



January 22, 2020

SENATE BILL No. 115

DIGEST OF SB 115 (Updated January 21, 2020 12:18 pm - DI 125)

Citations Affected: IC 6-1.1.

Synopsis: Deduction for certain residential property. Provides a property tax deduction to the owner of real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property if: (1) the property is occupied by relative of the owner who is blind or is an individual with a disability; (2) the occupant principally uses the property as the occupant's residence; and (3) the owner's gross income for the year preceding the year for which the deduction is claimed does not exceed \$17,000.

Effective: July 1, 2020.

Crider, Ford J.D.

January 6, 2020, read first time and referred to Committee on Tax and Fiscal Policy.
January 21, 2020, amended, reported favorably — Do Pass.

SB 115—LS 6501/DI 113



January 22, 2020

Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

SENATE BILL No. 115

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 6-1.1-12-11.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2020]: **Sec. 11.5. (a) The following definitions**
4 **apply throughout this section:**

5 (1) "Blind" has the meaning set forth in section 11(c) of this
6 chapter.

7 (2) "Gross income" has the meaning set forth in Section 61 of
8 the Internal Revenue Code (26 U.S.C. 61).

9 (3) "Individual with a disability" has the meaning set forth in
10 section 11(d) of this chapter.

11 (4) "Relative" has the meaning set forth in IC 2-2.2-1-17.

12 (b) Except as provided in section 40.5 of this chapter, an
13 individual may have the sum of twelve thousand four hundred
14 eighty dollars (\$12,480) deducted from the assessed value of real
15 property, a mobile home not assessed as real property, or a
16 manufactured home not assessed as real property that the
17 individual owns, or that the individual is buying under a contract

SB 115—LS 6501/DI 113



1 that provides that the individual is to pay property taxes on the
 2 real property, mobile home, or manufactured home, if the contract
 3 or a memorandum of the contract is recorded in the county
 4 recorder's office, and if:

5 (1) the real property, mobile home, or manufactured home is
 6 principally used and occupied by another individual as the
 7 other individual's residence;

8 (2) the occupant who principally uses and occupies the
 9 property as the occupant's residence is an individual who is:

10 (A) blind or an individual with a disability; and

11 (B) a relative of the owner;

12 (3) the owner's gross income for the calendar year preceding
 13 the year in which the deduction is claimed did not exceed
 14 seventeen thousand dollars (\$17,000); and

15 (4) the individual:

16 (A) owns the real property, mobile home, or manufactured
 17 home; or

18 (B) is buying the real property, mobile home, or
 19 manufactured home under contract;

20 on the date the statement required by section 12 of this
 21 chapter is filed.

22 (c) An individual who is filing a claim under this section shall
 23 submit proof of the occupant's disability. Proof that the occupant
 24 is eligible to receive disability benefits under the federal Social
 25 Security Act (42 U.S.C. 301 et seq.) shall constitute proof of
 26 disability for purposes of this section.

27 (d) If the occupant is an individual with a disability not covered
 28 under the federal Social Security Act, the occupant shall be
 29 examined by a physician and the occupant's status as an individual
 30 with a disability determined by using the same standards as used
 31 by the Social Security Administration. The costs of this
 32 examination shall be borne by the claimant.

33 (e) An individual who has sold real property, a mobile home not
 34 assessed as real property, or a manufactured home not assessed as
 35 real property to another person under a contract that provides that
 36 the contract buyer is to pay the property taxes on the real
 37 property, mobile home, or manufactured home may not claim the
 38 deduction provided under this section against that real property,
 39 mobile home, or manufactured home.

40 (f) For purposes of this section, if real property, a mobile home,
 41 or a manufactured home is owned by:

42 (1) tenants by the entirety;



1 **(2) joint tenants; or**
 2 **(3) tenants in common;**
 3 **only one (1) deduction may be allowed.**

4 SECTION 2. IC 6-1.1-12-12, AS AMENDED BY P.L.214-2019,
 5 SECTION 6, AND P.L.257-2019, SECTION 20, IS AMENDED TO
 6 READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 12. (a)
 7 Except as provided in section 17.8 of this chapter and subject to section
 8 45 of this chapter, a person who desires to claim the deduction
 9 provided in section 11 **or 11.5** of this chapter must file an application,
 10 on forms prescribed by the department of local government finance,
 11 with the auditor of the county in which the real property, mobile home
 12 not assessed as real property, or manufactured home not assessed as
 13 real property is located. To obtain the deduction for a desired calendar
 14 year in which property taxes are first due and payable, the application
 15 must be completed and dated in the immediately preceding calendar
 16 year and filed with the county auditor on or before January 5 of the
 17 calendar year in which the property taxes are first due and payable. The
 18 application may be filed in person or by mail. If mailed, the mailing
 19 must be postmarked on or before the last day for filing.

20 (b) Proof of blindness may be supported by:

- 21 (1) the records of the division of family resources or the division
 22 of disability and rehabilitative services; or
 23 (2) the written statement of a physician who is licensed by this
 24 state and skilled in the diseases of the eye or of a licensed
 25 optometrist.

26 (c) The application required by this section must contain the record
 27 number and page where the contract or memorandum of the contract
 28 is recorded if the individual is buying the real property, mobile home,
 29 or manufactured home on a contract that provides that the individual
 30 is to pay property taxes on the real property, mobile home, or
 31 manufactured home.

32 SECTION 3. IC 6-1.1-12-17.8, AS AMENDED BY P.L.257-2019,
 33 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2020]: Sec. 17.8. (a) An individual who receives a deduction
 35 provided under section 1, 9, 11, **11.5**, 13, 14, 16, 17.4 (before its
 36 expiration), or 37 of this chapter in a particular year and who remains
 37 eligible for the deduction in the following year is not required to file a
 38 statement to apply for the deduction in the following year. However, for
 39 purposes of a deduction under section 37 of this chapter, the county
 40 auditor may, in the county auditor's discretion, terminate the deduction
 41 for assessment dates after January 15, 2012, if the individual does not
 42 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January



1 1, 2015), as determined by the county auditor, before January 1, 2013.
 2 Before the county auditor terminates the deduction because the
 3 taxpayer claiming the deduction did not comply with the requirement
 4 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,
 5 2013, the county auditor shall mail notice of the proposed termination
 6 of the deduction to:

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

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

12 (b) An individual who receives a deduction provided under section
 13 1, 9, 11, **11.5**, 13, 14, 16, or 17.4 (before its expiration) of this chapter
 14 in a particular year and who becomes ineligible for the deduction in the
 15 following year shall notify the auditor of the county in which the real
 16 property, mobile home, or manufactured home for which the individual
 17 claims the deduction is located of the individual's ineligibility in the
 18 year in which the individual becomes ineligible. An individual who
 19 becomes ineligible for a deduction under section 37 of this chapter
 20 shall notify the county auditor of the county in which the property is
 21 located in conformity with section 37 of this chapter.

22 (c) The auditor of each county shall, in a particular year, apply a
 23 deduction provided under section 1, 9, 11, **11.5**, 13, 14, 16, 17.4
 24 (before its expiration), or 37 of this chapter to each individual who
 25 received the deduction in the preceding year unless the auditor
 26 determines that the individual is no longer eligible for the deduction.

27 (d) An individual who receives a deduction provided under section
 28 1, 9, 11, **11.5**, 13, 14, 16, 17.4 (before its expiration), or 37 of this
 29 chapter for property that is jointly held with another owner in a
 30 particular year and remains eligible for the deduction in the following
 31 year is not required to file a statement to reapply for the deduction
 32 following the removal of the joint owner if:

33 (1) the individual is the sole owner of the property following the
 34 death of the individual's spouse; or

35 (2) the individual is the sole owner of the property following the
 36 death of a joint owner who was not the individual's spouse.

37 If a county auditor terminates a deduction under section 9 of this
 38 chapter, a deduction under section 37 of this chapter, or a credit under
 39 IC 6-1.1-20.6-8.5 after June 30, 2017, and before May 1, 2019, because
 40 the taxpayer claiming the deduction or credit did not comply with a
 41 requirement added to this subsection by P.L.255-2017 to reapply for
 42 the deduction or credit, the county auditor shall reinstate the deduction



1 or credit if the taxpayer provides proof that the taxpayer is eligible for
 2 the deduction or credit and is not claiming the deduction or credit for
 3 any other property.

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

- 9 (1) the individual who occupies the real property receives a
 10 deduction provided under section 9, 11, 13, 14, 16, 17.4 (before
 11 its expiration), or 37 of this chapter in a particular year; and
 12 (2) the trust remains eligible for the deduction in the following
 13 year.

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

18 **(f) A trust entitled to a deduction under section 11.5 of this**
 19 **chapter for real property owned by the trust and occupied by an**
 20 **individual in accordance with section 17.9(b) of this chapter is not**
 21 **required to file a statement to apply for the deduction if:**

- 22 **(1) the occupant of the real property meets the conditions for**
 23 **the deduction in a particular year; and**
 24 **(2) the trust remains eligible for the deduction in the following**
 25 **year.**

26 ~~(f)~~ **(g)** A cooperative housing corporation (as defined in 26 U.S.C.
 27 216) that is entitled to a deduction under section 37 of this chapter in
 28 the immediately preceding calendar year for a homestead (as defined
 29 in section 37 of this chapter) is not required to file a statement to apply
 30 for the deduction for the current calendar year if the cooperative
 31 housing corporation remains eligible for the deduction for the current
 32 calendar year. However, the county auditor may, in the county auditor's
 33 discretion, terminate the deduction for assessment dates after January
 34 15, 2012, if the individual does not comply with the requirement in
 35 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the
 36 county auditor, before January 1, 2013. Before the county auditor
 37 terminates a deduction because the taxpayer claiming the deduction did
 38 not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired
 39 January 1, 2015) before January 1, 2013, the county auditor shall mail
 40 notice of the proposed termination of the deduction to:

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



1 special assessment records; or
 2 (2) the last known address of the most recent owner shown in the
 3 transfer book.

4 ~~(g)~~ **(h)** An individual who:

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

8 (2) would have been eligible for a homestead credit under
 9 IC 6-1.1-20.9 (repealed) for property taxes imposed for the March
 10 1, 2008, or January 15, 2009, assessment date if IC 6-1.1-20.9 had
 11 not been repealed;

12 is not required to file a statement to apply for a deduction under section
 13 37 of this chapter if the individual remains eligible for the deduction in
 14 the current year. An individual who filed for a homestead credit under
 15 IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if
 16 the property is real property), or after January 1, 2008 (if the property
 17 is personal property), shall be treated as an individual who has filed for
 18 a deduction under section 37 of this chapter. However, the county
 19 auditor may, in the county auditor's discretion, terminate the deduction
 20 for assessment dates after January 15, 2012, if the individual does not
 21 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
 22 1, 2015), as determined by the county auditor, before January 1, 2013.
 23 Before the county auditor terminates the deduction because the
 24 taxpayer claiming the deduction did not comply with the requirement
 25 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,
 26 2013, the county auditor shall mail notice of the proposed termination
 27 of the deduction to the last known address of each person liable for any
 28 property taxes or special assessment, as shown on the tax duplicate or
 29 special assessment records, or to the last known address of the most
 30 recent owner shown in the transfer book.

31 ~~(h)~~ **(i)** If a county auditor terminates a deduction because the
 32 taxpayer claiming the deduction did not comply with the requirement
 33 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,
 34 2013, the county auditor shall reinstate the deduction if the taxpayer
 35 provides proof that the taxpayer is eligible for the deduction and is not
 36 claiming the deduction for any other property.

37 ~~(i)~~ **(j)** A taxpayer described in section 37(k) of this chapter is not
 38 required to file a statement to apply for the deduction provided by
 39 section 37 of this chapter for a calendar year beginning after December
 40 31, 2008, if the property owned by the taxpayer remains eligible for the
 41 deduction for that calendar year. However, the county auditor may
 42 terminate the deduction for assessment dates after January 15, 2012, if



1 the individual residing on the property owned by the taxpayer does not
 2 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
 3 1, 2015), as determined by the county auditor, before January 1, 2013.
 4 Before the county auditor terminates a deduction because the
 5 individual residing on the property did not comply with the
 6 requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before
 7 January 1, 2013, the county auditor shall mail notice of the proposed
 8 termination of the deduction to:

- 9 (1) the last known address of each person liable for any property
 10 taxes or special assessment, as shown on the tax duplicate or
 11 special assessment records; or
 12 (2) the last known address of the most recent owner shown in the
 13 transfer book.

14 SECTION 4. IC 6-1.1-12-17.9, AS AMENDED BY P.L.190-2016,
 15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2020]: Sec. 17.9. **(a)** A trust is entitled to a deduction under
 17 section 9, 11, 13, 14, 16, or 17.4 (before its expiration) of this chapter
 18 for real property owned by the trust and occupied by an individual if
 19 the county auditor determines that the individual:

- 20 (1) upon verification in the body of the deed or otherwise, has
 21 either:
 22 (A) a beneficial interest in the trust; or
 23 (B) the right to occupy the real property rent free under the
 24 terms of a qualified personal residence trust created by the
 25 individual under United States Treasury Regulation
 26 25.2702-5(c)(2); and
 27 (2) otherwise qualifies for the deduction.

28 **(b) A trust is entitled to a deduction under section 11.5 of this**
 29 **chapter for real property owned by the trust if the county auditor**
 30 **determines that the trust and the occupant meet the conditions for**
 31 **the deduction.**

32 SECTION 5. IC 6-1.1-12-37, AS AMENDED BY P.L.214-2019,
 33 SECTION 16, AND AS AMENDED BY P.L.257-2019, SECTION 28,
 34 AND AS AMENDED BY P.L.121-2019, SECTION 1, AND AS
 35 AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE
 36 2020 GENERAL ASSEMBLY, IS CORRECTED AND AMENDED
 37 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 37. (a)
 38 The following definitions apply throughout this section:

- 39 (1) "Dwelling" means any of the following:
 40 (A) Residential real property improvements that an individual
 41 uses as the individual's residence, including a house or garage.
 42 (B) A mobile home that is not assessed as real property that an



- 1 individual uses as the individual's residence.
- 2 (C) A manufactured home that is not assessed as real property
- 3 that an individual uses as the individual's residence.
- 4 (2) "Homestead" means an individual's principal place of
- 5 residence:
- 6 (A) that is located in Indiana;
- 7 (B) that:
- 8 (i) the individual owns;
- 9 (ii) the individual is buying under a contract recorded in the
- 10 county recorder's office, or evidenced by a memorandum of
- 11 contract recorded in the county recorder's office under
- 12 IC 36-2-11-20, that provides that the individual is to pay the
- 13 property taxes on the residence, and that obligates the owner
- 14 to convey title to the individual upon completion of all of the
- 15 individual's contract obligations;
- 16 (iii) the individual is entitled to occupy as a
- 17 tenant-stockholder (as defined in 26 U.S.C. 216) of a
- 18 cooperative housing corporation (as defined in 26 U.S.C.
- 19 216); or
- 20 (iv) is a residence described in section ~~47.9~~ **17.9(a)** of this
- 21 chapter that is owned by a trust if the individual is an
- 22 individual described in section ~~47.9~~ **17.9(a)** of this chapter;
- 23 and
- 24 (C) that consists of a dwelling and the real estate, not
- 25 exceeding one (1) acre, that immediately surrounds that
- 26 dwelling.
- 27 Except as provided in subsection (k), the term does not include
- 28 property owned by a corporation, partnership, limited liability
- 29 company, or other entity not described in this subdivision.
- 30 (b) Each year a homestead is eligible for a standard deduction from
- 31 the assessed value of the homestead for an assessment date. Except as
- 32 provided in subsection (p), the deduction provided by this section
- 33 applies to property taxes first due and payable for an assessment date
- 34 only if an individual has an interest in the homestead described in
- 35 subsection (a)(2)(B) on:
- 36 (1) the assessment date; or
- 37 (2) any date in the same year after an assessment date that a
- 38 statement is filed under subsection (e) or section 44 of this
- 39 chapter, if the property consists of real property.
- 40 If more than one (1) individual or entity qualifies property as a
- 41 homestead under subsection (a)(2)(B) for an assessment date, only one
- 42 (1) standard deduction from the assessed value of the homestead may



1 be applied for the assessment date. Subject to subsection (c), the
 2 auditor of the county shall record and make the deduction for the
 3 individual or entity qualifying for the deduction.

4 (c) Except as provided in section 40.5 of this chapter, the total
 5 amount of the deduction that a person may receive under this section
 6 for a particular year is the lesser of:

7 (1) sixty percent (60%) of the assessed value of the real property,
 8 mobile home not assessed as real property, or manufactured home
 9 not assessed as real property; or

10 (2) forty-five thousand dollars (\$45,000).

11 (d) A person who has sold real property, a mobile home not assessed
 12 as real property, or a manufactured home not assessed as real property
 13 to another person under a contract that provides that the contract buyer
 14 is to pay the property taxes on the real property, mobile home, or
 15 manufactured home may not claim the deduction provided under this
 16 section with respect to that real property, mobile home, or
 17 manufactured home.

18 (e) Except as provided in sections 17.8 and 44 of this chapter and
 19 subject to section 45 of this chapter, an individual who desires to claim
 20 the deduction provided by this section must file a certified statement on
 21 forms prescribed by the department of local government finance, with
 22 the auditor of the county in which the homestead is located. The
 23 statement must include:

24 (1) the parcel number or key number of the property and the name
 25 of the city, town, or township in which the property is located;

26 (2) the name of any other location in which the applicant or the
 27 applicant's spouse owns, is buying, or has a beneficial interest in
 28 residential real property;

29 (3) the names of:

30 (A) the applicant and the applicant's spouse (if any):

31 (i) as the names appear in the records of the United States
 32 Social Security Administration for the purposes of the
 33 issuance of a Social Security card and Social Security
 34 number; or

35 (ii) that they use as their legal names when they sign their
 36 names on legal documents;

37 if the applicant is an individual; or

38 (B) each individual who qualifies property as a homestead
 39 under subsection (a)(2)(B) and the individual's spouse (if any):

40 (i) as the names appear in the records of the United States
 41 Social Security Administration for the purposes of the
 42 issuance of a Social Security card and Social Security



- 1 number; or
 2 (ii) that they use as their legal names when they sign their
 3 names on legal documents;
 4 if the applicant is not an individual; and
 5 (4) either:
 6 (A) the last five (5) digits of the applicant's Social Security
 7 number and the last five (5) digits of the Social Security
 8 number of the applicant's spouse (if any); or
 9 (B) if the applicant or the applicant's spouse (if any) does not
 10 have a Social Security number, any of the following for that
 11 individual:
 12 (i) The last five (5) digits of the individual's driver's license
 13 number.
 14 (ii) The last five (5) digits of the individual's state
 15 identification card number.
 16 (iii) The last five (5) digits of a preparer tax identification
 17 number that is obtained by the individual through the
 18 Internal Revenue Service of the United States.
 19 (iv) If the individual does not have a driver's license, a state
 20 identification card, or an Internal Revenue Service preparer
 21 tax identification number, the last five (5) digits of a control
 22 number that is on a document issued to the individual by the
 23 United States government.

24 If a form or statement provided to the county auditor under this section,
 25 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
 26 part or all of the Social Security number of a party or other number
 27 described in subdivision (4)(B) of a party, the telephone number and
 28 the Social Security number or other number described in subdivision
 29 (4)(B) included are confidential. The statement may be filed in person
 30 or by mail. If the statement is mailed, the mailing must be postmarked
 31 on or before the last day for filing. The statement applies for that first
 32 year and any succeeding year for which the deduction is allowed. *With*
 33 *respect to real property; To obtain the deduction for a desired*
 34 *calendar year in which property taxes are first due and payable, the*
 35 *statement must be completed and dated in the immediately preceding*
 36 *calendar year for which the person desires to obtain the deduction and*
 37 *filed with the county auditor on or before January 5 of the immediately*
 38 *succeeding calendar year With respect to a mobile home that is not*
 39 *assessed as real property, the person must file the statement during the*
 40 *twelve (12) months before March 31 of the year for which the person*
 41 *desires to obtain the deduction. in which the property taxes are first*
 42 *due and payable.*



1 (f) Except as provided in subsection (n), if a person who is
 2 receiving, or seeks to receive, the deduction provided by this section in
 3 the person's name:

4 (1) changes the use of the individual's property so that part or all
 5 of the property no longer qualifies for the deduction under this
 6 section; or

7 (2) is not eligible for a deduction under this section because the
 8 person is already receiving:

9 (A) a deduction under this section in the person's name as an
 10 individual or a spouse; or

11 (B) a deduction under the law of another state that is
 12 equivalent to the deduction provided by this section;

13 the person must file a certified statement with the auditor of the county,
 14 notifying the auditor of the person's ineligibility, not more than sixty
 15 (60) days after the date of the change in eligibility. A person who fails
 16 to file the statement required by this subsection may, under
 17 IC 6-1.1-36-17, be liable for any additional taxes that would have been
 18 due on the property if the person had filed the statement as required by
 19 this subsection plus a civil penalty equal to ten percent (10%) of the
 20 additional taxes due. The civil penalty imposed under this subsection
 21 is in addition to any interest and penalties for a delinquent payment that
 22 might otherwise be due. One percent (1%) of the total civil penalty
 23 collected under this subsection shall be transferred by the county to the
 24 department of local government finance for use by the department in
 25 establishing and maintaining the homestead property data base under
 26 subsection (i) and, to the extent there is money remaining, for any other
 27 purposes of the department. This amount becomes part of the property
 28 tax liability for purposes of this article.

29 (g) The department of local government finance may adopt rules or
 30 guidelines concerning the application for a deduction under this
 31 section.

32 (h) This subsection does not apply to property in the first year for
 33 which a deduction is claimed under this section if the sole reason that
 34 a deduction is claimed on other property is that the individual or
 35 married couple maintained a principal residence at the other property
 36 on the assessment date in the same year in which an application for a
 37 deduction is filed under this section or, if the application is for a
 38 homestead that is assessed as personal property, on the assessment date
 39 in the immediately preceding year and the individual or married couple
 40 is moving the individual's or married couple's principal residence to the
 41 property that is the subject of the application. Except as provided in
 42 subsection (n), the county auditor may not grant an individual or a



- 1 married couple a deduction under this section if:
- 2 (1) the individual or married couple, for the same year, claims the
- 3 deduction on two (2) or more different applications for the
- 4 deduction; and
- 5 (2) the applications claim the deduction for different property.
- 6 (i) The department of local government finance shall provide secure
- 7 access to county auditors to a homestead property data base that
- 8 includes access to the homestead owner's name and the numbers
- 9 required from the homestead owner under subsection (e)(4) for the sole
- 10 purpose of verifying whether an owner is wrongly claiming a deduction
- 11 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
- 12 IC 6-3.6-5 (after December 31, 2016). *Each county auditor shall*
- 13 *submit data on deductions applicable to the current tax year on or*
- 14 *before March 15 of each year in a manner prescribed by the*
- 15 *department of local government finance.*
- 16 (j) A county auditor may require an individual to provide evidence
- 17 proving that the individual's residence is the individual's principal place
- 18 of residence as claimed in the certified statement filed under subsection
- 19 (e). The county auditor may limit the evidence that an individual is
- 20 required to submit to a state income tax return, a valid driver's license,
- 21 or a valid voter registration card showing that the residence for which
- 22 the deduction is claimed is the individual's principal place of residence.
- 23 The department of local government finance shall work with county
- 24 auditors to develop procedures to determine whether a property owner
- 25 that is claiming a standard deduction or homestead credit is not eligible
- 26 for the standard deduction or homestead credit because the property
- 27 owner's principal place of residence is outside Indiana.
- 28 (k) As used in this section, "homestead" includes property that
- 29 satisfies each of the following requirements:
- 30 (1) The property is located in Indiana and consists of a dwelling
- 31 and the real estate, not exceeding one (1) acre, that immediately
- 32 surrounds that dwelling.
- 33 (2) The property is the principal place of residence of an
- 34 individual.
- 35 (3) The property is owned by an entity that is not described in
- 36 subsection (a)(2)(B).
- 37 (4) The individual residing on the property is a shareholder,
- 38 partner, or member of the entity that owns the property.
- 39 (5) The property was eligible for the standard deduction under
- 40 this section on March 1, 2009.
- 41 (l) If a county auditor terminates a deduction for property described
- 42 in subsection (k) with respect to property taxes that are:



1 (1) imposed for an assessment date in 2009; and

2 (2) first due and payable in 2010;

3 on the grounds that the property is not owned by an entity described in
4 subsection (a)(2)(B), the county auditor shall reinstate the deduction if
5 the taxpayer provides proof that the property is eligible for the
6 deduction in accordance with subsection (k) and that the individual
7 residing on the property is not claiming the deduction for any other
8 property.

9 (m) For assessment dates after 2009, the term "homestead" includes:

10 (1) a deck or patio;

11 (2) a gazebo; or

12 (3) another residential yard structure, as defined in rules adopted
13 by the department of local government finance (other than a
14 swimming pool);

15 that is assessed as real property and attached to the dwelling.

16 (n) A county auditor shall grant an individual a deduction under this
17 section regardless of whether the individual and the individual's spouse
18 claim a deduction on two (2) different applications and each
19 application claims a deduction for different property if the property
20 owned by the individual's spouse is located outside Indiana and the
21 individual files an affidavit with the county auditor containing the
22 following information:

23 (1) The names of the county and state in which the individual's
24 spouse claims a deduction substantially similar to the deduction
25 allowed by this section.

26 (2) A statement made under penalty of perjury that the following
27 are true:

28 (A) That the individual and the individual's spouse maintain
29 separate principal places of residence.

30 (B) That neither the individual nor the individual's spouse has
31 an ownership interest in the other's principal place of
32 residence.

33 (C) That neither the individual nor the individual's spouse has,
34 for that same year, claimed a standard or substantially similar
35 deduction for any property other than the property maintained
36 as a principal place of residence by the respective individuals.

37 A county auditor may require an individual or an individual's spouse to
38 provide evidence of the accuracy of the information contained in an
39 affidavit submitted under this subsection. The evidence required of the
40 individual or the individual's spouse may include state income tax
41 returns, excise tax payment information, property tax payment
42 information, driver license information, and voter registration



- 1 information.
- 2 (o) If:
- 3 (1) a property owner files a statement under subsection (e) to
- 4 claim the deduction provided by this section for a particular
- 5 property; and
- 6 (2) the county auditor receiving the filed statement determines
- 7 that the property owner's property is not eligible for the deduction;
- 8 the county auditor shall inform the property owner of the county
- 9 auditor's determination in writing. If a property owner's property is not
- 10 eligible for the deduction because the county auditor has determined
- 11 that the property is not the property owner's principal place of
- 12 residence, the property owner may appeal the county auditor's
- 13 determination *to the county property tax assessment board of appeals*
- 14 as provided in IC 6-1.1-15. The county auditor shall inform the
- 15 property owner of the owner's right to appeal *to the county property tax*
- 16 *assessment board of appeals* when the county auditor informs the
- 17 property owner of the county auditor's determination under this
- 18 subsection.
- 19 (p) An individual is entitled to the deduction under this section for
- 20 a homestead for a particular assessment date if:
- 21 (1) either:
- 22 (A) the individual's interest in the homestead as described in
- 23 subsection (a)(2)(B) is conveyed to the individual after the
- 24 assessment date, but within the calendar year in which the
- 25 assessment date occurs; or
- 26 (B) the individual contracts to purchase the homestead after
- 27 the assessment date, but within the calendar year in which the
- 28 assessment date occurs;
- 29 (2) on the assessment date:
- 30 (A) the property on which the homestead is currently located
- 31 was vacant land; or
- 32 (B) the construction of the dwelling that constitutes the
- 33 homestead was not completed; and
- 34 (3) either:
- 35 (A) the individual files the certified statement required by
- 36 subsection (e); or
- 37 (B) a sales disclosure form that meets the requirements of
- 38 section 44 of this chapter is submitted to the county assessor
- 39 on or before December 31 of the calendar year for the
- 40 individual's purchase of the homestead.
- 41 An individual who satisfies the requirements of subdivisions (1)
- 42 through (3) is entitled to the deduction under this section for the



1 homestead for the assessment date, even if on the assessment date the
 2 property on which the homestead is currently located was vacant land
 3 or the construction of the dwelling that constitutes the homestead was
 4 not completed. The county auditor shall apply the deduction for the
 5 assessment date and for the assessment date in any later year in which
 6 the homestead remains eligible for the deduction. A homestead that
 7 qualifies for the deduction under this section as provided in this
 8 subsection is considered a homestead for purposes of section 37.5 of
 9 this chapter and IC 6-1.1-20.6.

10 (q) This subsection applies to an application for the deduction
 11 provided by this section that is filed for an assessment date occurring
 12 after December 31, 2013. Notwithstanding any other provision of this
 13 section, an individual buying a mobile home that is not assessed as real
 14 property or a manufactured home that is not assessed as real property
 15 under a contract providing that the individual is to pay the property
 16 taxes on the mobile home or manufactured home is not entitled to the
 17 deduction provided by this section unless the parties to the contract
 18 comply with IC 9-17-6-17.

19 (r) This subsection:

20 (1) applies to an application for the deduction provided by this
 21 section that is filed for an assessment date occurring after
 22 December 31, 2013; and

23 (2) does not apply to an individual described in subsection (q).

24 The owner of a mobile home that is not assessed as real property or a
 25 manufactured home that is not assessed as real property must attach a
 26 copy of the owner's title to the mobile home or manufactured home to
 27 the application for the deduction provided by this section.

28 (s) For assessment dates after 2013, the term "homestead" includes
 29 property that is owned by an individual who:

30 (1) is serving on active duty in any branch of the armed forces of
 31 the United States;

32 (2) was ordered to transfer to a location outside Indiana; and

33 (3) was otherwise eligible, without regard to this subsection, for
 34 the deduction under this section for the property for the
 35 assessment date immediately preceding the transfer date specified
 36 in the order described in subdivision (2).

37 For property to qualify under this subsection for the deduction provided
 38 by this section, the individual described in subdivisions (1) through (3)
 39 must submit to the county auditor a copy of the individual's transfer
 40 orders or other information sufficient to show that the individual was
 41 ordered to transfer to a location outside Indiana. The property continues
 42 to qualify for the deduction provided by this section until the individual



1 ceases to be on active duty, the property is sold, or the individual's
 2 ownership interest is otherwise terminated, whichever occurs first.
 3 Notwithstanding subsection (a)(2), the property remains a homestead
 4 regardless of whether the property continues to be the individual's
 5 principal place of residence after the individual transfers to a location
 6 outside Indiana. The property continues to qualify as a homestead
 7 under this subsection if the property is leased while the individual is
 8 away from Indiana and is serving on active duty, if the individual has
 9 lived at the property at any time during the past ten (10) years.
 10 Otherwise, the property ceases to qualify as a homestead under this
 11 subsection if the property is leased while the individual is away from
 12 Indiana. Property that qualifies as a homestead under this subsection
 13 shall also be construed as a homestead for purposes of section 37.5 of
 14 this chapter.

15 SECTION 6. IC 6-1.1-12-43, AS AMENDED BY P.L.214-2019,
 16 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2020]: Sec. 43. (a) For purposes of this section:

- 18 (1) "benefit" refers to a deduction under section 1, 9, 11, **11.5**, 13,
 19 14, 16, 17.4 (before its expiration), 26, 29, 33, 34, 37, or 37.5 of
 20 this chapter;
 21 (2) "closing agent" means a person that closes a transaction;
 22 (3) "customer" means an individual who obtains a loan in a
 23 transaction; and
 24 (4) "transaction" means a single family residential:
 25 (A) first lien purchase money mortgage transaction; or
 26 (B) refinancing transaction.

27 (b) Before closing a transaction after December 31, 2004, a closing
 28 agent must provide to the customer the form referred to in subsection
 29 (c).

30 (c) Before June 1, 2004, the department of local government finance
 31 shall prescribe the form to be provided by closing agents to customers
 32 under subsection (b). The department shall make the form available to
 33 closing agents, county assessors, county auditors, and county treasurers
 34 in hard copy and electronic form. County assessors, county auditors,
 35 and county treasurers shall make the form available to the general
 36 public. The form must:

- 37 (1) on one (1) side:
 38 (A) list each benefit;
 39 (B) list the eligibility criteria for each benefit; and
 40 (C) indicate that a new application for a deduction under
 41 section 1 of this chapter is required when residential real
 42 property is refinanced;



- 1 (2) on the other side indicate:
- 2 (A) each action by and each type of documentation from the
- 3 customer required to file for each benefit; and
- 4 (B) sufficient instructions and information to permit a party to
- 5 terminate a standard deduction under section 37 of this chapter
- 6 on any property on which the party or the spouse of the party
- 7 will no longer be eligible for the standard deduction under
- 8 section 37 of this chapter after the party or the party's spouse
- 9 begins to reside at the property that is the subject of the
- 10 closing, including an explanation of the tax consequences and
- 11 applicable penalties, if a party unlawfully claims a standard
- 12 deduction under section 37 of this chapter; and
- 13 (3) be printed in one (1) of two (2) or more colors prescribed by
- 14 the department of local government finance that distinguish the
- 15 form from other documents typically used in a closing referred to
- 16 in subsection (b).
- 17 (d) A closing agent:
- 18 (1) may reproduce the form referred to in subsection (c);
- 19 (2) in reproducing the form, must use a print color prescribed by
- 20 the department of local government finance; and
- 21 (3) is not responsible for the content of the form referred to in
- 22 subsection (c) and shall be held harmless by the department of
- 23 local government finance from any liability for the content of the
- 24 form.
- 25 (e) This subsection applies to a transaction that is closed after
- 26 December 31, 2009. In addition to providing the customer the form
- 27 described in subsection (c) before closing the transaction, a closing
- 28 agent shall do the following as soon as possible after the closing, and
- 29 within the time prescribed by the department of insurance under
- 30 IC 27-7-3-15.5:
- 31 (1) To the extent determinable, input the information described in
- 32 IC 27-7-3-15.5(c)(2) into the system maintained by the
- 33 department of insurance under IC 27-7-3-15.5.
- 34 (2) Submit the form described in IC 27-7-3-15.5(c) to the data
- 35 base described in IC 27-7-3-15.5(c)(2)(D).
- 36 (f) A closing agent to which this section applies shall document the
- 37 closing agent's compliance with this section with respect to each
- 38 transaction in the form of verification of compliance signed by the
- 39 customer.
- 40 (g) Subject to IC 27-7-3-15.5(d), a closing agent is subject to a civil
- 41 penalty of twenty-five dollars (\$25) for each instance in which the
- 42 closing agent fails to comply with this section with respect to a



- 1 customer. The penalty:
- 2 (1) may be enforced by the state agency that has administrative
- 3 jurisdiction over the closing agent in the same manner that the
- 4 agency enforces the payment of fees or other penalties payable to
- 5 the agency; and
- 6 (2) shall be paid into:
- 7 (A) the state general fund, if the closing agent fails to comply
- 8 with subsection (b); or
- 9 (B) the home ownership education account established by
- 10 IC 5-20-1-27, if the closing agent fails to comply with
- 11 subsection (e) in a transaction that is closed after December
- 12 31, 2009.
- 13 (h) A closing agent is not liable for any other damages claimed by
- 14 a customer because of:
- 15 (1) the closing agent's mere failure to provide the appropriate
- 16 document to the customer under subsection (b); or
- 17 (2) with respect to a transaction that is closed after December 31,
- 18 2009, the closing agent's failure to input the information or submit
- 19 the form described in subsection (e).
- 20 (i) The state agency that has administrative jurisdiction over a
- 21 closing agent shall:
- 22 (1) examine the closing agent to determine compliance with this
- 23 section; and
- 24 (2) impose and collect penalties under subsection (g).
- 25 SECTION 7. IC 6-1.1-12-46, AS AMENDED BY P.L.181-2016,
- 26 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 27 JULY 1, 2020]: Sec. 46. (a) This section applies to real property for an
- 28 assessment date in 2011 or a later year if:
- 29 (1) the real property is not exempt from property taxation for the
- 30 assessment date;
- 31 (2) title to the real property is transferred after the assessment date
- 32 and on or before the December 31 that next succeeds the
- 33 assessment date;
- 34 (3) the transferee of the real property applies for an exemption
- 35 under IC 6-1.1-11 for the next succeeding assessment date; and
- 36 (4) the county property tax assessment board of appeals
- 37 determines that the real property is exempt from property taxation
- 38 for that next succeeding assessment date.
- 39 (b) For the assessment date referred to in subsection (a)(1), real
- 40 property is eligible for any deductions for which the transferor under
- 41 subsection (a)(2) was eligible for that assessment date under the
- 42 following:



- 1 (1) IC 6-1.1-12-1.
 2 (2) IC 6-1.1-12-9.
 3 (3) IC 6-1.1-12-11.
 4 **(4) IC 6-1.1-12-11.5.**
 5 ~~(4)~~ **(5)** IC 6-1.1-12-13.
 6 ~~(5)~~ **(6)** IC 6-1.1-12-14.
 7 ~~(6)~~ **(7)** IC 6-1.1-12-16.
 8 ~~(7)~~ **(8)** IC 6-1.1-12-17.4 (before its expiration).
 9 ~~(8)~~ **(9)** IC 6-1.1-12-18 (before its expiration).
 10 ~~(9)~~ **(10)** IC 6-1.1-12-22 (before its expiration).
 11 ~~(10)~~ **(11)** IC 6-1.1-12-37.
 12 ~~(11)~~ **(12)** IC 6-1.1-12-37.5.
 13 (c) For the payment date applicable to the assessment date referred
 14 to in subsection (a)(1), real property is eligible for the credit for
 15 excessive residential property taxes under IC 6-1.1-20.6 for which the
 16 transferor under subsection (a)(2) would be eligible for that payment
 17 date if the transfer had not occurred.



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 115, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between lines 10 and 11, begin a new line block indented and insert:

"(4) "Relative" has the meaning set forth in IC 2-2.2-1-17."

Page 2, line 8, delete "who is" and insert "**who is:**

(A) blind or an individual with a disability; and

(B) a relative of the owner;"

Page 2, delete line 9.

Page 2, between lines 37 and 38, begin a new paragraph and insert:

"(f) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by:

(1) tenants by the entirety;

(2) joint tenants; or

(3) tenants in common;

only one (1) deduction may be allowed."

and when so amended that said bill do pass.

(Reference is to SB 115 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 14, Nays 0.

