February 13, 2015

# SENATE BILL No. 126

DIGEST OF SB 126 (Updated February 10, 2015 1:23 pm - DI 120)

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

**Synopsis:** Property tax deduction for veterans with a disability. Provides that the $12,480 property tax deduction for certain veterans with a disability is phased out if the assessed value of the individual's property is more than $143,160 but not more than $195,600. Provides that an individual is not entitled to a deduction if the assessed value of the individual's property is more than $195,600. (Under current law, an individual is not entitled to any deduction if the assessed value of the individual's property is more than $143,160.)

**Effective:** March 1, 2015 (retroactive).

**Bassler, Holdman,** Randolph, Mrvan

January 6, 2015, read first time and referred to Committee on Tax & Fiscal Policy.
February 12, 2015, amended, reported favorably — Do Pass.

February 13, 2015

First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

# SENATE BILL No. 126

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 6-1.1-12-14, AS AMENDED BY P.L.293-2013(ts), SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2015 (RETROACTIVE)]: Sec. 14. (a) Except as ~~provided in subsection (c) and except as~~ provided in section 40.5 of this chapter, an individual may have ~~the sum of twelve thousand four hundred eighty dollars ($12,480)~~ **the amount determined under subsection (c)** deducted from the assessed value of the tangible property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office) if:

(1) the individual served in the military or naval forces of the United States for at least ninety (90) days;

(2) the individual received an honorable discharge;

(3) the individual either:
(A) has a total disability; or
(B) is at least sixty-two (62) years old and has a disability of at least ten percent (10%);
(4) the individual's disability is evidenced by:
(A) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or
(B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section; and
(5) the individual:
(A) owns the real property, mobile home, or manufactured home; or
(B) is buying the real property, mobile home, or manufactured home under contract;
on the date the statement required by section 15 of this chapter is filed.

(b) ~~Except as provided in subsection (c),~~ The surviving spouse of an individual may receive the deduction provided by this section if the individual satisfied the requirements of subsection (a)(1) through (a)(4) at the time of death and the surviving spouse satisfies the requirement of subsection (a)(5) at the time the deduction statement is filed. The surviving spouse is entitled to the deduction regardless of whether the property for which the deduction is claimed was owned by the deceased veteran or the surviving spouse before the deceased veteran's death.

(c) ~~No one~~ **The amount of the deduction that an individual is entitled to receive under subsection (a) or (b) is based on the assessed value of the individual's tangible property, as shown by the tax duplicate, for a particular year as follows:**
**(1) If the assessed value of the individual's tangible property is not more than one hundred forty-three thousand one hundred sixty dollars ($143,160), the amount of the deduction is twelve thousand four hundred eighty dollars ($12,480).**
**(2) If the assessed value of the individual's tangible property is more than one hundred forty-three thousand one hundred sixty dollars ($143,160) but not more than one hundred fifty-six thousand two hundred seventy dollars ($156,270), the amount of the deduction is nine thousand nine hundred eighty-four dollars ($9,984).**

**(3) If the assessed value of the individual's tangible property is more than one hundred fifty-six thousand two hundred seventy dollars ($156,270) but not more than one hundred sixty-nine thousand three hundred eighty dollars ($169,380), the amount of the deduction is seven thousand four hundred eighty-eight dollars ($7,488).**

**(4) If the assessed value of the individual's tangible property is more than one hundred sixty-nine thousand three hundred eighty dollars ($169,380) but not more than one hundred eighty-two thousand four hundred ninety dollars ($182,490), the amount of the deduction is four thousand nine hundred ninety-two dollars ($4,992).**

**(5) If the assessed value of the individual's tangible property is more than one hundred eighty-two thousand four hundred ninety dollars ($182,490) but not more than one hundred ninety-five thousand six hundred dollars ($195,600), the amount of the deduction is two thousand four hundred ninety-six dollars ($2,496).**

**(6) An individual** is **not** entitled to the deduction provided by this section if the assessed value of the individual's tangible property ~~as shown by the tax duplicate,~~ exceeds ~~one hundred forty-three thousand one hundred sixty dollars ($143,160)~~ **one hundred ninety-five thousand six hundred dollars ($195,600).**

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

SECTION 2. [EFFECTIVE MARCH 1, 2015 (RETROACTIVE)] **(a) IC 6-1.1-12-14, as amended by this act, applies to assessment dates after February 28, 2015.**

**(b) This SECTION expires July 1, 2019.**

SECTION 3. **An emergency is declared for this act.**

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 126, 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, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-12-14, AS AMENDED BY P.L.293-2013(ts), SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2015 (RETROACTIVE)]: Sec. 14. (a) Except as ~~provided in subsection (c) and except as~~ provided in section 40.5 of this chapter, an individual may have ~~the sum of twelve thousand four hundred eighty dollars ($12,480)~~ **the amount determined under subsection (c)** deducted from the assessed value of the tangible property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office) if:

(1) the individual served in the military or naval forces of the United States for at least ninety (90) days;
(2) the individual received an honorable discharge;
(3) the individual either:
(A) has a total disability; or
(B) is at least sixty-two (62) years old and has a disability of at least ten percent (10%);
(4) the individual's disability is evidenced by:
(A) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or
(B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section; and
(5) the individual:
(A) owns the real property, mobile home, or manufactured home; or
(B) is buying the real property, mobile home, or manufactured home under contract;

on the date the statement required by section 15 of this chapter is filed.

(b) ~~Except as provided in subsection (c),~~ The surviving spouse of an individual may receive the deduction provided by this section if the individual satisfied the requirements of subsection (a)(1) through (a)(4) at the time of death and the surviving spouse satisfies the requirement of subsection (a)(5) at the time the deduction statement is filed. The surviving spouse is entitled to the deduction regardless of whether the property for which the deduction is claimed was owned by the deceased veteran or the surviving spouse before the deceased veteran's death.

(c) ~~No one~~ **The amount of the deduction that an individual is entitled to receive under subsection (a) or (b) is based on the assessed value of the individual's tangible property, as shown by the tax duplicate, for a particular year as follows:**

**(1) If the assessed value of the individual's tangible property is not more than one hundred forty-three thousand one hundred sixty dollars ($143,160), the amount of the deduction is twelve thousand four hundred eighty dollars ($12,480).**

**(2) If the assessed value of the individual's tangible property is more than one hundred forty-three thousand one hundred sixty dollars ($143,160) but not more than one hundred fifty-six thousand two hundred seventy dollars ($156,270), the amount of the deduction is nine thousand nine hundred eighty-four dollars ($9,984).**

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(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.".

Page 2, delete lines 1 through 40.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 126 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 11, Nays 0.