

## SENATE BILL No. 306

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-49.

**Synopsis:** Homestead property tax liability cap. Provides a credit against an individual's homestead property tax liability equal to the amount by which the property tax liability increases by more than 10% from the prior year. Requires the county auditor to apply the credit against an individual's homestead property tax liability without the need to file an application.

**Effective:** July 1, 2023.

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## Buchanan, Rogers, Gaskill

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January 12, 2023, read first time and referred to Committee on Tax and Fiscal Policy.

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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.

# SENATE BILL No. 306

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 6-1.1-49 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2023]:  
4 **Chapter 49. Homestead Property Tax Liability Credit**  
5 **Sec. 1. As used in this chapter, "homestead" refers to a**  
6 **homestead that has been granted a standard deduction under**  
7 **IC 6-1.1-12-37.**  
8 **Sec. 2. As used in this chapter, "homestead property tax**  
9 **liability" refers to liability for property taxes that:**  
10 **(1) is imposed on the assessment of a homestead after the**  
11 **application of all deductions and credits for which the**  
12 **homestead is eligible; but**  
13 **(2) does not include the portion of the property tax liability**  
14 **that is attributable to a school operating referendum tax levy**  
15 **approved under IC 20-46-1, a school safety referendum tax**  
16 **levy approved under IC 20-46-9, or a local public question or**  
17 **referendum approved for a school under IC 6-1.1-20 or any**



- 1           **other law.**  
 2           **The term does not include any interest or penalty imposed under**  
 3           **this article.**  
 4           **Sec. 3. Beginning with property taxes first due and payable in**  
 5           **2024 and subject to section 4 of this chapter, if an individual's**  
 6           **homestead property tax liability increases by more than ten**  
 7           **percent (10%) compared to the preceding year, the individual is**  
 8           **entitled to a credit against the individual's homestead property tax**  
 9           **liability equal to:**  
 10           **(1) the property tax liability first due and payable on the**  
 11           **homestead for the calendar year; minus**  
 12           **(2) the result of:**  
 13               **(A) the property tax liability first due and payable on the**  
 14               **homestead for the immediately preceding year after the**  
 15               **application of the credit granted under this section for that**  
 16               **year; multiplied by**  
 17               **(B) one and ten-hundredths (1.1).**  
 18           **However, property tax liability imposed on any significant**  
 19           **improvements or additions to the homestead property after the**  
 20           **assessment date for which property tax liability described in**  
 21           **subdivision (2) was imposed shall not be considered in determining**  
 22           **the credit granted under this section in the current calendar year.**  
 23           **Sec. 4. The credit provided under this chapter shall not apply to**  
 24           **an individual who is delinquent in the payment of any property**  
 25           **taxes.**  
 26           **Sec. 5. A person is not required to file an application for the**  
 27           **credit under this chapter. The county auditor shall:**  
 28               **(1) identify homesteads in the county that are eligible for the**  
 29               **credit under this chapter; and**  
 30               **(2) apply the credit under this chapter to the property tax**  
 31               **liability on the identified homestead.**

