, five million dollars (\$5,000,000).

(iii) In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the amount determined under this clause for the preceding calendar year.

The department of local government finance shall publish the threshold determined under item (iii) in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient



for the ensuing year under IC 6-1.1-18.5-2.

(B) An amount equal to the following:

(i) One percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one hundred million dollars (\$100,000,000).

(ii) One million dollars (\$1,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one hundred million dollars (\$100,000,000).

(3) A project that is being refinanced for the purpose of providing gross or net present value savings to taxpayers.

(4) A project for which bonds were issued or leases were entered into before January 1, 1996, or where the state board of tax commissioners has approved the issuance of bonds or the execution of leases before January 1, 1996.

(5) A project that is required by a court order holding that a federal law mandates the project.

(6) A project that is in response to:

(A) a natural disaster;

(B) an accident; or

(C) an emergency;

in the political subdivision that makes a building or facility unavailable for its intended use.

(7) A project that was not a controlled project under this section as in effect on June 30, 2008, and for which:

(A) the bonds or lease for the project were issued or entered into before July 1, 2008; or

(B) the issuance of the bonds or the execution of the lease for the project was approved by the department of local government finance before July 1, 2008.

(8) A project of the Little Calumet River basin development commission for which bonds are payable from special assessments collected under IC 14-13-2-18.6.

(9) A project for engineering, land and right-of-way acquisition, construction, resurfacing, maintenance, restoration, and rehabilitation exclusively for or of:

(A) local road and street systems, including bridges that are designated as being in a local road and street system;

(B) arterial road and street systems, including bridges that are designated as being in an arterial road and street system; or

(C) any combination of local and arterial road and street



systems, including designated bridges.

(b) If:

(1) a political subdivision's total debt service tax rate is more than forty cents (\$0.40) per one hundred dollars (\$100) of assessed value; and

(2) subsection (a)(1) and subsection (a)(3) through (a)(9) are not applicable;

the term includes any project to be financed by bonds or a lease, including a project that does not otherwise meet the threshold amount provided in subsection (a)(2).

SECTION 6. IC 6-1.1-20-3.1, AS AMENDED BY P.L.159-2020, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3.1. (a) Subject to section 3.5(a)(1)(C) of this chapter, this section applies only to the following:

(1) A controlled project (as defined in section 1.1 of this chapter as in effect June 30, 2008) for which the proper officers of a political subdivision make a preliminary determination in the manner described in subsection (b) before July 1, 2008.

(2) An elementary school building, middle school building, high school building, or other school building for academic instruction that:

(A) is a controlled project;

(B) will be used for any combination of kindergarten through grade 12; and

(C) will not cost more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is ten million dollars (\$10,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars (\$15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding



calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one billion dollars (\$1,000,000,000), or ten million dollars (\$10,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one billion dollars (\$1,000,000,000).

(3) Any other controlled project that:

(A) is not a controlled project described in subdivision (1) or (2); and

(B) will not cost the political subdivision more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is twelve million dollars (\$12,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars (\$15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60)



days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one hundred million dollars (\$100,000,000), or one million dollars (\$1,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one hundred million dollars (\$100,000,000).

(4) Any other controlled project if both of the following apply:

(A) The political subdivision's total debt service tax rate is more than forty cents (\$0.40) per one hundred dollars (\$100) of assessed value, but less than eighty cents (\$0.80) per one hundred dollars (\$100) of assessed value.

(B) The controlled project is not otherwise described in section 3.5(a)(1) of this chapter.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct at least two (2) public hearings on a preliminary determination before adoption of the resolution or ordinance. The political subdivision must at each of the public hearings on the preliminary determination allow the public to testify regarding the preliminary determination and must make the following information available to the public at each of the public hearings on the preliminary determination, in addition to any other information required by law:

(A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.

(B) The result of:

(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing



units that include any of the territory of the political subdivision; divided by

(ii) the net assessed value of taxable property within the political subdivision.

(C) The information specified in subdivision (3)(A) through (3)(H).

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease for a controlled project, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the circuit court clerk and to the organizations described in subdivision (1).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease for a controlled project must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that any owners of property within the political subdivision or registered voters residing within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to incur annually to operate the facility.

(G) A statement of whether the school corporation expects to appeal for a new facility adjustment (as defined in IC 20-45-1-16 (repealed) before January 1, 2009) for an increased maximum permissible tuition support levy to pay the



estimated costs described in clause (F).

(H) The following information:

(i) The political subdivision's current debt service levy and rate.

(ii) The estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

(iii) The estimated amount of the political subdivision's debt service levy and rate that will result during the following ten (10) years if the political subdivision issues the bonds or enters into the lease, after also considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period.

(I) The information specified in subdivision (1)(A) through (1)(B).

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

(A) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

(5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of property or registered voters;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves



as owners of property or registered voters and may be allowed to pick up additional copies to distribute to other owners of property or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as an owner of property must indicate the address of the property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least five hundred twenty-five (525) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least five hundred twenty-five (525) persons who signed the petition are registered voters, the county voter registration office shall, not more than fifteen (15) business days after receiving a petition, forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the political subdivision; and

(B) whether a person who signed the petition as an owner of property within the political subdivision does in fact own property within the political subdivision.

(9) The county voter registration office, not more than ten (10) business days after determining that at least five hundred twenty-five (525) persons who signed the petition are registered



voters or receiving the statement from the county auditor under subdivision (8), as applicable, shall make the final determination of the number of petitioners that are registered voters in the political subdivision and, based on the statement provided by the county auditor, the number of petitioners that own property within the political subdivision. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property, or a combination of those types of property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition



requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) A political subdivision may not divide a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter. A person that owns property within a political subdivision or a person that is a registered voter residing within a political subdivision may file a petition with the department of local government finance objecting that the political subdivision has divided a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter. The petition must be filed not more than ten (10) days after the political subdivision gives notice of the political subdivision's decision to issue bonds or enter into leases for a capital project that the person believes is the result of a division of a controlled project that is prohibited by this subsection. If the department of local government finance receives a petition under this subsection, the department shall not later than thirty (30) days after receiving the petition make a final determination on the issue of whether the political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter. If the department of local government finance determines that a political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter and the political subdivision continues to desire to proceed with the project, the political subdivision shall fulfill the requirements of this section and section 3.2 of this chapter, if applicable, regardless of the cost of the project in dispute. A political subdivision shall be considered to have divided a capital project in order to avoid the requirements of this section and section 3.2 of this chapter if the result of one (1) or more of the subprojects cannot reasonably be considered an independently desirable end in itself without reference to another capital project. This subsection does not prohibit a political subdivision from undertaking a series of capital projects in which the result of each capital project can reasonably be considered an independently desirable end in itself without reference to another capital project.

SECTION 7. IC 6-1.1-20-3.5, AS AMENDED BY P.L.136-2021,

HB 1499—LS 7090/DI 125



SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:

(1) The controlled project is described in one (1) of the following categories:

(A) An elementary school building, middle school building, high school building, or other school building for academic instruction that will be used for any combination of kindergarten through grade 12 and will cost more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is ten million dollars (\$10,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars (\$15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one billion dollars (\$1,000,000,000), or ten million dollars (\$10,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one billion dollars (\$1,000,000,000).



(B) Any other controlled project that is not a controlled project described in clause (A) and will cost the political subdivision more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is twelve million dollars (\$12,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars (\$15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one hundred million dollars (\$100,000,000), or one million dollars (\$1,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one hundred million dollars (\$100,000,000).

(C) Any other controlled project for which a political subdivision adopts an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for the project, if the sum of:

- (i) the cost of that controlled project; plus
- (ii) the costs of all other controlled projects for which the



political subdivision has previously adopted within the preceding three hundred sixty-five (365) days an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for those other controlled projects;

exceeds twenty-five million dollars (\$25,000,000).

(D) Any other controlled project if the political subdivision's total debt service tax rate is at least eighty cents (\$0.80) per one hundred dollars (\$100) of assessed value.

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) Subject to subsection (d), a political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct at least two (2) public hearings on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must at each of the public hearings on the preliminary determination allow the public to testify regarding the preliminary determination and must make the following information available to the public at each of the public hearings on the preliminary determination, in addition to any other information required by law:

(A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.

(B) The result of:

(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by

(ii) the net assessed value of taxable property within the political subdivision.



- (C) The information specified in subdivision (3)(A) through (3)(G).
- (2) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:
- (A) publication in accordance with IC 5-3-1; and
 - (B) first class mail to the circuit court clerk and to the organizations described in subdivision (1).
- (3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:
- (A) The maximum term of the bonds or lease.
 - (B) The maximum principal amount of the bonds or the maximum lease rental for the lease.
 - (C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
 - (D) The purpose of the bonds or lease.
 - (E) A statement that the proposed debt service or lease payments must be approved in an election on a local public question held under section 3.6 of this chapter.
 - (F) With respect to bonds issued or a lease entered into to open:
 - (i) a new school facility; or
 - (ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;
 the estimated costs the school corporation expects to annually incur to operate the facility.
 - (G) The following information:
 - (i) The political subdivision's current debt service levy and rate.
 - (ii) The estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.
 - (iii) The estimated amount of the political subdivision's debt service levy and rate that will result during the following ten (10) years if the political subdivision issues the bonds or enters into the lease, after also considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period.
 - (H) The information specified in subdivision (1)(A) through



(1)(B).

(4) **This subdivision does not apply to a controlled project described in subsection (a)(1)(D).** After notice is given, a petition requesting the application of the local public question process under section 3.6 of this chapter may be filed by the lesser of:

(A) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

(5) **This subdivision does not apply to a controlled project described in subsection (a)(1)(D).** The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of property or registered voters;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of property or registered voters and may be allowed to pick up additional copies to distribute to other owners of property or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as an owner of property must indicate the address of the property owned by the person in the political subdivision.

(6) **This subdivision does not apply to a controlled project**



described in subsection (a)(1)(D). Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) **This subdivision does not apply to a controlled project described in subsection (a)(1)(D).** Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) **This subdivision does not apply to a controlled project described in subsection (a)(1)(D).** The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least five hundred twenty-five (525) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least five hundred twenty-five (525) persons who signed the petition are registered voters, the county voter registration office, not more than fifteen (15) business days after receiving a petition, shall forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the political subdivision; and

(B) whether a person who signed the petition as an owner of property within the political subdivision does in fact own property within the political subdivision.

(9) **This subdivision does not apply to a controlled project described in subsection (a)(1)(D).** The county voter registration office, not more than ten (10) business days after determining that at least five hundred twenty-five (525) persons who signed the petition are registered voters or after receiving the statement from the county auditor under subdivision (8), as applicable, shall make the final determination of whether a sufficient number of persons have signed the petition. Whenever the name of an



individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular referendum process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property or a combination of those types of property within the political subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) This subdivision does not apply to a controlled project described in subsection (a)(1)(D). The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting the referendum process. The certificate must state the number of petitioners who are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.



(11) **This subdivision does not apply to a controlled project described in subsection (a)(1)(D).** If a sufficient petition requesting the local public question process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall provide to the county auditor:

- (1) a copy of the notice required by subsection (b)(2); and
- (2) any other information the county auditor requires to fulfill the county auditor's duties under section 3.6 of this chapter.

(d) In addition to the procedures in subsection (b), if any capital improvement components addressed in the most recent:

- (1) threat assessment of the buildings within the school corporation; or
- (2) school safety plan (as described in IC 20-26-18.2-2(b));

concerning a particular school have not been completed or require additional funding to be completed, before the school corporation may impose property taxes to pay debt service on bonds or lease rentals for a lease for a controlled project, and in addition to any other components of the controlled project, the controlled project must include any capital improvements necessary to complete those components described in subdivisions (1) and (2) that have not been completed or that require additional funding to be completed.

(e) In addition to the other procedures in this section, an ordinance or resolution making a preliminary determination to issue bonds or enter into leases that is considered for adoption must include a statement of:

- (1) the maximum annual debt service for the controlled project for each year in which the debt service will be paid; and
- (2) the schedule of the estimated annual tax levy and rate over a ten (10) year period;

factoring in changes that will occur to the debt service levy and tax rate during the period on account of any outstanding bonds or lease obligations that will mature or terminate during the period.

SECTION 8. IC 6-1.1-20-3.6, AS AMENDED BY P.L.174-2022, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3.6. (a) Except as provided in sections 3.7 and 3.8 of this chapter, this section applies only to a controlled project described in section 3.5(a) of this chapter.



(b) In the case of a controlled project:

(1) described in section 3.5(a)(1)(A) through 3.5(a)(1)(C) of this chapter, if a sufficient petition requesting the application of the local public question process has been filed as set forth in section 3.5 of this chapter; **or**

(2) described in section 3.5(a)(1)(D) of this chapter;

a political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project unless the political subdivision's proposed debt service or lease rental is approved in an election on a local public question held under this section.

(c) Except as provided in subsection (k), the following question shall be submitted to the eligible voters at the election conducted under this section:

"Shall _____ (insert the name of the political subdivision) increase property taxes paid to the _____ (insert the type of taxing unit) by homeowners and businesses? If this public question is approved by the voters, the average property tax paid to the _____ (insert the type of taxing unit) per year on a residence would increase by _____% (insert the estimated average percentage of property tax increase paid to the political subdivision on a residence within the political subdivision as determined under subsection (n)) and the average property tax paid to the _____ (insert the type of taxing unit) per year on a business property would increase by _____% (insert the estimated average percentage of property tax increase paid to the political subdivision on a business property within the political subdivision as determined under subsection (o)). The political subdivision may issue bonds or enter into a lease to _____ (insert a brief description of the controlled project), which is estimated to cost _____ (insert the total cost of the project) over _____ (insert number of years to bond maturity or termination of lease) years. The most recent property tax referendum within the boundaries of the political subdivision for which this public question is being considered was proposed by _____ (insert name of political subdivision) in _____ (insert year of most recent property tax referendum) and _____ (insert whether the measure passed or failed)."

The public question must appear on the ballot in the form approved by the county election board. If the political subdivision proposing to issue bonds or enter into a lease is located in more than one (1) county, the county election board of each county shall jointly approve the form of



the public question that will appear on the ballot in each county. The form approved by the county election board may differ from the language certified to the county election board by the county auditor. If the county election board approves the language of a public question under this subsection, the county election board shall submit the language and the certification of the county auditor described in subsection (p) to the department of local government finance for review.

(d) The department of local government finance shall review the language of the public question to evaluate whether the description of the controlled project is accurate and is not biased against either a vote in favor of the controlled project or a vote against the controlled project. The department of local government finance shall post the estimated average percentage of property tax increases to be paid to a political subdivision on a residence and business property that are certified by the county auditor under subsection (p) on the department's Internet web site. The department of local government finance may either approve the ballot language as submitted or recommend that the ballot language be modified as necessary to ensure that the description of the controlled project is accurate and is not biased. The department of local government finance shall certify its approval or recommendations to the county auditor and the county election board not more than ten (10) days after the language of the public question is submitted to the department for review. If the department of local government finance recommends a modification to the ballot language, the county election board shall, after reviewing the recommendations of the department of local government finance, submit modified ballot language to the department for the department's approval or recommendation of any additional modifications. The public question may not be certified by the county auditor under subsection (e) unless the department of local government finance has first certified the department's final approval of the ballot language for the public question.

(e) The county auditor shall certify the finally approved public question under IC 3-10-9-3 to the county election board of each county in which the political subdivision is located. The certification must occur not later than noon:

- (1) seventy-four (74) days before a primary election if the public question is to be placed on the primary or municipal primary election ballot; or
- (2) August 1 if the public question is to be placed on the general or municipal election ballot.



Subject to the certification requirements and deadlines under this subsection and except as provided in subsection (j), the public question shall be placed on the ballot at the next primary election, general election or municipal election in which all voters of the political subdivision are entitled to vote. However, if a primary election, general election, or municipal election will not be held during the first year in which the public question is eligible to be placed on the ballot under this section and if the political subdivision requests the public question to be placed on the ballot at a special election, the public question shall be placed on the ballot at a special election to be held on the first Tuesday after the first Monday in May or November of the year. The certification must occur not later than noon seventy-four (74) days before a special election to be held in May (if the special election is to be held in May) or noon on August 1 (if the special election is to be held in November). The fiscal body of the political subdivision that requests the special election shall pay the costs of holding the special election. The county election board shall give notice under IC 5-3-1 of a special election conducted under this subsection. A special election conducted under this subsection is under the direction of the county election board. The county election board shall take all steps necessary to carry out the special election.

(f) The circuit court clerk shall certify the results of the public question to the following:

- (1) The county auditor of each county in which the political subdivision is located.
- (2) The department of local government finance.

(g) Subject to the requirements of IC 6-1.1-18.5-8, the political subdivision may issue the proposed bonds or enter into the proposed lease rental if a majority of the eligible voters voting on the public question vote in favor of the public question.

(h) If a majority of the eligible voters voting on the public question vote in opposition to the public question, both of the following apply:

- (1) The political subdivision may not issue the proposed bonds or enter into the proposed lease rental.
- (2) Another public question under this section on the same or a substantially similar project may not be submitted to the voters earlier than:

- (A) except as provided in clause (B), seven hundred (700) days after the date of the public question; or
- (B) three hundred fifty (350) days after the date of the election, if a petition that meets the requirements of subsection (m) is submitted to the county auditor.



(i) IC 3, to the extent not inconsistent with this section, applies to an election held under this section.

(j) A political subdivision may not divide a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter. A person that owns property within a political subdivision or a person that is a registered voter residing within a political subdivision may file a petition with the department of local government finance objecting that the political subdivision has divided a controlled project into two (2) or more capital projects in order to avoid the requirements of this section and section 3.5 of this chapter. The petition must be filed not more than ten (10) days after the political subdivision gives notice of the political subdivision's decision under section 3.5 of this chapter or a determination under section 5 of this chapter to issue bonds or enter into leases for a capital project that the person believes is the result of a division of a controlled project that is prohibited by this subsection. If the department of local government finance receives a petition under this subsection, the department shall not later than thirty (30) days after receiving the petition make a final determination on the issue of whether the political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter. If the department of local government finance determines that a political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter and the political subdivision continues to desire to proceed with the project, the political subdivision may appeal the determination of the department of local government finance to the Indiana board of tax review. A political subdivision shall be considered to have divided a capital project in order to avoid the requirements of this section and section 3.5 of this chapter if the result of one (1) or more of the subprojects cannot reasonably be considered an independently desirable end in itself without reference to another capital project. This subsection does not prohibit a political subdivision from undertaking a series of capital projects in which the result of each capital project can reasonably be considered an independently desirable end in itself without reference to another capital project.

(k) This subsection applies to a political subdivision for which a petition requesting a public question has been submitted under section 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of the political subdivision may adopt a resolution to withdraw a controlled project from consideration in a public question. If the legislative body provides a certified copy of the resolution to the county auditor and the county election board not later than sixty-three (63)



days before the election at which the public question would be on the ballot, the public question on the controlled project shall not be placed on the ballot and the public question on the controlled project shall not be held, regardless of whether the county auditor has certified the public question to the county election board. If the withdrawal of a public question under this subsection requires the county election board to reprint ballots, the political subdivision withdrawing the public question shall pay the costs of reprinting the ballots. If a political subdivision withdraws a public question under this subsection that would have been held at a special election and the county election board has printed the ballots before the legislative body of the political subdivision provides a certified copy of the withdrawal resolution to the county auditor and the county election board, the political subdivision withdrawing the public question shall pay the costs incurred by the county in printing the ballots. If a public question on a controlled project is withdrawn under this subsection, a public question under this section on the same controlled project or a substantially similar controlled project may not be submitted to the voters earlier than three hundred fifty (350) days after the date the resolution withdrawing the public question is adopted.

(l) If a public question regarding a controlled project is placed on the ballot to be voted on at an election under this section, the political subdivision shall submit to the department of local government finance, at least thirty (30) days before the election, the following information regarding the proposed controlled project for posting on the department's Internet web site:

- (1) The cost per square foot of any buildings being constructed as part of the controlled project.
- (2) The effect that approval of the controlled project would have on the political subdivision's property tax rate.
- (3) The maximum term of the bonds or lease.
- (4) The maximum principal amount of the bonds or the maximum lease rental for the lease.
- (5) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
- (6) The purpose of the bonds or lease.
- (7) In the case of a controlled project proposed by a school corporation:
 - (A) the current and proposed square footage of school building space per student;
 - (B) enrollment patterns within the school corporation; and
 - (C) the age and condition of the current school facilities.



(m) If a majority of the eligible voters voting on the public question vote in opposition to the public question, a petition may be submitted to the county auditor to request that the limit under subsection (h)(2)(B) apply to the holding of a subsequent public question by the political subdivision. If such a petition is submitted to the county auditor and is signed by the lesser of:

- (1) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or
- (2) five percent (5%) of the registered voters residing within the political subdivision;

the limit under subsection (h)(2)(B) applies to the holding of a second public question by the political subdivision and the limit under subsection (h)(2)(A) does not apply to the holding of a second public question by the political subdivision.

(n) At the request of a political subdivision that proposes to impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project, the county auditor of a county in which the political subdivision is located shall determine the estimated average percentage of property tax increase on a homestead to be paid to the political subdivision that must be included in the public question under subsection (c) as follows:

STEP ONE: Determine the average assessed value of a homestead located within the political subdivision.

STEP TWO: For purposes of determining the net assessed value of the average homestead located within the political subdivision, subtract:

- (A) an amount for the homestead standard deduction under IC 6-1.1-12-37 as if the homestead described in STEP ONE was eligible for the deduction; and
- (B) an amount for the supplemental homestead deduction under IC 6-1.1-12-37.5 as if the homestead described in STEP ONE was eligible for the deduction;

from the result of STEP ONE.

STEP THREE: Divide the result of STEP TWO by one hundred (100).

STEP FOUR: Determine the overall average tax rate per one hundred dollars (\$100) of assessed valuation for the current year imposed on property located within the political subdivision.

STEP FIVE: For purposes of determining net property tax liability of the average homestead located within the political subdivision:

- (A) multiply the result of STEP THREE by the result of STEP



FOUR; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5(a)(1).

STEP SIX: Determine the amount of the political subdivision's part of the result determined in STEP FIVE.

STEP SEVEN: Determine the estimated tax rate that will be imposed if the public question is approved by the voters.

STEP EIGHT: Multiply the result of STEP SEVEN by the result of STEP THREE.

STEP NINE: Divide the result of STEP EIGHT by the result of STEP SIX, expressed as a percentage.

(o) At the request of a political subdivision that proposes to impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project, the county auditor of a county in which the political subdivision is located shall determine the estimated average percentage of property tax increase on a business property to be paid to the political subdivision that must be included in the public question under subsection (c) as follows:

STEP ONE: Determine the average assessed value of business property located within the political subdivision.

STEP TWO: Divide the result of STEP ONE by one hundred (100).

STEP THREE: Determine the overall average tax rate per one hundred dollars (\$100) of assessed valuation for the current year imposed on property located within the political subdivision.

STEP FOUR: For purposes of determining net property tax liability of the average business property located within the political subdivision:

(A) multiply the result of STEP TWO by the result of STEP THREE; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).

STEP FIVE: Determine the amount of the political subdivision's part of the result determined in STEP FOUR.

STEP SIX: Determine the estimated tax rate that will be imposed if the public question is approved by the voters.

STEP SEVEN: Multiply the result of STEP TWO by the result of STEP SIX.

STEP EIGHT: Divide the result of STEP SEVEN by the result of



STEP FIVE, expressed as a percentage.

(p) The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to the political subdivision determined under subsection (n), and the estimated average percentage of property tax increase on a business property to be paid to the political subdivision determined under subsection (o), in a manner prescribed by the department of local government finance, and provide the certification to the political subdivision that proposes to impose property taxes. The political subdivision shall provide the certification to the county election board and include the estimated average percentages in the language of the public question at the time the language of the public question is submitted to the county election board for approval as described in subsection (c).

SECTION 9. IC 6-1.1-20-3.7, AS ADDED BY P.L.182-2009(ss), SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3.7. (a) This section applies to the following:

(1) The issuance of bonds or the entering into a lease for a controlled project:

(A) to which section 3.5 of this chapter applies; and

(B) for which a sufficient petition requesting the application of the local public question process under section 3.6 of this chapter has not been filed as set forth in section 3.5 of this chapter within the time required under section 3.5(b)(7) of this chapter.

(2) The issuance of bonds or the entering into a lease for a capital project:

(A) that is not a controlled project to which section 3.5 of this chapter applies; and

(B) that would, but for the application of section ~~1.1(6)~~ **1.1(a)(6)** of this chapter to the project, be a controlled project to which section 3.5 of this chapter applies.

(b) If the proper officers of a political subdivision make a preliminary determination to issue bonds described in subsection (a) or enter into a lease described in subsection (a), the fiscal body of the political subdivision may adopt a resolution specifying that the local public question process specified in section 3.6 of this chapter applies to the issuance of the bonds or the entering into the lease, notwithstanding that:

(1) a sufficient petition requesting the application of the local public question process under section 3.6 of this chapter has not



been filed as set forth in section 3.5 of this chapter (in the case of bonds or a lease described in subsection (a)(1)); or
 (2) because of the application of section ~~1.1(6)~~ **1.1(a)(6)** of this chapter, the bonds or lease is not considered to be issued or entered into for a controlled project (in the case of bonds or a lease described in subsection (a)(2)).

(c) The following apply to the adoption of a resolution by the fiscal body of a political subdivision under subsection (b):

(1) In the case of bonds or a lease described in subsection (a)(1) and for which no petition requesting the application of the local public question process under section 3.6 of this chapter has been filed within the time required under section 3.5(b)(7) of this chapter, the fiscal body must adopt the resolution not more than sixty (60) days after publication of the notice of the preliminary determination to issue the bonds or enter into the lease.

(2) In the case of bonds or a lease described in subsection (a)(1) for which a petition requesting the application of the local public question process under section 3.6 of this chapter:

(A) has been filed under section 3.5 of this chapter; and

(B) is determined to have an insufficient number of signatures to require application of the local public question process under section 3.6 of this chapter;

the fiscal body must adopt the resolution not more than thirty (30) days after the county voter registration office makes the final determination under section 3.5 of this chapter that a sufficient number of persons have not signed the petition.

(3) In the case of bonds or a lease described in subsection (a)(2), the fiscal body must adopt the resolution not more than thirty (30) days after publication of the notice of the preliminary determination to issue the bonds or enter into the lease.

(4) The fiscal body shall certify the resolution to the county election board of each county in which the political subdivision is located, and the county election board shall place the public question on the ballot as provided in section 3.6 of this chapter.

(d) Except to the extent it is inconsistent with this section, section 3.6 of this chapter applies to a local public question placed on the ballot under this section."

Page 2, delete lines 1 through 5.

Page 2, line 15, after "2024," insert "**ninety-five hundredths percent (0.95%);**".

Page 2, delete line 16.

Page 2, line 17, delete "nine" and insert "**nine hundred seventy-five**".



thousandths percent (0.975%); and".

Page 2, delete line 18.

Page 2, line 19, delete "in 2026," and insert "**after December 31, 2025, one percent (1%);".**

Page 2, delete lines 20 through 24.

Page 3, delete lines 26 through 42.

Page 4, delete lines 1 through 15, begin a new paragraph and insert:
"SECTION 11. IC 6-1.1-50 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 50. County Option Property Tax Relief for Homesteads

Sec. 1. As used in this chapter, "homestead" refers to a homestead that has been granted a standard deduction under IC 6-1.1-12-37.

Sec. 2. As used in this chapter, "qualified individual" means an individual who qualified for a standard deduction granted under IC 6-1.1-12-37 for property taxes first due and payable in 2023 on the qualified individual's homestead property.

Sec. 3. (a) A county fiscal body may adopt an ordinance to provide property tax relief as provided in this chapter to qualified individuals on property taxes that are:

- (1) attributable to the qualified individual's homestead property; and**
- (2) first due and payable in 2023.**

(b) An ordinance adopted under this section may allow a qualified individual to elect to receive property tax relief under this chapter in any of the following forms:

- (1) As a rebate check.**
- (2) As a credit against the qualified individual's homestead property tax liability installment due in November 2023.**
- (3) As a credit against the qualified individual's homestead property tax liability first due and payable in 2024.**

(c) The county fiscal body shall provide the amount of property tax relief to be provided to each qualified individual in an ordinance adopted under this section. The amount may be an amount:

- (1) determined by the county fiscal body that is equal for all qualified individuals; or**
- (2) that is proportional to each qualified individual's share of the total amount of property tax liability first due and payable in 2023 on homesteads.**

Sec. 4. Before adopting an ordinance under section 3 of this



chapter, a county fiscal body must conduct a public hearing on the proposed ordinance. The county fiscal body must publish notice of the public hearing in accordance with IC 5-3-1.

Sec. 5. If a county fiscal body adopts an ordinance to provide property tax relief under this chapter, the county fiscal body shall give notice of the adoption of the ordinance to:

- (1) the department of local government finance on the form and in the manner prescribed by the department of local government finance;
- (2) the county auditor; and
- (3) the fiscal officer of each taxing unit within the county;

including a certified copy of the adopted ordinance.

Sec. 6. A qualified individual may elect to receive property tax in a manner described in section 3(b) of this chapter by filing a certified statement on forms prescribed by the department of local government finance with the county auditor.

Sec. 7. If a qualified individual elects to receive property tax relief in the form of a rebate check as provided in section 3(b)(1) of this chapter, the county auditor shall provide the rebate check to the qualified individual not later than December 31, 2023.

Sec. 8. The auditor of each county shall apply a credit against the homestead property tax liability of each qualified individual who makes an election under section 3(b)(2) or 3(b)(3) of this chapter, against the qualified individual's homestead property tax liability installment due in November 2023 or the qualified individual's homestead property tax liability first due and payable in 2024, as applicable.

Sec. 9. The department of local government finance shall provide technical assistance to a county fiscal body in adopting and implementing an ordinance under this chapter, as requested by the county fiscal body. The department of local government finance shall provide technical assistance to a county auditor or affected taxing unit in implementing an ordinance adopted under this chapter, as requested by the county auditor or affected taxing unit.

Sec. 10. The department of local government finance may adopt emergency rules under IC 4-22-2-37.1 to implement this chapter. An emergency rule adopted under this section expires on the earlier of the following dates:

- (1) The expiration date stated in the emergency rule.
- (2) January 1, 2025.

SECTION 12. IC 6-3-1-3.5, AS AMENDED BY P.L. 180-2022(ss), SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JANUARY 1, 2023 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Except as provided in subsection (c), add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).
- (4) Subtract one thousand dollars (\$1,000) for:
 - (A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code (as effective January 1, 2017);
 - (B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and
 - (C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.
- (5) Subtract **the following**:
 - (A) One thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004).
 - (B) One thousand five hundred dollars (\$1,500) for each exemption allowed under Section 151(c) of the Internal Revenue Code (as effective January 1, 2017) for an individual:
 - (i) who is less than nineteen (19) years of age or is a full-time student who is less than twenty-four (24) years of age;
 - (ii) for whom the taxpayer is the legal guardian; and
 - (iii) for whom the taxpayer does not claim an exemption under clause (A).
 - (C) Five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the federal adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000). In the case of a



married individual filing a separate return, the qualifying income amount in this clause is equal to twenty thousand dollars (\$20,000).

(D) Three thousand dollars (\$3,000) for each exemption allowed under Section 151(c) of the Internal Revenue Code (as effective January 1, 2017) for an individual who is:

- (i) an adopted child of the taxpayer; and
- (ii) less than nineteen (19) years of age or is a full-time student who is less than twenty-four (24) years of age.

This amount is in addition to any amount subtracted under clause (A) or (B).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(7) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(8) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(9) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), and (5) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(10) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(11) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(12) Subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long



term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse if the taxpayer and the taxpayer's spouse file a joint income tax return or the taxpayer is otherwise entitled to a deduction under this subdivision for the taxpayer's spouse, or both.

(13) Subtract an amount equal to the lesser of:

(A) ~~two thousand five hundred dollars (\$2,500); three thousand five hundred dollars (\$3,500), or one thousand two hundred fifty dollars (\$1,250)~~ **one thousand seven hundred fifty dollars (\$1,750)** in the case of a married individual filing a separate return; or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(14) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(16) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(17) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars (\$25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue



Code on property acquired in an exchange if:

- (i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;
- (ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and
- (iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(18) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

(19) Subtract income that is:

- (A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and
- (B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

(20) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract the amount necessary from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(21) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(22) Subtract an amount as described in Section 1341(a)(2) of the



Internal Revenue Code to the extent, if any, that the amount was previously included in the taxpayer's adjusted gross income for a prior taxable year.

(23) For taxable years beginning after December 25, 2016, add an amount equal to the deduction for deferred foreign income that was claimed by the taxpayer for the taxable year under Section 965(c) of the Internal Revenue Code.

(24) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(25) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(26) For taxable years beginning after December 31, 2019, and before January 1, 2021, add an amount of the deduction claimed under Section 62(a)(22) of the Internal Revenue Code.

(27) For taxable years beginning after December 31, 2019, for payments made by an employer under an education assistance program after March 27, 2020:

(A) add the amount of payments by an employer that are excluded from the taxpayer's federal gross income under Section 127(c)(1)(B) of the Internal Revenue Code; and

(B) deduct the interest allowable under Section 221 of the Internal Revenue Code, if the disallowance under Section 221(e)(1) of the Internal Revenue Code did not apply to the payments described in clause (A). For purposes of applying Section 221(b) of the Internal Revenue Code to the amount allowable under this clause, the amount under clause (A) shall not be added to adjusted gross income.

(28) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section



274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(29) For taxable years beginning after December 31, 2017, and before January 1, 2021, add an amount equal to the excess business loss of the taxpayer as defined in Section 461(l)(3) of the Internal Revenue Code. In addition:

(A) If a taxpayer has an excess business loss under this subdivision and also has modifications under subdivisions (15) and (17) for property placed in service during the taxable year, the taxpayer shall treat a portion of the taxable year modifications for that property as occurring in the taxable year the property is placed in service and a portion of the modifications as occurring in the immediately following taxable year.

(B) The portion of the modifications under subdivisions (15) and (17) for property placed in service during the taxable year treated as occurring in the taxable year in which the property is placed in service equals:

- (i) the modification for the property otherwise determined under this section; minus
- (ii) the excess business loss disallowed under this subdivision;

but not less than zero (0).

(C) The portion of the modifications under subdivisions (15) and (17) for property placed in service during the taxable year treated as occurring in the taxable year immediately following the taxable year in which the property is placed in service equals the modification for the property otherwise determined under this section minus the amount in clause (B).

(D) Any reallocation of modifications between taxable years under clauses (B) and (C) shall be first allocated to the modification under subdivision (15), then to the modification under subdivision (17).

(30) Add an amount equal to the amount excluded from federal gross income under Section 108(f)(5) of the Internal Revenue Code. For purposes of this subdivision:

(A) if an amount excluded under Section 108(f)(5) of the Internal Revenue Code would be excludible under Section 108(a)(1)(B) of the Internal Revenue Code, the exclusion under Section 108(a)(1)(B) of the Internal Revenue Code shall take precedence; and

(B) if an amount would have been excludible under Section



108(f)(5) of the Internal Revenue Code as in effect on January 1, 2020, the amount is not required to be added back under this subdivision.

(31) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(32) Subtract the amount of an annual grant amount distributed to a taxpayer's Indiana education scholarship account under IC 20-51.4-4-2 that is used for a qualified expense (as defined in IC 20-51.4-2-9) or to an Indiana enrichment scholarship account under IC 20-52 that is used for qualified expenses (as defined in IC 20-52-2-6), to the extent the distribution used for the qualified expense is included in the taxpayer's federal adjusted gross income under the Internal Revenue Code.

(33) For taxable years beginning after December 31, 2019, and before January 1, 2021, add an amount equal to the amount of unemployment compensation excluded from federal gross income under Section 85(c) of the Internal Revenue Code.

(34) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(35) Subtract any other amounts the taxpayer is entitled to deduct under IC 6-3-2.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code (concerning charitable contributions).

(3) Except as provided in subsection (c), add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal



Revenue Code (concerning foreign tax credits).

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars (\$25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(8) Add to the extent required by IC 6-3-2-20:

(A) the amount of intangible expenses (as defined in



IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes; and

(B) any directly related interest expenses (as defined in IC 6-3-2-20) that reduced the corporation's adjusted gross income (determined without regard to this subdivision). For purposes of this clause, any directly related interest expense that constitutes business interest within the meaning of Section 163(j) of the Internal Revenue Code shall be considered to have reduced the taxpayer's federal taxable income only in the first taxable year in which the deduction otherwise would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(9) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

(10) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(11) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(12) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(13) For taxable years beginning after December 25, 2016:



(A) for a corporation other than a real estate investment trust, add:

- (i) an amount equal to the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1; or
- (ii) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code; and

(B) for a real estate investment trust, add an amount equal to the deduction for deferred foreign income that was claimed by the taxpayer for the taxable year under Section 965(c) of the Internal Revenue Code, but only to the extent that the taxpayer included income pursuant to Section 965 of the Internal Revenue Code in its taxable income for federal income tax purposes or is required to add back dividends paid under subdivision (9).

(14) Add an amount equal to the deduction that was claimed by the taxpayer for the taxable year under Section 250(a)(1)(B) of the Internal Revenue Code (attributable to global intangible low-taxed income). The taxpayer shall separately specify the amount of the reduction under Section 250(a)(1)(B)(i) of the Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the Internal Revenue Code.

(15) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(16) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(17) Add an amount equal to the remainder of:

- (A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus
- (B) the amount otherwise allowable as a deduction under



Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(18) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(19) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(20) Add or subtract any other amounts the taxpayer is:

(A) required to add or subtract; or

(B) entitled to deduct;

under IC 6-3-2.

(c) The following apply to taxable years beginning after December 31, 2018, for purposes of the add back of any deduction allowed on the taxpayer's federal income tax return for wagering taxes, as provided in subsection (a)(2) if the taxpayer is an individual or subsection (b)(3) if the taxpayer is a corporation:

(1) For taxable years beginning after December 31, 2018, and before January 1, 2020, a taxpayer is required to add back under this section eighty-seven and five-tenths percent (87.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(2) For taxable years beginning after December 31, 2019, and before January 1, 2021, a taxpayer is required to add back under this section seventy-five percent (75%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(3) For taxable years beginning after December 31, 2020, and before January 1, 2022, a taxpayer is required to add back under this section sixty-two and five-tenths percent (62.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(4) For taxable years beginning after December 31, 2021, and before January 1, 2023, a taxpayer is required to add back under this section fifty percent (50%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(5) For taxable years beginning after December 31, 2022, and before January 1, 2024, a taxpayer is required to add back under



this section thirty-seven and five-tenths percent (37.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(6) For taxable years beginning after December 31, 2023, and before January 1, 2025, a taxpayer is required to add back under this section twenty-five percent (25%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(7) For taxable years beginning after December 31, 2024, and before January 1, 2026, a taxpayer is required to add back under this section twelve and five-tenths percent (12.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(8) For taxable years beginning after December 31, 2025, a taxpayer is not required to add back under this section any amount of a deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(d) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code (concerning charitable contributions).

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 832(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code (concerning foreign tax credits).

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating



losses).

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars (\$25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(8) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(9) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included



in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(10) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(11) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(12) For taxable years beginning after December 25, 2016, add:
(A) an amount equal to the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1; or
(B) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code.

(13) Add an amount equal to the deduction that was claimed by the taxpayer for the taxable year under Section 250(a)(1)(B) of the Internal Revenue Code (attributable to global intangible low-taxed income). The taxpayer shall separately specify the amount of the reduction under Section 250(a)(1)(B)(i) of the Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the Internal Revenue Code.

(14) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(15) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December



22, 2017.

- (16) Add an amount equal to the remainder of:
- (A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus
 - (B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.
- (17) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:
- (A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and
 - (B) Section 3134(e) of the Internal Revenue Code.
- (18) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.
- (19) Add or subtract any other amounts the taxpayer is:
- (A) required to add or subtract; or
 - (B) entitled to deduct;
- under IC 6-3-2.

(e) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code (concerning charitable contributions).
- (3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 832(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.
- (4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code (concerning foreign tax credits).
- (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income



that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars (\$25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(8) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(9) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business



indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(10) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(11) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(12) For taxable years beginning after December 25, 2016, add:
(A) an amount equal to the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1; or
(B) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code.

(13) Add an amount equal to the deduction that was claimed by the taxpayer for the taxable year under Section 250(a)(1)(B) of the Internal Revenue Code (attributable to global intangible low-taxed income). The taxpayer shall separately specify the amount of the reduction under Section 250(a)(1)(B)(i) of the Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the Internal Revenue Code.

(14) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first



taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(15) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(16) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(17) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(18) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(19) Add or subtract any other amounts the taxpayer is:

(A) required to add or subtract; or

(B) entitled to deduct;

under IC 6-3-2.

(f) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income



that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars (\$25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(6) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the taxpayer's taxable income under the Internal Revenue Code.

(7) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business



indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(8) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(9) For taxable years beginning after December 25, 2016, add an amount equal to:

(A) the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1;

(B) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code; and

(C) with regard to any amounts of income under Section 965 of the Internal Revenue Code distributed by the taxpayer, the deduction under Section 965(c) of the Internal Revenue Code attributable to such distributed amounts and not reported to the beneficiary.

For purposes of this article, the amount required to be added back under clause (B) is not considered to be distributed or distributable to a beneficiary of the estate or trust for purposes of Sections 651 and 661 of the Internal Revenue Code.

(10) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under



Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(11) Add an amount equal to the deduction for qualified business income that was claimed by the taxpayer for the taxable year under Section 199A of the Internal Revenue Code.

(12) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(13) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(14) For taxable years beginning after December 31, 2017, and before January 1, 2021, add an amount equal to the excess business loss of the taxpayer as defined in Section 461(l)(3) of the Internal Revenue Code. In addition:

(A) If a taxpayer has an excess business loss under this subdivision and also has modifications under subdivisions (3) and (5) for property placed in service during the taxable year, the taxpayer shall treat a portion of the taxable year modifications for that property as occurring in the taxable year the property is placed in service and a portion of the modifications as occurring in the immediately following taxable year.

(B) The portion of the modifications under subdivisions (3) and (5) for property placed in service during the taxable year treated as occurring in the taxable year in which the property is placed in service equals:

(i) the modification for the property otherwise determined under this section; minus

(ii) the excess business loss disallowed under this subdivision;

but not less than zero (0).

(C) The portion of the modifications under subdivisions (3) and (5) for property placed in service during the taxable year treated as occurring in the taxable year immediately following the taxable year in which the property is placed in service equals the modification for the property otherwise determined



under this section minus the amount in clause (B).

(D) Any reallocation of modifications between taxable years under clauses (B) and (C) shall be first allocated to the modification under subdivision (3), then to the modification under subdivision (5).

(15) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(16) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(17) Add or subtract any other amounts the taxpayer is:

(A) required to add or subtract; or

(B) entitled to deduct;

under IC 6-3-2.

(g) Subsections (a)(35), (b)(20), (d)(19), (e)(19), or (f)(17) may not be construed to require an add back or allow a deduction or exemption more than once for a particular add back, deduction, or exemption.

(h) For taxable years beginning after December 25, 2016, if:

(1) a taxpayer is a shareholder, either directly or indirectly, in a corporation that is an E&P deficit foreign corporation as defined in Section 965(b)(3)(B) of the Internal Revenue Code, and the earnings and profit deficit, or a portion of the earnings and profit deficit, of the E&P deficit foreign corporation is permitted to reduce the federal adjusted gross income or federal taxable income of the taxpayer, the deficit, or the portion of the deficit, shall also reduce the amount taxable under this section to the extent permitted under the Internal Revenue Code, however, in no case shall this permit a reduction in the amount taxable under Section 965 of the Internal Revenue Code for purposes of this section to be less than zero (0); and

(2) the Internal Revenue Service issues guidance that such an income or deduction is not reported directly on a federal tax return or is to be reported in a manner different than specified in this section, this section shall be construed as if federal adjusted gross income or federal taxable income included the income or deduction.

(i) If a partner is required to include an item of income, a deduction,



or another tax attribute in the partner's adjusted gross income tax return pursuant to IC 6-3-4.5, such item shall be considered to be includible in the partner's federal adjusted gross income or federal taxable income, regardless of whether such item is actually required to be reported by the partner for federal income tax purposes. For purposes of this subsection:

- (1) items for which a valid election is made under IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9 shall not be required to be included in the partner's adjusted gross income or taxable income; and
- (2) items for which the partnership did not make an election under IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9, but for which the partnership is required to remit tax pursuant to IC 6-3-4.5-18, shall be included in the partner's adjusted gross income or taxable income.

SECTION 13. IC 6-3-2-6, AS AMENDED BY P.L.146-2020, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]: Sec. 6. (a) Each taxable year, an individual who rents a dwelling for use as the individual's principal place of residence may deduct from the individual's adjusted gross income (as defined in IC 6-3-1-3.5(a)), the lesser of:

- (1) the amount of rent paid by the individual with respect to the dwelling during the taxable year; or
- (2) ~~three thousand dollars (\$3,000)~~; **four thousand dollars (\$4,000)**.

(b) Notwithstanding subsection (a):

- (1) a married couple filing a joint return for a particular taxable year may not claim a deduction under this section of more than ~~three thousand dollars (\$3,000)~~; **four thousand dollars (\$4,000)**; and
- (2) a married individual filing a separate return for a particular taxable year may not claim a deduction under this section of more than ~~one thousand five hundred dollars (\$1,500)~~; **two thousand dollars (\$2,000)**.

(c) The deduction provided by this section does not apply to an individual who rents a dwelling that is exempt from Indiana property tax.

(d) For purposes of this section, a "dwelling" includes a single family dwelling and unit of a multi-family dwelling.

SECTION 14. IC 6-3-6-7-9, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 9. (a) This section applies only to Hancock County.



(b) The county fiscal body may, by ordinance, allocate part of the tax rate imposed under IC 6-3.6-5, not to exceed a tax rate of fifteen hundredths percent (0.15%), to a property tax credit against the property tax liability imposed for public libraries in the county, if all territory in the county is included in a library district. The county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. Tax revenues derived from the part of the tax rate imposed under IC 6-3-5 that is designated for property tax replacement credits under this section shall be deposited in the library property tax replacement fund. Any interest earned on money in the library property tax replacement fund shall be credited to the library property tax replacement fund.

(c) The amount of property tax replacement credits that each public library in the county is entitled to receive during a calendar year under this section equals the lesser of:

(1) the product of:

(A) the amount of revenue deposited by the county auditor in the library property tax replacement fund; multiplied by

(B) a fraction described as follows:

(i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.

(ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or

(2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.

The department of local government finance shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess must remain



in the library property tax replacement fund and may be used for library property tax replacement purposes in the following calendar year.

(d) A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which a distinct property tax levy is imposed in proportion to the property taxes levied for each fund. However, if a public library did not impose a property tax levy during the previous calendar year or did not impose a property tax levy for a particular fund during the previous calendar year, but the public library is imposing a property tax levy in the current calendar year or is imposing a property tax levy for the particular fund in the current calendar year, the department of local government finance shall adjust the amount of property tax replacement credits allocated among the various funds of the public library and shall provide the adjustment to the county auditor. If a public library receiving property tax replacement credits under this section does not impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. Notwithstanding ~~IC 6-1.1-20-1.1(+)~~; **IC 6-1.1-20-1.1(a)(1)**, a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.

(e) A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(f) For the purpose of allocating tax revenue under IC 6-3.6-6 and computing and distributing tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

SECTION 15. [EFFECTIVE UPON PASSAGE] (a) IC 6-3-1-3.5 and IC 6-3-2-6, both as amended by this act, apply to taxable years beginning after December 31, 2022.

(b) This SECTION expires July 1, 2025."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.



(Reference is to HB 1499 as introduced.)

THOMPSON

Committee Vote: yeas 18, nays 6.

