



January 16, 2019

SENATE BILL No. 178

DIGEST OF SB 178 (Updated January 15, 2019 12:06 pm - DI 125)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Property tax exemption. Provides that a person seeking a property tax exemption for property used for a charitable purpose may file an exemption application up to 30 days after the statutory deadline if the person pays a late filing fee. Provides that a property owner may submit a property tax exemption application before September 1, 2019, for any real and personal property: (1) for which an exemption application was filed after April 1, 2017, and before April 10, 2017; and (2) that would have been eligible for a property tax exemption if an exemption application had been properly and timely filed for the real and personal property. Specifies that if a property owner files such an exemption application, the property tax exemption shall be allowed and granted for the January 1, 2017, assessment date, and the property owner is entitled to a refund for any taxes, penalties, and interest paid with respect to the property for that assessment date.

Effective: Upon passage; January 1, 2017 (retroactive).

Alting

January 3, 2019, read first time and referred to Committee on Tax and Fiscal Policy.
January 15, 2019, amended, reported favorably — Do Pass.

SB 178—LS 6108/DI 58



January 16, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

SENATE BILL No. 178

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 6-1.1-11-3, AS AMENDED BY P.L.232-2017,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 3. (a) Subject to subsections (e), (f), (g), **and**
4 (h), **and (i)**, an owner of tangible property who wishes to obtain an
5 exemption from property taxation shall file a certified application in
6 duplicate with the county assessor of the county in which the property
7 that is the subject of the exemption is located. The application must be
8 filed annually on or before:
9 (1) May 15 on forms prescribed by the department of local
10 government finance, if the application is filed for an assessment
11 date in a year that ends before January 1, 2016; and
12 (2) April 1 of the year containing the assessment date, if the
13 application is filed in a year that begins after December 31, 2015.
14 Except as provided in sections 1, 3.5, and 4 of this chapter, the
15 application applies only for the taxes imposed for the year for which
16 the application is filed.
17 (b) The authority for signing an exemption application may not be

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1 delegated by the owner of the property to any other person except by
2 an executed power of attorney.

3 (c) An exemption application which is required under this chapter
4 shall contain the following information:

5 (1) A description of the property claimed to be exempt in
6 sufficient detail to afford identification.

7 (2) A statement showing the ownership, possession, and use of
8 the property.

9 (3) The grounds for claiming the exemption.

10 (4) The full name and address of the applicant.

11 (5) For the year that ends on the assessment date of the property,
12 identification of:

13 (A) each part of the property used or occupied; and

14 (B) each part of the property not used or occupied;

15 for one (1) or more exempt purposes under IC 6-1.1-10 during the
16 time the property is used or occupied.

17 (6) Any additional information which the department of local
18 government finance may require.

19 (d) A person who signs an exemption application shall attest in
20 writing and under penalties of perjury that, to the best of the person's
21 knowledge and belief, a predominant part of the property claimed to be
22 exempt is not being used or occupied in connection with a trade or
23 business that is not substantially related to the exercise or performance
24 of the organization's exempt purpose.

25 (e) An owner must file with an application for exemption of real
26 property under subsection (a) or section 5 of this chapter a copy of the
27 assessor's record kept under IC 6-1.1-4-25(a) that shows the calculation
28 of the assessed value of the real property for the assessment date for
29 which the exemption is claimed. Upon receipt of the exemption
30 application, the county assessor shall examine that record and
31 determine if the real property for which the exemption is claimed is
32 properly assessed. If the county assessor determines that the real
33 property is not properly assessed, the county assessor shall:

34 (1) properly assess the real property or direct the township
35 assessor to properly assess the real property; and

36 (2) notify the county auditor of the proper assessment or direct the
37 township assessor to notify the county auditor of the proper
38 assessment.

39 (f) If the county assessor determines that the applicant has not filed
40 with an application for exemption a copy of the record referred to in
41 subsection (e), the county assessor shall notify the applicant in writing
42 of that requirement. The applicant then has thirty (30) days after the



1 date of the notice to comply with that requirement. The county property
 2 tax assessment board of appeals shall deny an application described in
 3 this subsection if the applicant does not comply with that requirement
 4 within the time permitted under this subsection. After December 31,
 5 2015, the notice required by this subsection must be sent not later than
 6 April 25 in the year that it is required.

7 (g) This subsection applies whenever a law requires an exemption
 8 to be claimed on or in an application accompanying a personal property
 9 tax return. The claim or application may be filed on or with a personal
 10 property tax return not more than thirty (30) days after the filing date
 11 for the personal property tax return, regardless of whether an extension
 12 of the filing date has been granted under IC 6-1.1-3-7.

13 (h) Notwithstanding subsection (a), a person seeking an exemption
 14 may file an exemption application up to three (3) years following the
 15 deadline set forth in subsection (a) if:

- 16 (1) the property on which the person seeking an exemption was
- 17 exempt from taxation for the tax year immediately before the
- 18 deadline set forth in subsection (a); and
- 19 (2) the person seeking an exemption would have been eligible for
- 20 the exemption on the deadline set forth in subsection (a).

21 This subsection does not extend the deadline for an appeal of a denial
 22 of an exemption application.

23 **(i) Notwithstanding subsection (a), a person seeking an**
 24 **exemption under IC 6-1.1-10-16 may file an exemption application**
 25 **up to thirty (30) days following the deadline set forth in subsection**
 26 **(a) if the person pays a late filing fee equal to the lesser of:**

- 27 **(1) twenty-five dollars (\$25) for each day after the deadline set**
- 28 **forth in subsection (a); or**
- 29 **(2) two hundred fifty dollars (\$250).**

30 SECTION 2. [EFFECTIVE JANUARY 1, 2017 (RETROACTIVE)]

31 **(a) This SECTION applies notwithstanding IC 6-1.1-10,**
 32 **IC 6-1.1-11, or any other law or administrative rule or provision.**

33 **(b) This SECTION applies to the January 1, 2017, assessment**
 34 **date.**

35 **(c) As used in this SECTION, "eligible property" means any**
 36 **real property and personal property:**

- 37 **(1) for which an exemption application was filed after April**
- 38 **1, 2017, and before April 10, 2017; and**
- 39 **(2) that would have been eligible for an exemption from**
- 40 **property taxation under IC 6-1.1-10-16 or any other law for**
- 41 **the 2017 assessment date if an exemption application had been**
- 42 **properly and timely filed under IC 6-1.1 for the property.**



1 (d) The owner of eligible property may, before September 1,
2 2019, file a property tax exemption application and supporting
3 documents claiming a property tax exemption under this
4 SECTION and IC 6-1.1-10-16 or any other law for the eligible
5 property for the 2017 assessment date.

6 (e) A property tax exemption application filed as provided in
7 subsection (d) is considered to have been properly and timely filed.

8 (f) The following apply if the owner of eligible property files a
9 property tax exemption application as provided in subsection (d):

10 (1) The property tax exemption for the eligible property shall
11 be allowed and granted for the 2017 assessment date by the
12 county assessor and county auditor of the county in which the
13 eligible property is located.

14 (2) The owner of the eligible property is not required to pay
15 any property taxes, penalties, or interest with respect to the
16 eligible property for the 2017 assessment date.

17 (g) The exemption allowed by this SECTION shall be applied
18 without the need for any further ruling or action by the county
19 assessor, the county auditor, or the county property tax assessment
20 board of appeals of the county in which the eligible property is
21 located or by the Indiana board of tax review.

22 (h) To the extent the owner of the eligible property has paid any
23 property taxes, penalties, or interest with respect to the eligible
24 property for the 2017 assessment date and to the extent that the
25 eligible property is exempt from taxation as provided in this
26 SECTION, the owner of the eligible property is entitled to a refund
27 of the amounts paid. Notwithstanding the filing deadlines for a
28 claim under IC 6-1.1-26, any claim for a refund filed by the owner
29 of eligible property under this subsection before September 1,
30 2019, is considered timely filed. The county auditor shall pay the
31 refund due under this SECTION in one (1) installment.

32 (i) This SECTION expires July 1, 2022.

33 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. 178, 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:

Delete the title and insert the following:

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

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-11-3, AS AMENDED BY P.L.232-2017, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Subject to subsections (e), (f), (g), **and** (h), **and** (i), an owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the county assessor of the county in which the property that is the subject of the exemption is located. The application must be filed annually on or before:

(1) May 15 on forms prescribed by the department of local government finance, if the application is filed for an assessment date in a year that ends before January 1, 2016; and

(2) April 1 of the year containing the assessment date, if the application is filed in a year that begins after December 31, 2015.

Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

(1) A description of the property claimed to be exempt in sufficient detail to afford identification.

(2) A statement showing the ownership, possession, and use of the property.

(3) The grounds for claiming the exemption.

(4) The full name and address of the applicant.

(5) For the year that ends on the assessment date of the property, identification of:

(A) each part of the property used or occupied; and

(B) each part of the property not used or occupied;



for one (1) or more exempt purposes under IC 6-1.1-10 during the time the property is used or occupied.

(6) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

(e) An owner must file with an application for exemption of real property under subsection (a) or section 5 of this chapter a copy of the assessor's record kept under IC 6-1.1-4-25(a) that shows the calculation of the assessed value of the real property for the assessment date for which the exemption is claimed. Upon receipt of the exemption application, the county assessor shall examine that record and determine if the real property for which the exemption is claimed is properly assessed. If the county assessor determines that the real property is not properly assessed, the county assessor shall:

- (1) properly assess the real property or direct the township assessor to properly assess the real property; and
- (2) notify the county auditor of the proper assessment or direct the township assessor to notify the county auditor of the proper assessment.

(f) If the county assessor determines that the applicant has not filed with an application for exemption a copy of the record referred to in subsection (e), the county assessor shall notify the applicant in writing of that requirement. The applicant then has thirty (30) days after the date of the notice to comply with that requirement. The county property tax assessment board of appeals shall deny an application described in this subsection if the applicant does not comply with that requirement within the time permitted under this subsection. After December 31, 2015, the notice required by this subsection must be sent not later than April 25 in the year that it is required.

(g) This subsection applies whenever a law requires an exemption to be claimed on or in an application accompanying a personal property tax return. The claim or application may be filed on or with a personal property tax return not more than thirty (30) days after the filing date for the personal property tax return, regardless of whether an extension of the filing date has been granted under IC 6-1.1-3-7.

(h) Notwithstanding subsection (a), a person seeking an exemption may file an exemption application up to three (3) years following the



deadline set forth in subsection (a) if:

- (1) the property on which the person seeking an exemption was exempt from taxation for the tax year immediately before the deadline set forth in subsection (a); and
- (2) the person seeking an exemption would have been eligible for the exemption on the deadline set forth in subsection (a).

This subsection does not extend the deadline for an appeal of a denial of an exemption application.

(i) Notwithstanding subsection (a), a person seeking an exemption under IC 6-1.1-10-16 may file an exemption application up to thirty (30) days following the deadline set forth in subsection (a) if the person pays a late filing fee equal to the lesser of:

- (1) twenty-five dollars (\$25) for each day after the deadline set forth in subsection (a); or**
- (2) two hundred fifty dollars (\$250)."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 178 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 12, Nays 0.

