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## SENATE BILL No. 309

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-20-5-15.5; IC 6-1.1; IC 6-2.5; IC 6-3; IC 6-3.6-8-5; IC 6-4.1; IC 6-6; IC 6-8.1; IC 6-9; IC 8-24-17-14; IC 21-12-7-4; IC 36-1-8-14.2; IC 36-2-6-22; IC 36-3-2-11; IC 36-7-15.1-35.5.

**Synopsis:** State and local taxation. Eliminates the exemption for property taxes during the planning and construction of a residence that is conveyed upon completion to a low income individual by a nonprofit organization. Eliminates the exemption for property taxes for improvements on real property that are constructed, rehabilitated, or acquired for the purpose of providing low income housing (and also eliminates the PILOTS required from the taxpayers claiming the exemption). Eliminates the property tax deduction for residential rehabilitation of a dwelling. Eliminates the property tax deduction for rehabilitation of a structure over 50 years old. Repeals the state income tax credits for contributions to postsecondary educational institutions in Indiana and for contributions to the twenty-first century scholars program support fund. Makes conforming changes. Modifies the \$1,500 state income tax deduction for dependent children so that it applies to all dependents for whom a taxpayer may claim a federal income tax exemption. Provides that if a partnership, a trust, or an estate fails to withhold and pay any amount of tax required to be withheld and thereafter the tax is paid by the partners of the partnership (or the beneficiaries in the case of a trust or estate), the amount of tax paid by partners (or the beneficiaries in the case of a trust or estate) may not be collected from the partnership, trust, or estate. Specifies  
(Continued next page)

**Effective:** Upon passage; January 1, 2007 (retroactive); April 1, 2016; July 1, 2016; January 1, 2017.

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## Hershman

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January 7, 2016, read first time and referred to Committee on Tax & Fiscal Policy.

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that the partnership, trust, or estate remains liable for interest or penalty based on the failure to withhold the tax. Provides that for purposes of the sales tax, a contractor is a retail merchant making a retail transaction when the contractor sells construction material under a time and material contract. Provides that an Indiana inheritance tax return filed after March 31, 2016, must be filed with the department of state revenue (department). Amends provisions of the Indiana inheritance tax law to allow the department to process and administer inheritance tax returns filed with the department after March 31, 2016. Makes conforming changes. Provides that if an ordinance has been adopted requiring the payment of innkeeper's tax to the county treasurer instead of the department, the county treasurer has the same rights and powers with respect to refunding the innkeeper's tax as the department. Specifies tax collection requirements for a facilitator who markets lodging accommodations located in Indiana through the Internet. Defines "accommodation" as any hotel, motel, inn, tourist camp, tourist cabin, house, or any other place in which rooms or lodgings are furnished for consideration. Defines "facilitator" as a person who: (1) contracts with a retail provider of an accommodation to market the accommodation online; and (2) accepts payment from the consumer for the accommodation. Provides that a facilitator who receives payment for an accommodation must collect and remit: (1) the state gross retail or use tax; and (2) any innkeeper's tax due. Specifies that the calculation of the tax must be based on the total amount paid by the consumer to a facilitator, including any charge or fee of the facilitator. Authorizes a taxpayer to do the following on the taxpayer's income tax return: (1) Designate that all or part of the taxpayer's income tax refund shall be donated to the veterans' affairs trust fund. (2) Make an additional contribution to the veterans' affairs trust fund. Provides that if the department issues to a person a demand notice for the payment of a tax, the person has 20 days (rather than 10 days, under current law) to either pay the amount demanded or show reasonable cause for not paying the amount demanded.



Introduced

Second Regular Session 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

## SENATE BILL No. 309

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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 5-20-5-15.5, AS AMENDED BY P.L.211-2007,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2017]: Sec. 15.5. (a) The governing body of an eligible  
4 entity that receives a grant under this chapter shall, by resolution,  
5 establish an affordable housing fund to be administered, subject to the  
6 terms of the resolution, by a department, a division, or an agency  
7 designated by the governing body.  
8 (b) The affordable housing fund consists of:  
9 (1) payments in lieu of taxes deposited in the fund under  
10 IC 36-1-8-14.2 (**before its expiration**);  
11 (2) gifts and grants to the fund;  
12 (3) investment income earned on the fund's assets;  
13 (4) money deposited in the fund under IC 36-2-7-10; and  
14 (5) other funds from sources approved by the commission.  
15 (c) The governing body shall, by resolution, establish uses for the



1 affordable housing fund. However, the uses must be limited to:

- 2 (1) providing financial assistance to those individuals and  
 3 families whose income is at or below eighty percent (80%) of the  
 4 county's median income for individuals and families, respectively,  
 5 to enable those individuals and families to purchase or lease  
 6 residential units within the county;  
 7 (2) paying expenses of administering the fund;  
 8 (3) making grants, loans, and loan guarantees for the  
 9 development, rehabilitation, or financing of affordable housing  
 10 for individuals and families whose income is at or below eighty  
 11 percent (80%) of the county's median income for individuals and  
 12 families, respectively, including the elderly, persons with  
 13 disabilities, and homeless individuals and families; and  
 14 (4) providing technical assistance to nonprofit developers of  
 15 affordable housing.

16 (d) The county treasurer shall invest the money in the fund not  
 17 currently needed to meet the obligations of the fund in the same  
 18 manner as other public funds may be invested.

19 SECTION 2. IC 6-1.1-10-16, AS AMENDED BY P.L.151-2014,  
 20 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2016]: Sec. 16. (a) All or part of a building is exempt from  
 22 property taxation if it is owned, occupied, and used by a person for  
 23 educational, literary, scientific, religious, or charitable purposes.

24 (b) A building is exempt from property taxation if it is owned,  
 25 occupied, and used by a town, city, township, or county for educational,  
 26 literary, scientific, fraternal, or charitable purposes.

27 (c) A tract of land, including the campus and athletic grounds of an  
 28 educational institution, is exempt from property taxation if:

- 29 (1) a building that is exempt under subsection (a) or (b) is situated  
 30 on it;  
 31 (2) a parking lot or structure that serves a building referred to in  
 32 subdivision (1) is situated on it; or  
 33 (3) the tract:  
 34 (A) is owned by a nonprofit entity established for the purpose  
 35 of retaining and preserving land and water for their natural  
 36 characteristics;  
 37 (B) does not exceed five hundred (500) acres; and  
 38 (C) is not used by the nonprofit entity to make a profit.

39 (d) A tract of land is exempt from property taxation if:

- 40 (1) it is purchased for the purpose of erecting a building that is to  
 41 be owned, occupied, and used in such a manner that the building  
 42 will be exempt under subsection (a) or (b); and



1 (2) not more than four (4) years after the property is purchased,  
 2 and for each year after the four (4) year period, the owner  
 3 demonstrates substantial progress and active pursuit towards the  
 4 erection of the intended building and use of the tract for the  
 5 exempt purpose. To establish substantial progress and active  
 6 pursuit under this subdivision, the owner must prove the existence  
 7 of factors such as the following:

8 (A) Organization of and activity by a building committee or  
 9 other oversight group.

10 (B) Completion and filing of building plans with the  
 11 appropriate local government authority.

12 (C) Cash reserves dedicated to the project of a sufficient  
 13 amount to lead a reasonable individual to believe the actual  
 14 construction can and will begin within four (4) years.

15 (D) The breaking of ground and the beginning of actual  
 16 construction.

17 (E) Any other factor that would lead a reasonable individual to  
 18 believe that construction of the building is an active plan and  
 19 that the building is capable of being completed within eight (8)  
 20 years considering the circumstances of the owner.

21 If the owner of the property sells, leases, or otherwise transfers a tract  
 22 of land that is exempt under this subsection, the owner is liable for the  
 23 property taxes that were not imposed upon the tract of land during the  
 24 period beginning January 1 of the fourth year following the purchase  
 25 of the property and ending on December 31 of the year of the sale,  
 26 lease, or transfer. The county auditor of the county in which the tract  
 27 of land is located may establish an installment plan for the repayment  
 28 of taxes due under this subsection. The plan established by the county  
 29 auditor may allow the repayment of the taxes over a period of years  
 30 equal to the number of years for which property taxes must be repaid  
 31 under this subsection.

32 (e) Personal property is exempt from property taxation if it is owned  
 33 and used in such a manner that it would be exempt under subsection (a)  
 34 or (b) if it were a building.

35 (f) A hospital's property that is exempt from property taxation under  
 36 subsection (a), (b), or (e) shall remain exempt from property taxation  
 37 even if the property is used in part to furnish goods or services to  
 38 another hospital whose property qualifies for exemption under this  
 39 section.

40 (g) Property owned by a shared hospital services organization that  
 41 is exempt from federal income taxation under Section 501(c)(3) or  
 42 501(e) of the Internal Revenue Code is exempt from property taxation



1 if it is owned, occupied, and used exclusively to furnish goods or  
 2 services to a hospital whose property is exempt from property taxation  
 3 under subsection (a), (b), or (e).

4 (h) This section does not exempt from property tax an office or a  
 5 practice of a physician or group of physicians that is owned by a  
 6 hospital licensed under IC 16-21-2 or other property that is not  
 7 substantially related to or supportive of the inpatient facility of the  
 8 hospital unless the office, practice, or other property:

9 (1) provides or supports the provision of charity care (as defined  
 10 in IC 16-18-2-52.5), including providing funds or other financial  
 11 support for health care services for individuals who are indigent  
 12 (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or

13 (2) provides or supports the provision of community benefits (as  
 14 defined in IC 16-21-9-1), including research, education, or  
 15 government sponsored indigent health care (as defined in  
 16 IC 16-21-9-2).

17 However, participation in the Medicaid or Medicare program alone  
 18 does not entitle an office, practice, or other property described in this  
 19 subsection to an exemption under this section.

20 (i) **The exemption provided in this subsection applies only for an**  
 21 **assessment date occurring before January 2, 2017.** A tract of land  
 22 or a tract of land plus all or part of a structure on the land is exempt  
 23 from property taxation if:

24 (1) the tract is acquired for the purpose of erecting, renovating, or  
 25 improving a single family residential structure that is to be given  
 26 away or sold:

27 (A) in a charitable manner;

28 (B) by a nonprofit organization; and

29 (C) to low income individuals who will:

30 (i) use the land as a family residence; and

31 (ii) not have an exemption for the land under this section;

32 (2) the tract does not exceed three (3) acres; **and**

33 (3) the tract of land or the tract of land plus all or part of a  
 34 structure on the land is not used for profit while exempt under this  
 35 section. **and**

36 ~~(4) not more than four (4) years after the property is acquired for~~  
 37 ~~the purpose described in subdivision (1); and for each year after~~  
 38 ~~the four (4) year period the owner demonstrates substantial~~  
 39 ~~progress and active pursuit towards the erection, renovation, or~~  
 40 ~~improvement of the intended structure. To establish substantial~~  
 41 ~~progress and active pursuit under this subdivision, the owner must~~  
 42 ~~prove the existence of factors such as the following:~~



- 1           (A) Organization of and activity by a building committee or  
2           other oversight group.  
3           (B) Completion and filing of building plans with the  
4           appropriate local government authority.  
5           (C) Cash reserves dedicated to the project of a sufficient  
6           amount to lead a reasonable individual to believe the actual  
7           construction can and will begin within five (5) years of the  
8           initial exemption received under this subsection.  
9           (D) The breaking of ground and the beginning of actual  
10           construction.  
11           (E) Any other factor that would lead a reasonable individual to  
12           believe that construction of the structure is an active plan and  
13           that the structure is capable of being:  
14                (i) completed; and  
15                (ii) transferred to a low income individual who does not  
16                receive an exemption under this section;  
17           within eight (8) years considering the circumstances of the  
18           owner.

19           **This subsection expires January 1, 2028.**

- 20           (j) An exemption under subsection (i) terminates:  
21                (1) when the property is conveyed by the nonprofit organization  
22                to another owner; or  
23                (2) **January 2, 2017;**

24           **whichever occurs first. This subsection expires January 1, 2028.**

25           (k) When the property that is exempt in any year under  
26           **subsection (i)** is conveyed to another owner, the nonprofit organization  
27           receiving the exemption must file a certified statement with the auditor  
28           of the county, notifying the auditor of the change not later than sixty  
29           (60) days after the date of the conveyance. The county auditor shall  
30           immediately forward a copy of the certified statement to the county  
31           assessor. A nonprofit organization that fails to file the statement  
32           required by this subsection is liable for the amount of property taxes  
33           due on the property conveyed if it were not for the exemption allowed  
34           under this chapter.

- 35           ~~(k)~~ (l) If property is granted an exemption in any year under  
36           subsection (i) and the owner:  
37                (1) ceases to be eligible for the exemption under subsection (i)(4);  
38                (2) (1) fails to transfer the tangible property within eight (8) years  
39                after the assessment date for which the exemption is initially  
40                granted; or  
41                (3) (2) transfers the tangible property to a person who:  
42                (A) is not a low income individual; or



1 (B) does not use the transferred property as a residence for at  
 2 least one (1) year after the property is transferred;  
 3 the person receiving the exemption shall notify the county recorder and  
 4 the county auditor of the county in which the property is located not  
 5 later than sixty (60) days after the event described in subdivision (1) or  
 6 (2) ~~or (3)~~ occurs. The county auditor shall immediately inform the  
 7 county assessor of a notification received under this subsection. **This**  
 8 **subsection expires January 1, 2028.**

9 ~~(k)~~ **(m)** If subsection ~~(k)(1); (k)(2); or (k)(3)~~ **(l)(1) or (l)(2)** applies,  
 10 the owner shall pay, not later than the date that the next installment of  
 11 property taxes is due, an amount equal to the sum of the following:

12 (1) The total property taxes that, if it were not for the exemption  
 13 under subsection (i), would have been levied on the property in  
 14 each year in which an exemption was allowed.

15 (2) Interest on the property taxes at the rate of ten percent (10%)  
 16 per year.

17 **This subsection expires January 1, 2028.**

18 ~~(m)~~ **(n)** The liability imposed by subsection ~~(m)~~ **(m)** is a lien upon the  
 19 property receiving the exemption under subsection (i). An amount  
 20 collected under subsection ~~(m)~~ **(m)** shall be collected as an excess levy.  
 21 If the amount is not paid, it shall be collected in the same manner that  
 22 delinquent taxes on real property are collected. **This subsection**  
 23 **expires January 1, 2028.**

24 ~~(n)~~ **(o)** Property referred to in this section shall be assessed to the  
 25 extent required under IC 6-1.1-11-9.

26 ~~(o)~~ **(p)** A for-profit provider of early childhood education services  
 27 to children who are at least four (4) but less than six (6) years of age on  
 28 the annual assessment date may receive the exemption provided by this  
 29 section for property used for educational purposes only if all the  
 30 requirements of section 46 of this chapter are satisfied. A for-profit  
 31 provider of early childhood education services that provides the  
 32 services only to children younger than four (4) years of age may not  
 33 receive the exemption provided by this section for property used for  
 34 educational purposes.

35 SECTION 3. IC 6-1.1-10-16.7, AS AMENDED BY P.L.181-2006,  
 36 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2016]: Sec. 16.7. **(a) This section applies only to property**  
 38 **taxes imposed for an assessment date occurring before January 2,**  
 39 **2017.**

40 **(b)** All or part of real property is exempt from property taxation if:  
 41 (1) the improvements on the real property were constructed,  
 42 rehabilitated, or acquired for the purpose of providing housing to





1 income eligible persons under the federal low income housing tax  
2 credit program under 26 U.S.C. 42;

3 (2) the real property is subject to an extended use agreement  
4 under 26 U.S.C. 42 as administered by the Indiana housing and  
5 community development authority; and

6 (3) the owner of the property has entered into an agreement to  
7 make payments in lieu of taxes under IC 36-1-8-14.2 **(before its**  
8 **expiration)**, IC 36-2-6-22 **(before its expiration)**, or  
9 IC 36-3-2-11 **(before its expiration)**.

10 **(c) This section expires January 1, 2020.**

11 SECTION 4. IC 6-1.1-12-18, AS AMENDED BY P.L.247-2015,  
12 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
13 JULY 1, 2016]: Sec. 18. **(a) This section applies only to**  
14 **rehabilitation of residential real property that occurs before**  
15 **January 2, 2017.**

16 ~~(a)~~ **(b)** If the assessed value of residential real property described in  
17 subsection ~~(d)~~ **(e)** is increased because it has been rehabilitated, the  
18 owner may have deducted from the assessed value of the property an  
19 amount not to exceed the lesser of:

20 (1) the total increase in assessed value resulting from the  
21 rehabilitation **(excluding an increase in assessed value that**  
22 **occurs after January 1, 2017)**; or

23 (2) eighteen thousand seven hundred twenty dollars (\$18,720) per  
24 rehabilitated dwelling unit.

25 The owner is entitled to this deduction annually for a five (5) year  
26 period, or if subsection ~~(e)~~ **(f)** applies, the period established under  
27 subsection ~~(e)~~: **(f)**.

28 ~~(b)~~ **(c)** For purposes of this section, the term "rehabilitation" means  
29 significant repairs, replacements, or improvements to an existing  
30 structure which are intended to increase the livability, utility, safety, or  
31 value of the property under rules adopted by the department of local  
32 government finance.

33 ~~(e)~~ **(d)** For the purposes of this section, the term "owner" or  
34 "property owner" includes any person who has the legal obligation, or  
35 has otherwise assumed the obligation, to pay the real property taxes on  
36 the rehabilitated property.

37 ~~(d)~~ **(e)** The deduction provided by this section applies only:

38 (1) for the rehabilitation of residential real property which is  
39 located within this state and which is described in one (1) of the  
40 following classifications:

41 (A) A single family dwelling if before rehabilitation the  
42 assessed value (excluding any exemptions or deductions) of



- 1 the improvements does not exceed thirty-seven thousand four  
 2 hundred forty dollars (\$37,440).
- 3 (B) A two (2) family dwelling if before rehabilitation the  
 4 assessed value (excluding exemptions or deductions) of the  
 5 improvements does not exceed forty-nine thousand nine  
 6 hundred twenty dollars (\$49,920).
- 7 (C) A dwelling with more than two (2) family units if before  
 8 rehabilitation the assessed value (excluding any exemptions or  
 9 deductions) of the improvements does not exceed eighteen  
 10 thousand seven hundred twenty dollars (\$18,720) per dwelling  
 11 unit; and
- 12 (2) if the property owner:
- 13 (A) owns the residential real property; or  
 14 (B) is buying the residential real property under contract;  
 15 on the assessment date of the year in which an application must  
 16 be filed under section 20 of this chapter.
- 17 ~~(e)~~ (f) A county, city, or town fiscal body may adopt an ordinance  
 18 to establish a deduction period that is longer than five (5) years but not  
 19 to exceed fifteen (15) years for any rehabilitated property covered by  
 20 this section that has also been determined to be abandoned or vacant  
 21 for purposes of IC 6-1.1-24.
- 22 **(g) This section expires January 1, 2033.**
- 23 SECTION 5. IC 6-1.1-12-19, AS AMENDED BY P.L.112-2012,  
 24 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2016]: Sec. 19. (a) The deduction from assessed value  
 26 provided by section 18 of this chapter (**before its expiration**) is first  
 27 available in the year in which the increase in assessed value resulting  
 28 from the rehabilitation occurs and shall continue for the following four  
 29 (4) years. In the sixth (6th) year, the county auditor shall add the  
 30 amount of the deduction to the assessed value of the real property. A:  
 31 (1) general reassessment of real property under IC 6-1.1-4-4; or  
 32 (2) reassessment under a county's reassessment plan prepared  
 33 under IC 6-1.1-4-4.2;  
 34 which occurs within the five (5) year period of the deduction does not  
 35 affect the amount of the deduction.
- 36 **(b) This section expires January 1, 2023.**
- 37 SECTION 6. IC 6-1.1-12-20, AS AMENDED BY P.L.1-2009,  
 38 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2016]: Sec. 20. (a) A property owner who desires to obtain the  
 40 deduction provided by section 18 of this chapter (**before its**  
 41 **expiration**) must file a certified deduction application, on forms  
 42 prescribed by the department of local government finance, with the



1 auditor of the county in which the rehabilitated property is located. The  
 2 application may be filed in person or by mail. If mailed, the mailing  
 3 must be postmarked on or before the last day for filing. Except as  
 4 provided in subsection (b) and subject to section 45 of this chapter, the  
 5 application must be filed in the year in which the addition to assessed  
 6 value is made.

7 (b) If notice of the addition to assessed value for any year is not  
 8 given to the property owner before December 1 of that year, the  
 9 application required by this section may be filed not later than thirty  
 10 (30) days after the date such a notice is mailed to the property owner  
 11 at the address shown on the records of the township or county assessor.

12 (c) The application required by this section shall contain the  
 13 following information:

14 (1) A description of the property for which a deduction is claimed  
 15 in sufficient detail to afford identification.

16 (2) Statements of the ownership of the property.

17 (3) The assessed value of the improvements on the property  
 18 before rehabilitation.

19 (4) The number of dwelling units on the property.

20 (5) The number of dwelling units rehabilitated.

21 (6) The increase in assessed value resulting from the  
 22 rehabilitation.

23 (7) The amount of deduction claimed.

24 (d) A deduction application filed under this section is applicable for  
 25 the year in which the increase in assessed value occurs and for the  
 26 immediately following four (4) years without any additional application  
 27 being filed.

28 (e) On verification of an application by the assessor of the township  
 29 in which the property is located, or the county assessor if there is no  
 30 township assessor for the township, the county auditor shall make the  
 31 deduction.

32 **(f) This section expires January 1, 2023.**

33 SECTION 7. IC 6-1.1-12-22, AS AMENDED BY P.L.247-2015,  
 34 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JULY 1, 2016]: Sec. 22. **(a) This section applies only to  
 36 rehabilitation of property that occurs before January 2, 2017.**

37 **(a) (b)** If the assessed value of property is increased because it has  
 38 been rehabilitated and the owner has paid at least ten thousand dollars  
 39 (\$10,000) for the rehabilitation, the owner is entitled to have deducted  
 40 from the assessed value of the property an amount equal to fifty percent  
 41 (50%) of the increase in assessed value resulting from the rehabilitation  
 42 **(excluding an increase in assessed value that occurs from**



1 **rehabilitation after January 1, 2017).** The owner is entitled to this  
 2 deduction annually for a five (5) year period, or if subsection ~~(e)~~ **(f)**  
 3 applies, the period established under subsection ~~(e)~~: **(f)**. However, the  
 4 maximum deduction which a property owner may receive under this  
 5 section for a particular year is:

6 (1) one hundred twenty-four thousand eight hundred dollars  
 7 (\$124,800) for a single family dwelling unit; or

8 (2) three hundred thousand dollars (\$300,000) for any other type  
 9 of property.

10 ~~(b)~~ **(c)** For purposes of this section, the term "property" means a  
 11 building or structure which was erected at least fifty (50) years before  
 12 the date of application for the deduction provided by this section. The  
 13 term "property" does not include land.

14 ~~(c)~~ **(d)** For purposes of this section, the term "rehabilitation" means  
 15 significant repairs, replacements, or improvements to an existing  
 16 structure that are intended to increase the livability, utility, safety, or  
 17 value of the property under rules adopted by the department of local  
 18 government finance.

19 ~~(d)~~ **(e)** The deduction provided by this section applies only if the  
 20 property owner:

21 (1) owns the property; or

22 (2) is buying the property under contract;

23 on the assessment date of the year in which an application must be filed  
 24 under section 24 of this chapter.

25 ~~(e)~~ **(f)** A county, city, or town fiscal body may adopt an ordinance  
 26 to establish a deduction period that is longer than five (5) years but not  
 27 to exceed seven (7) years for any rehabilitated property covered by this  
 28 section that has also been determined to be abandoned or vacant for  
 29 purposes of IC 6-1.1-24.

30 **(g) This section expires January 1, 2025.**

31 SECTION 8. IC 6-1.1-12-23, AS AMENDED BY P.L.112-2012,  
 32 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33 JULY 1, 2016]: Sec. 23. **(a)** The deduction from assessed value  
 34 provided by section 22 of this chapter **(before its expiration)** is first  
 35 available after the first assessment date following the rehabilitation and  
 36 shall continue for the taxes first due and payable in the following five  
 37 (5) years. In the sixth (6th) year, the county auditor shall add the  
 38 amount of the deduction to the assessed value of the property. Any:

39 (1) general reassessment of real property under IC 6-1.1-4-4; or

40 (2) reassessment under a county's reassessment plan prepared  
 41 under IC 6-1.1-4-4.2;

42 which occurs within the five (5) year period of the deduction does not



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affect the amount of the deduction.

**(b) This section expires January 1, 2023.**

SECTION 9. IC 6-1.1-12-24, AS AMENDED BY P.L.113-2010, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 24. (a) A property owner who desires to obtain the deduction provided by section 22 of this chapter **(before its expiration)** must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b) and subject to section 45 of this chapter, the application must be filed in the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation for any year is not given to the property owner before December 1 of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township or county assessor.

(c) The application required by this section shall contain the following information:

- (1) The name of the property owner.
- (2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (3) The assessed value of the improvements on the property before rehabilitation.
- (4) The increase in the assessed value of improvements resulting from the rehabilitation.
- (5) The amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the addition to assessed value is made and in the immediate following four (4) years without any additional application being filed.

(e) On verification of the correctness of an application by the assessor of the township in which the property is located, or the county assessor if there is no township assessor for the township, the county auditor shall make the deduction.

**(f) This section expires January 1, 2023.**

SECTION 10. IC 6-1.1-12-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 25. **(a)** For repairs or improvements made to a particular building or structure, a person may receive either the deduction provided by section 18 of this chapter



1       **(before its expiration)** or the deduction provided by section 22 of this  
 2 chapter **(before its expiration)**. ~~He~~ **A person** may not receive  
 3 deductions under both sections for the repairs or improvements.

4       **(b) This section expires January 1, 2025.**

5       SECTION 11. IC 6-1.1-12-46, AS AMENDED BY P.L.250-2015,  
 6 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JULY 1, 2016]: Sec. 46. (a) This section applies to real property for an  
 8 assessment date in 2011 or a later year if:

9           (1) the real property is not exempt from property taxation for the  
 10 assessment date;

11           (2) title to the real property is transferred after the assessment date  
 12 and on or before the December 31 that next succeeds the  
 13 assessment date;

14           (3) the transferee of the real property applies for an exemption  
 15 under IC 6-1.1-11 for the next succeeding assessment date; and

16           (4) the county property tax assessment board of appeals  
 17 determines that the real property is exempt from property taxation  
 18 for that next succeeding assessment date.

19       (b) For the assessment date referred to in subsection (a)(1), real  
 20 property is eligible for any deductions for which the transferor under  
 21 subsection (a)(2) was eligible for that assessment date under the  
 22 following:

23           (1) IC 6-1.1-12-1.

24           (2) IC 6-1.1-12-9.

25           (3) IC 6-1.1-12-11.

26           (4) IC 6-1.1-12-13.

27           (5) IC 6-1.1-12-14.

28           (6) IC 6-1.1-12-16.

29           (7) IC 6-1.1-12-17.4 (before its expiration).

30           (8) IC 6-1.1-12-18 **(before its expiration)**.

31           (9) IC 6-1.1-12-22 **(before its expiration)**.

32           (10) IC 6-1.1-12-37.

33           (11) IC 6-1.1-12-37.5.

34       (c) For the payment date applicable to the assessment date referred  
 35 to in subsection (a)(1), real property is eligible for the credit for  
 36 excessive residential property taxes under IC 6-1.1-20.6 for which the  
 37 transferor under subsection (a)(2) would be eligible for that payment  
 38 date if the transfer had not occurred.

39       SECTION 12. IC 6-1.1-12.1-6 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. (a) A property owner  
 41 may not receive a deduction under this chapter for repairs or  
 42 improvements to real property if ~~he~~ **the property owner** receives a



1 deduction under either IC 6-1.1-12-18 (**before its expiration**) or  
 2 IC 6-1.1-12-22 (**before its expiration**) for those same repairs or  
 3 improvements. **This subsection expires January 1, 2033.**

4 (b) A property owner may not receive a deduction under this chapter  
 5 if the property owner receives a deduction under IC 6-1.1-12-28.5 for  
 6 the same property.

7 SECTION 13. IC 6-1.1-42-22 IS AMENDED TO READ AS  
 8 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 22. (a) The designating  
 9 body shall determine whether to approve a deduction.

10 (b) A designating body may not grant a deduction for a facility  
 11 described in IC 6-1.1-12.1-3(e).

12 (c) A property owner may not receive a deduction under this chapter  
 13 for repairs or improvements to real property if the owner receives a  
 14 deduction under either IC 6-1.1-12.1, IC 6-1.1-12-18 (**before its**  
 15 **expiration**), IC 6-1.1-12-22 (**before its expiration**), or  
 16 IC 6-1.1-12-28.5 for the same property.

17 (d) A designating body may approve a deduction only if the  
 18 following findings are made in the affirmative:

19 (1) The applicant:

20 (A) has never had an ownership interest in an entity that  
 21 contributed; and

22 (B) has not contributed;

23 a contaminant (as defined in IC 13-11-2-42) that is the subject of  
 24 the voluntary remediation, as determined under the written  
 25 standards adopted by the department of environmental  
 26 management.

27 (2) The proposed improvement or property will be located in a  
 28 zone.

29 (3) The estimate of the value of the remediation and  
 30 redevelopment is reasonable for projects of that nature.

31 (4) The estimate of the number of individuals who will be  
 32 employed or whose employment will be retained can be  
 33 reasonably expected to result from the proposed described  
 34 remediation and redevelopment.

35 (5) The estimate of the annual salaries of those individuals who  
 36 will be employed or whose employment will be retained can be  
 37 reasonably expected to result from the proposed described  
 38 remediation and redevelopment.

39 (6) Any other benefits about which information was requested are  
 40 benefits that can be reasonably expected to result from the  
 41 proposed described remediation and redevelopment.

42 (7) The totality of benefits is sufficient to justify the deduction.



1 SECTION 14. IC 6-2.5-4-18 IS ADDED TO THE INDIANA CODE  
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 3 JANUARY 1, 2007 (RETROACTIVE)]: **Sec. 18. (a) As used in this**  
 4 **section, "construction material" means any tangible personal**  
 5 **property to be used for incorporation in or improvement of a**  
 6 **facility or structure constituting or becoming part of the land on**  
 7 **which the facility or structure is situated. The term does not**  
 8 **include machinery, tools, equipment, and supplies used by a**  
 9 **contractor to perform a construction contract.**

10 (b) As used in this section, "contractor" means any person  
 11 engaged in converting construction material into realty. The term  
 12 includes general or prime contractors, subcontractors, and  
 13 specialty contractors.

14 (c) As used in this section, "time and material contract" is a  
 15 contract in which all the charges for labor, construction materials,  
 16 and other items are stated separately.

17 (d) Notwithstanding IC 6-2.5-3-2, a contractor is a retail  
 18 merchant making a retail transaction when the contractor sells  
 19 construction material under a time and material contract,  
 20 regardless of whether the construction material is incorporated in  
 21 or is an improvement of a facility or structure constituting or  
 22 becoming part of the land on which the facility or structure is  
 23 situated. Such a contractor shall collect the state gross retail tax on  
 24 the resale of the construction material and remit the state gross  
 25 retail tax as provided in this article.

26 SECTION 15. IC 6-2.5-6-18 IS ADDED TO THE INDIANA CODE  
 27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 28 1, 2016]: **Sec. 18. (a) As used in this section, "accommodation"**  
 29 **means any hotel, motel, inn, tourist camp, tourist cabin, house, or**  
 30 **any other place in which rooms, lodgings, or similar**  
 31 **accommodations are furnished for consideration.**

32 (b) As used in this section, "facilitator" means a person who:

- 33 (1) contracts with a retail provider of an accommodation to
- 34 market the accommodation through the Internet; and
- 35 (2) accepts payment from the consumer for the
- 36 accommodation.

37 The term does not include a real estate agent or the owner of the  
 38 accommodation.

39 (c) As used in this section, "price" means the total amount paid  
 40 by the consumer to a facilitator for an accommodation. The term  
 41 includes any charge or fee of the facilitator.

42 (d) As used in this section, "retail provider" means a person





1 that provides taxable accommodation rentals located in Indiana.  
 2 The term does not include a real estate agent or the owner of the  
 3 accommodation.

4 (e) Except as provided in subsection (g), a facilitator who  
 5 receives payment for an accommodation furnished by a retail  
 6 provider shall collect and remit to the department:

- 7 (1) the state gross retail or use tax; and
- 8 (2) any innkeeper's tax due under IC 6-9.

9 The taxes collected and remitted under this subsection must be  
 10 based on the price paid by the consumer to the facilitator.

11 (f) Except as provided in subsection (g), a facilitator shall collect  
 12 and remit the taxes under this section in the same manner that the  
 13 state gross retail and use taxes are collected and remitted under  
 14 this article.

15 (g) In the case of an innkeeper's tax that is required to be paid  
 16 to a county treasurer under IC 6-9, a facilitator who receives  
 17 payment for an accommodation furnished by a retail provider shall  
 18 collect and remit the innkeeper's tax as provided in subsection (e)  
 19 to the county treasurer and not the department.

20 (h) Tax payments received by a facilitator under this section  
 21 shall be held in trust by the facilitator for remittance to the  
 22 department or, if applicable, a county treasurer in the case of an  
 23 innkeeper's tax.

24 (i) A retail provider is not liable for the failure of a facilitator to  
 25 collect and remit taxes under this section to the department. The  
 26 department may not make an assessment against a retail provider  
 27 based on the failure of a facilitator to collect or remit the taxes as  
 28 required by this section.

29 SECTION 16. IC 6-3-1-3.5, AS AMENDED BY P.L.250-2015,  
 30 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 JANUARY 1, 2017]: Sec. 3.5. When used in this article, the term  
 32 "adjusted gross income" shall mean the following:

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

- 36 (1) Subtract income that is exempt from taxation under this article  
 37 by the Constitution and statutes of the United States.
- 38 (2) Add an amount equal to any deduction or deductions allowed  
 39 or allowable pursuant to Section 62 of the Internal Revenue Code  
 40 for taxes based on or measured by income and levied at the state  
 41 level by any state of the United States.
- 42 (3) Subtract one thousand dollars (\$1,000), or in the case of a



1 joint return filed by a husband and wife, subtract for each spouse  
2 one thousand dollars (\$1,000).

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

4 (A) each of the exemptions provided by Section 151(c) of the  
5 Internal Revenue Code;

6 (B) each additional amount allowable under Section 63(f) of  
7 the Internal Revenue Code; and

8 (C) the spouse of the taxpayer if a separate return is made by  
9 the taxpayer and if the spouse, for the calendar year in which  
10 the taxable year of the taxpayer begins, has no gross income  
11 and is not the dependent of another taxpayer.

12 (5) Subtract:

13 (A) one thousand five hundred dollars (\$1,500) for each of the  
14 exemptions allowed under Section ~~151(c)(1)(B)~~ **151(c)** of the  
15 Internal Revenue Code; ~~(as effective January 1, 2004);~~ and

16 (B) five hundred dollars (\$500) for each additional amount  
17 allowable under Section 63(f)(1) of the Internal Revenue Code  
18 if the adjusted gross income of the taxpayer, or the taxpayer  
19 and the taxpayer's spouse in the case of a joint return, is less  
20 than forty thousand dollars (\$40,000).

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

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

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

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

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

41 (10) In the case of an individual who is a recipient of assistance  
42 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,



- 1 subtract an amount equal to that portion of the individual's  
2 adjusted gross income with respect to which the individual is not  
3 allowed under federal law to retain an amount to pay state and  
4 local income taxes.
- 5 (11) In the case of an eligible individual, subtract the amount of  
6 a Holocaust victim's settlement payment included in the  
7 individual's federal adjusted gross income.
- 8 (12) Subtract an amount equal to the portion of any premiums  
9 paid during the taxable year by the taxpayer for a qualified long  
10 term care policy (as defined in IC 12-15-39.6-5) for the taxpayer  
11 or the taxpayer's spouse, or both.
- 12 (13) Subtract an amount equal to the lesser of:
- 13 (A) two thousand five hundred dollars (\$2,500); or  
14 (B) the amount of property taxes that are paid during the  
15 taxable year in Indiana by the individual on the individual's  
16 principal place of residence.
- 17 (14) Subtract an amount equal to the amount of a September 11  
18 terrorist attack settlement payment included in the individual's  
19 federal adjusted gross income.
- 20 (15) 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 (16) Add an amount equal to any deduction allowed under  
29 Section 172 of the Internal Revenue Code.
- 30 (17) Add or subtract the amount necessary to make the adjusted  
31 gross income of any taxpayer that placed Section 179 property (as  
32 defined in Section 179 of the Internal Revenue Code) in service  
33 in the current taxable year or in an earlier taxable year equal to  
34 the amount of adjusted gross income that would have been  
35 computed had an election for federal income tax purposes not  
36 been made for the year in which the property was placed in  
37 service to take deductions under Section 179 of the Internal  
38 Revenue Code in a total amount exceeding twenty-five thousand  
39 dollars (\$25,000).
- 40 (18) Add an amount equal to the amount that a taxpayer claimed  
41 as a deduction for domestic production activities for the taxable  
42 year under Section 199 of the Internal Revenue Code for federal



- 1 income tax purposes.
- 2 (19) Subtract an amount equal to the amount of the taxpayer's
- 3 qualified military income that was not excluded from the
- 4 taxpayer's gross income for federal income tax purposes under
- 5 Section 112 of the Internal Revenue Code.
- 6 (20) Subtract income that is:
- 7 (A) exempt from taxation under IC 6-3-2-21.7; and
- 8 (B) included in the individual's federal adjusted gross income
- 9 under the Internal Revenue Code.
- 10 (21) Add an amount equal to any income not included in gross
- 11 income as a result of the deferral of income arising from business
- 12 indebtedness discharged in connection with the reacquisition after
- 13 December 31, 2008, and before January 1, 2011, of an applicable
- 14 debt instrument, as provided in Section 108(i) of the Internal
- 15 Revenue Code. Subtract the amount necessary from the adjusted
- 16 gross income of any taxpayer that added an amount to adjusted
- 17 gross income in a previous year to offset the amount included in
- 18 federal gross income as a result of the deferral of income arising
- 19 from business indebtedness discharged in connection with the
- 20 reacquisition after December 31, 2008, and before January 1,
- 21 2011, of an applicable debt instrument, as provided in Section
- 22 108(i) of the Internal Revenue Code.
- 23 (22) Add the amount excluded from federal gross income under
- 24 Section 103 of the Internal Revenue Code for interest received on
- 25 an obligation of a state other than Indiana, or a political
- 26 subdivision of such a state, that is acquired by the taxpayer after
- 27 December 31, 2011.
- 28 (b) In the case of corporations, the same as "taxable income" (as
- 29 defined in Section 63 of the Internal Revenue Code) adjusted as
- 30 follows:
- 31 (1) Subtract income that is exempt from taxation under this article
- 32 by the Constitution and statutes of the United States.
- 33 (2) Add an amount equal to any deduction or deductions allowed
- 34 or allowable pursuant to Section 170 of the Internal Revenue
- 35 Code.
- 36 (3) Add an amount equal to any deduction or deductions allowed
- 37 or allowable pursuant to Section 63 of the Internal Revenue Code
- 38 for taxes based on or measured by income and levied at the state
- 39 level by any state of the United States.
- 40 (4) Subtract an amount equal to the amount included in the
- 41 corporation's taxable income under Section 78 of the Internal
- 42 Revenue Code.



- 1 (5) Add or subtract the amount necessary to make the adjusted  
2 gross income of any taxpayer that owns property for which bonus  
3 depreciation was allowed in the current taxable year or in an  
4 earlier taxable year equal to the amount of adjusted gross income  
5 that would have been computed had an election not been made  
6 under Section 168(k) of the Internal Revenue Code to apply bonus  
7 depreciation to the property in the year that it was placed in  
8 service.
- 9 (6) Add an amount equal to any deduction allowed under Section  
10 172 of the Internal Revenue Code.
- 11 (7) Add or subtract the amount necessary to make the adjusted  
12 gross income of any taxpayer that placed Section 179 property (as  
13 defined in Section 179 of the Internal Revenue Code) in service  
14 in the current taxable year or in an earlier taxable year equal to  
15 the amount of adjusted gross income that would have been  
16 computed had an election for federal income tax purposes not  
17 been made for the year in which the property was placed in  
18 service to take deductions under Section 179 of the Internal  
19 Revenue Code in a total amount exceeding twenty-five thousand  
20 dollars (\$25,000).
- 21 (8) Add an amount equal to the amount that a taxpayer claimed as  
22 a deduction for domestic production activities for the taxable year  
23 under Section 199 of the Internal Revenue Code for federal  
24 income tax purposes.
- 25 (9) Add to the extent required by IC 6-3-2-20 the amount of  
26 intangible expenses (as defined in IC 6-3-2-20) and any directly  
27 related intangible interest expenses (as defined in IC 6-3-2-20) for  
28 the taxable year that reduced the corporation's taxable income (as  
29 defined in Section 63 of the Internal Revenue Code) for federal  
30 income tax purposes.
- 31 (10) Add an amount equal to any deduction for dividends paid (as  
32 defined in Section 561 of the Internal Revenue Code) to  
33 shareholders of a captive real estate investment trust (as defined  
34 in section 34.5 of this chapter).
- 35 (11) Subtract income that is:
- 36 (A) exempt from taxation under IC 6-3-2-21.7; and  
37 (B) included in the corporation's taxable income under the  
38 Internal Revenue Code.
- 39 (12) Add an amount equal to any income not included in gross  
40 income as a result of the deferral of income arising from business  
41 indebtedness discharged in connection with the reacquisition after  
42 December 31, 2008, and before January 1, 2011, of an applicable



1 debt instrument, as provided in Section 108(i) of the Internal  
 2 Revenue Code. Subtract from the adjusted gross income of any  
 3 taxpayer that added an amount to adjusted gross income in a  
 4 previous year the amount necessary to offset the amount included  
 5 in federal gross income as a result of the deferral of income  
 6 arising from business indebtedness discharged in connection with  
 7 the reacquisition after December 31, 2008, and before January 1,  
 8 2011, of an applicable debt instrument, as provided in Section  
 9 108(i) of the Internal Revenue Code.

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

15 (c) In the case of life insurance companies (as defined in Section  
 16 816(a) of the Internal Revenue Code) that are organized under Indiana  
 17 law, the same as "life insurance company taxable income" (as defined  
 18 in Section 801 of the Internal Revenue Code), adjusted as follows:

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

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

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

27 (4) Subtract an amount equal to the amount included in the  
 28 company's taxable income under Section 78 of the Internal  
 29 Revenue Code.

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

38 (6) Add an amount equal to any deduction allowed under Section  
 39 172 or Section 810 of the Internal Revenue Code.

40 (7) Add or subtract the amount necessary to make the adjusted  
 41 gross income of any taxpayer that placed Section 179 property (as  
 42 defined in Section 179 of the Internal Revenue Code) in service



1 in the current taxable year or in an earlier taxable year equal to  
 2 the amount of adjusted gross income that would have been  
 3 computed had an election for federal income tax purposes not  
 4 been made for the year in which the property was placed in  
 5 service to take deductions under Section 179 of the Internal  
 6 Revenue Code in a total amount exceeding twenty-five thousand  
 7 dollars (\$25,000).

8 (8) Add an amount equal to the amount that a taxpayer claimed as  
 9 a deduction for domestic production activities for the taxable year  
 10 under Section 199 of the Internal Revenue Code for federal  
 11 income tax purposes.

12 (9) Subtract income that is:

13 (A) exempt from taxation under IC 6-3-2-21.7; and

14 (B) included in the insurance company's taxable income under  
 15 the Internal Revenue Code.

16 (10) 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 (11) 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 (12) 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 (d) In the case of insurance companies subject to tax under Section  
 39 831 of the Internal Revenue Code and organized under Indiana law, the  
 40 same as "taxable income" (as defined in Section 832 of the Internal  
 41 Revenue Code), adjusted as follows:

42 (1) Subtract income that is exempt from taxation under this article



- 1 by the Constitution and statutes of the United States.
- 2 (2) Add an amount equal to any deduction allowed or allowable
- 3 under Section 170 of the Internal Revenue Code.
- 4 (3) Add an amount equal to a deduction allowed or allowable
- 5 under Section 805 or Section 832(c) of the Internal Revenue Code
- 6 for taxes based on or measured by income and levied at the state
- 7 level by any state.
- 8 (4) Subtract an amount equal to the amount included in the
- 9 company's taxable income under Section 78 of the Internal
- 10 Revenue Code.
- 11 (5) Add or subtract the amount necessary to make the adjusted
- 12 gross income of any taxpayer that owns property for which bonus
- 13 depreciation was allowed in the current taxable year or in an
- 14 earlier taxable year equal to the amount of adjusted gross income
- 15 that would have been computed had an election not been made
- 16 under Section 168(k) of the Internal Revenue Code to apply bonus
- 17 depreciation to the property in the year that it was placed in
- 18 service.
- 19 (6) Add an amount equal to any deduction allowed under Section
- 20 172 of the Internal Revenue Code.
- 21 (7) Add or subtract the amount necessary to make the adjusted
- 22 gross income of any taxpayer that placed Section 179 property (as
- 23 defined in Section 179 of the Internal Revenue Code) in service
- 24 in the current taxable year or in an earlier taxable year equal to
- 25 the amount of adjusted gross income that would have been
- 26 computed had an election for federal income tax purposes not
- 27 been made for the year in which the property was placed in
- 28 service to take deductions under Section 179 of the Internal
- 29 Revenue Code in a total amount exceeding twenty-five thousand
- 30 dollars (\$25,000).
- 31 (8) Add an amount equal to the amount that a taxpayer claimed as
- 32 a deduction for domestic production activities for the taxable year
- 33 under Section 199 of the Internal Revenue Code for federal
- 34 income tax purposes.
- 35 (9) Subtract income that is:
- 36 (A) exempt from taxation under IC 6-3-2-21.7; and
- 37 (B) included in the insurance company's taxable income under
- 38 the Internal Revenue Code.
- 39 (10) Add an amount equal to any income not included in gross
- 40 income as a result of the deferral of income arising from business
- 41 indebtedness discharged in connection with the reacquisition after
- 42 December 31, 2008, and before January 1, 2011, of an applicable





1 debt instrument, as provided in Section 108(i) of the Internal  
 2 Revenue Code. Subtract from the adjusted gross income of any  
 3 taxpayer that added an amount to adjusted gross income in a  
 4 previous year the amount necessary to offset the amount included  
 5 in federal gross income as a result of the deferral of income  
 6 arising from business indebtedness discharged in connection with  
 7 the reacquisition after December 31, 2008, and before January 1,  
 8 2011, of an applicable debt instrument, as provided in Section  
 9 108(i) of the Internal Revenue Code.

10 (11) Add an amount equal to any exempt insurance income under  
 11 Section 953(e) of the Internal Revenue Code that is active  
 12 financing income under Subpart F of Subtitle A, Chapter 1,  
 13 Subchapter N of the Internal Revenue Code.

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

19 (e) In the case of trusts and estates, "taxable income" (as defined for  
 20 trusts and estates in Section 641(b) of the Internal Revenue Code)  
 21 adjusted as follows:

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

24 (2) Subtract an amount equal to the amount of a September 11  
 25 terrorist attack settlement payment included in the federal  
 26 adjusted gross income of the estate of a victim of the September  
 27 11 terrorist attack or a trust to the extent the trust benefits a victim  
 28 of the September 11 terrorist attack.

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

37 (4) Add an amount equal to any deduction allowed under Section  
 38 172 of the Internal Revenue Code.

39 (5) Add or subtract the amount necessary to make the adjusted  
 40 gross income of any taxpayer that placed Section 179 property (as  
 41 defined in Section 179 of the Internal Revenue Code) in service  
 42 in the current taxable year or in an earlier taxable year equal to



1 the amount of adjusted gross income that would have been  
 2 computed had an election for federal income tax purposes not  
 3 been made for the year in which the property was placed in  
 4 service to take deductions under Section 179 of the Internal  
 5 Revenue Code in a total amount exceeding twenty-five thousand  
 6 dollars (\$25,000).

7 (6) Add an amount equal to the amount that a taxpayer claimed as  
 8 a deduction for domestic production activities for the taxable year  
 9 under Section 199 of the Internal Revenue Code for federal  
 10 income tax purposes.

11 (7) Subtract income that is:

12 (A) exempt from taxation under IC 6-3-2-21.7; and

13 (B) included in the taxpayer's taxable income under the  
 14 Internal Revenue Code.

15 (8) Add an amount equal to any income not included in gross  
 16 income as a result of the deferral of income arising from business  
 17 indebtedness discharged in connection with the reacquisition after  
 18 December 31, 2008, and before January 1, 2011, of an applicable  
 19 debt instrument, as provided in Section 108(i) of the Internal  
 20 Revenue Code. Subtract from the adjusted gross income of any  
 21 taxpayer that added an amount to adjusted gross income in a  
 22 previous year the amount necessary to offset the amount included  
 23 in federal gross income as a result of the deferral of income  
 24 arising from business indebtedness discharged in connection with  
 25 the reacquisition after December 31, 2008, and before January 1,  
 26 2011, of an applicable debt instrument, as provided in Section  
 27 108(i) of the Internal Revenue Code.

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

33 SECTION 17. IC 6-3-3-5 IS REPEALED [EFFECTIVE JANUARY  
 34 1, 2017]. Sec. 5: (a) At the election of the taxpayer, there shall be  
 35 allowed, as a credit against the adjusted gross income tax imposed by  
 36 IC 6-3-1 through IC 6-3-7 for the taxable year, an amount (subject to  
 37 the applicable limitations provided by this section) equal to fifty  
 38 percent (50%) of the aggregate amount of charitable contributions  
 39 made by such taxpayer during such year to postsecondary educational  
 40 institutions located within Indiana (including any of its associated  
 41 colleges in Indiana) or to any corporation or foundation organized and  
 42 operated solely for the benefit of any postsecondary educational



1 institution:

2 (b) In the case of a taxpayer other than a corporation, the amount  
3 allowable as a credit under this section for any taxable year shall not  
4 exceed one hundred dollars (\$100) in the case of a single return or two  
5 hundred dollars (\$200) in the case of a joint return:

6 (c) In the case of a corporation, the amount allowable as a credit  
7 under this section for any taxable year shall not exceed:

8 (1) ten percent (10%) of such corporation's total adjusted gross  
9 income tax under IC 6-3-1 through IC 6-3-7 for such year (as  
10 determined without regard to any credits against that tax); or

11 (2) one thousand dollars (\$1,000);

12 whichever is less:

13 (d) A charitable contribution in Indiana qualifies for a credit under  
14 this section only if the charitable contribution is made to a  
15 postsecondary educational institution or a corporation or foundation  
16 organized for the benefit of a postsecondary educational institution  
17 that:

18 (1) normally maintains a regular faculty and curriculum and  
19 normally has a regularly organized body of students in attendance  
20 at the place where its educational activities are carried on;

21 (2) regularly offers education at a level above the twelfth grade;

22 (3) regularly awards either associate, bachelors, masters, or  
23 doctoral degrees, or any combination thereof; and

24 (4) is duly accredited by the North Central Association of  
25 Colleges and Schools, the Indiana state board of education, or the  
26 American Association of Theological Schools:

27 (e) The credit allowed by this section shall not exceed the amount  
28 of the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7  
29 for the taxable year, reduced by the sum of all credits (as determined  
30 without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

31 SECTION 18. IC 6-3-3-5.1 IS REPEALED [EFFECTIVE  
32 JANUARY 1, 2017]. Sec. 5-1. (a) At the election of the taxpayer, a  
33 credit against the adjusted gross income tax imposed by IC 6-3-1  
34 through IC 6-3-7 for the taxable year, is permitted in an amount  
35 (subject to the applicable limitations provided by this section) equal to  
36 fifty percent (50%) of the aggregate amount of contributions made by  
37 the taxpayer during the taxable year to the twenty-first century scholars  
38 program support fund established under IC 21-12-7-1.

39 (b) In the case of a taxpayer other than a corporation, the amount  
40 allowable as a credit under this section for any taxable year may not  
41 exceed:

42 (1) one hundred dollars (\$100) in the case of a single return; or



1 (2) two hundred dollars (\$200) in the case of a joint return.

2 (c) In the case of a taxpayer that is a corporation, the amount  
3 allowable as a credit under this section for any taxable year may not  
4 exceed the lesser of the following amounts:

5 (1) Ten percent (10%) of the corporation's total adjusted gross  
6 income tax under IC 6-3-1 through IC 6-3-7 for the taxable year  
7 (as determined without regard to any credits against that tax):

8 (2) One thousand dollars (\$1,000):

9 (d) The credit permitted under this section may not exceed the  
10 amount of the adjusted gross income tax imposed by IC 6-3-1 through  
11 IC 6-3-7 for the taxable year, reduced by the sum of all credits (as  
12 determined without regard to this section) allowed by IC 6-3-1 through  
13 IC 6-3-7.

14 SECTION 19. IC 6-3-4-12, AS AMENDED BY P.L.242-2015,  
15 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JULY 1, 2016]: Sec. 12. (a) Every partnership shall, at the time that the  
17 partnership pays or credits amounts to any of its nonresident partners  
18 on account of their distributive shares of partnership income, for a  
19 taxable year of the partnership, deduct and retain therefrom the amount  
20 prescribed in the withholding instructions referred to in section 8 of  
21 this chapter. Such partnership so paying or crediting any nonresident  
22 partner:

23 (1) shall be liable to the state of Indiana for the payment of the tax  
24 required to be deducted and retained under this section and shall  
25 not be liable to such partner for the amount deducted from such  
26 payment or credit and paid over in compliance or intended  
27 compliance with this section; and

28 (2) shall make return of and payment to the department monthly  
29 whenever the amount of tax due under IC 6-3 and IC 6-3.5  
30 exceeds an aggregate amount of fifty dollars (\$50) per month with  
31 such payment due on the thirtieth day of the following month,  
32 unless an earlier date is specified by section 8.1 of this chapter.

33 Where the aggregate amount due under IC 6-3 and IC 6-3.5 does not  
34 exceed fifty dollars (\$50) per month, then such partnership shall make  
35 return and payment to the department quarterly, on such dates and in  
36 such manner as the department shall prescribe, of the amount of tax  
37 which, under IC 6-3 and IC 6-3.5, it is required to withhold.

38 (b) Every partnership shall, at the time of each payment made by it  
39 to the department pursuant to this section, deliver to the department a  
40 return upon such form as shall be prescribed by the department  
41 showing the total amounts paid or credited to its nonresident partners,  
42 the amount deducted therefrom in accordance with the provisions of



1 this section, and such other information as the department may require.  
2 Every partnership making the deduction and retention provided in this  
3 section shall furnish to its nonresident partners annually, but not later  
4 than the fifteenth day of the third month after the end of its taxable  
5 year, a record of the amount of tax deducted and retained from such  
6 partners on forms to be prescribed by the department.

7 (c) All money deducted and retained by the partnership, as provided  
8 in this section, shall immediately upon such deduction be the money of  
9 the state of Indiana and every partnership which deducts and retains  
10 any amount of money under the provisions of IC 6-3 shall hold the  
11 same in trust for the state of Indiana and for payment thereof to the  
12 department in the manner and at the times provided in IC 6-3. Any  
13 partnership may be required to post a surety bond in such sum as the  
14 department shall determine to be appropriate to protect the state of  
15 Indiana with respect to money deducted and retained pursuant to this  
16 section.

17 (d) The provisions of IC 6-8.1 relating to additions to tax in case of  
18 delinquency and penalties shall apply to partnerships subject to the  
19 provisions of this section, and for these purposes any amount deducted,  
20 or required to be deducted and remitted to the department under this  
21 section, shall be considered to be the tax of the partnership, and with  
22 respect to such amount it shall be considered the taxpayer.

23 (e) Amounts deducted from payments or credits to a nonresident  
24 partner during any taxable year of the partnership in accordance with  
25 the provisions of this section shall be considered to be in part payment  
26 of the tax imposed on such nonresident partner for the nonresident  
27 partner's taxable year within or with which the partnership's taxable  
28 year ends. A return made by the partnership under subsection (b) shall  
29 be accepted by the department as evidence in favor of the nonresident  
30 partner of the amount so deducted for the nonresident partner's  
31 distributive share.

32 (f) This section shall in no way relieve any nonresident partner from  
33 the nonresident partner's obligations of filing a return or returns at the  
34 time required under IC 6-3 or IC 6-3.5, and any unpaid tax shall be paid  
35 at the time prescribed by section 5 of this chapter.

36 (g) Instead of the reporting periods required under subsection (a),  
37 the department may permit a partnership to file one (1) return and  
38 payment each year if the partnership pays or credits amounts to its  
39 nonresident partners only one (1) time each year. The return and  
40 payment are due on or before the fifteenth day of the fourth month after  
41 the end of the year. However, if a partnership is permitted an extension  
42 to file its income tax return under IC 6-8.1-6-1, the return and payment



1 due under this subsection shall be allowed the same treatment as an  
 2 extended income tax return with respect to due dates, interest, and  
 3 penalties under IC 6-8.1-6-1.

4 **(h) If a partnership fails to withhold and pay any amount of tax**  
 5 **required to be withheld under this section and thereafter the tax is**  
 6 **paid by the partners, the amounts of tax as paid by the partners**  
 7 **shall not be collected from the partnership but it may not be**  
 8 **relieved from liability for interest or penalty otherwise due in**  
 9 **respect to the failure to withhold under IC 6-8.1-10.**

10 ~~(h)~~ **(i)** A partnership shall file a composite adjusted gross income tax  
 11 return on behalf of all nonresident partners. The composite return must  
 12 include each nonresident partner regardless of whether or not the  
 13 nonresident partner has other Indiana source income.

14 ~~(i)~~ **(j)** If a partnership does not include all nonresident partners in  
 15 the composite return, the partnership is subject to the penalty imposed  
 16 under IC 6-8.1-10-2.1(j).

17 ~~(j)~~ **(k)** For taxable years beginning after December 31, 2013, the  
 18 department may not impose a late payment penalty on a partnership for  
 19 the failure to file a return, pay the full amount of the tax shown on the  
 20 partnership's return, or pay the deficiency of the withholding taxes due  
 21 under this section if the partnership pays the department before the  
 22 fifteenth day of the fourth month after the end of the partnership's  
 23 taxable year at least:

24 (1) eighty percent (80%) of the withholding tax due for the  
 25 current year; or

26 (2) one hundred percent (100%) of the withholding tax due for the  
 27 preceding year.

28 ~~(k)~~ **(l)** Notwithstanding subsection (a) or ~~(h)~~; **(i)**, a pass through  
 29 entity is not required to withhold tax or file a composite adjusted gross  
 30 income tax return for a nonresident member if the entity:

31 (1) is a publicly traded partnership as defined by Section 7704(b)  
 32 of the Internal Revenue Code;

33 (2) meets the exception for partnerships under Section 7704(c) of  
 34 the Internal Revenue Code; and

35 (3) has agreed to file an annual information return reporting the  
 36 name, address, taxpayer identification number, and other  
 37 information requested by the department of each unit holder.

38 The department may issue written guidance explaining circumstances  
 39 under which limited partnerships or limited liability companies owned  
 40 by a publicly traded partnership may be excluded from the withholding  
 41 requirements of this section.

42 ~~(l)~~ **(m)** Notwithstanding subsection ~~(j)~~; **(k)**, a partnership is subject



1 to a late payment penalty for the failure to file a return, pay the full  
 2 amount of the tax shown on the partnership's return, or pay the  
 3 deficiency of the withholding taxes due under this section for any  
 4 amounts of withholding tax, including any interest under IC 6-8.1-10-1,  
 5 reported or paid after the due date of the return, as adjusted by any  
 6 extension under IC 6-8.1-6-1.

7 ~~(m)~~ **(n)** For purposes of this section, a "nonresident partner" is:

- 8 (1) an individual who does not reside in Indiana;
- 9 (2) a trust that does not reside in Indiana;
- 10 (3) an estate that does not reside in Indiana;
- 11 (4) a partnership not domiciled in Indiana;
- 12 (5) a C corporation not domiciled in Indiana; or
- 13 (6) an S corporation not domiciled in Indiana.

14 SECTION 20. IC 6-3-4-15, AS AMENDED BY P.L.242-2015,  
 15 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2016]: Sec. 15. (a) A trust or estate shall, at the time that it  
 17 distributes income (except income attributable to interest or dividends)  
 18 to a nonresident beneficiary, deduct and retain therefrom the amount  
 19 prescribed in the withholding instructions referred to in section 8 of  
 20 this chapter. The trust or estate so distributing income to a nonresident  
 21 beneficiary:

- 22 (1) is liable to this state for the tax which it is required to deduct  
 23 and retain under this section and is not liable to the beneficiary for  
 24 the amount deducted from the distribution and paid to the  
 25 department in compliance, or intended compliance, with this  
 26 section; and
- 27 (2) shall pay the amount deducted to the department before the  
 28 thirtieth day of the month following the distribution, unless an  
 29 earlier date is specified by section 8.1 of this chapter.

30 (b) A trust or estate shall, at the time that it makes a payment to the  
 31 department under this section, deliver to the department a return which  
 32 shows the total amounts distributed to the trust's or estate's nonresident  
 33 beneficiaries, the amount deducted from the distributions under this  
 34 section, and any other information required by the department. The  
 35 trust or estate shall file the return on the form prescribed by the  
 36 department. A trust or estate which makes the deduction and retention  
 37 required by this section shall furnish to its nonresident beneficiaries  
 38 annually, but not later than thirty (30) days after the end of the trust's  
 39 or estate's taxable year, a record of the amount of tax deducted and  
 40 retained from the beneficiaries. The trust or estate shall furnish the  
 41 information on the form prescribed by the department.

42 (c) The money deducted and retained by a trust or estate under this



1 section is money of this state. Every trust or estate which deducts and  
 2 retains any money under this section shall hold the money in trust for  
 3 this state until it pays the money to the department in the manner and  
 4 at the time provided in this section. The department may require a trust  
 5 or estate to post a surety bond to protect this state with respect to  
 6 money deducted and retained by the trust or estate under this section.  
 7 The department shall determine the amount of the surety bond.

8 (d) The provisions of IC 6-8.1 relating to penalties or to additions to  
 9 tax in case of a delinquency apply to trusts and estates which are  
 10 subject to this section. For purposes of this subsection, any amount  
 11 deducted, or required to be deducted and remitted to the department,  
 12 under this section is considered the tax of the trust or estate, and with  
 13 respect to that amount, it is considered the taxpayer.

14 (e) Amounts deducted from distributions to nonresident  
 15 beneficiaries under this section during a taxable year of the trust or  
 16 estate are considered a partial payment of the tax imposed on the  
 17 nonresident beneficiary for his taxable year within or with which the  
 18 trust's or estate's taxable year ends. The department shall accept a  
 19 return made by the trust or estate under subsection (b) as evidence of  
 20 the amount of tax deducted from the income distributed to a  
 21 nonresident beneficiary.

22 (f) This section does not relieve a nonresident beneficiary of his  
 23 duty to file a return at the time required under IC 6-3. The nonresident  
 24 beneficiary shall pay any unpaid tax at the time prescribed by section  
 25 5 of this chapter.

26 **(g) If a trust or estate fails to withhold and pay any amount of**  
 27 **tax required to be withheld under this section and thereafter the**  
 28 **tax is paid by the beneficiaries, the amount of tax paid by the**  
 29 **beneficiaries may not be collected from the trust or estate but it**  
 30 **may not be relieved from liability for interest or penalty otherwise**  
 31 **due in respect to the failure to withhold under IC 6-8.1-10.**

32 ~~(g)~~ **(h)** A trust or estate shall file a composite adjusted gross income  
 33 tax return on behalf of all nonresident beneficiaries. The composite  
 34 return must include each nonresident beneficiary regardless of whether  
 35 the nonresident beneficiary has other Indiana source income.

36 ~~(h)~~ **(i)** For purposes of this section, a "nonresident beneficiary" is:

- 37 (1) an individual who does not reside in Indiana;
- 38 (2) a trust that does not reside in Indiana;
- 39 (3) an estate that does not reside in Indiana;
- 40 (4) a partnership that is not domiciled in Indiana;
- 41 (5) a C corporation that is not domiciled in Indiana; or
- 42 (6) an S corporation that is not domiciled in Indiana.





1           (†) (j) If a trust or estate is permitted an extension to file its income  
2 tax return under IC 6-8.1-6-1, then the return and payment due under  
3 this subsection shall be allowed the same treatment as the extended  
4 income tax return with respect to due dates, interest, and penalties  
5 under IC 6-8.1-6-1.

6           SECTION 21. IC 6-3.6-8-5, AS ADDED BY P.L.243-2015,  
7 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 JANUARY 1, 2017]: Sec. 5. (a) Except as otherwise provided in  
9 subsection (b) and the other provisions of this article, all provisions of  
10 the adjusted gross income tax law (IC 6-3) concerning:

- 11           (1) definitions;
- 12           (2) declarations of estimated tax;
- 13           (3) filing of returns;
- 14           (4) deductions or exemptions from adjusted gross income;
- 15           (5) remittances;
- 16           (6) incorporation of the provisions of the Internal Revenue Code;
- 17           (7) penalties and interest; and
- 18           (8) exclusion of military pay credits for withholding;

19 apply to the imposition, collection, and administration of the tax  
20 imposed by this article.

21           (b) IC 6-3-1-3.5(a)(6), IC 6-3-3-3, ~~IC 6-3-3-5~~, and IC 6-3-5-1 do not  
22 apply to the tax imposed by this article.

23           (c) Notwithstanding subsections (a) and (b), each employer shall  
24 report to the department of state revenue the amount of withholdings  
25 attributable to each county. This report shall be submitted to the  
26 department of state revenue:

- 27           (1) each time the employer remits to the department the tax that  
28 is withheld; and
- 29           (2) annually along with the employer's annual withholding report.

30           SECTION 22. IC 6-4.1-4-1, AS AMENDED BY P.L.6-2010,  
31 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
32 APRIL 1, 2016]: Sec. 1. (a) Except as otherwise provided in section 0.5  
33 of this chapter or in IC 6-4.1-5-8, the personal representative of a  
34 resident decedent's estate or the trustee or transferee of property  
35 transferred by the decedent shall file an inheritance tax return with:

- 36           (1) the appropriate probate court, **in the case of an inheritance**  
37 **tax return filed before April 1, 2016; or**
- 38           (2) the department of state revenue, **in the case of an**  
39 **inheritance tax return filed after March 31, 2016;**

40 within nine (9) months after the date of the decedent's death.

41           (b) The person filing the return shall file it under oath on the forms  
42 prescribed by the department of state revenue. The return shall:



- 1 (1) contain a statement of all property interests transferred by the  
 2 decedent under taxable transfers known to the person filing the  
 3 return;  
 4 (2) indicate the fair market value, as of the appraisal date  
 5 prescribed by IC 6-4.1-5-1.5, of each property interest included in  
 6 the statement;  
 7 (3) contain an itemized list of all inheritance tax deductions  
 8 claimed with respect to property interests included in the  
 9 statement;  
 10 (4) contain a list which indicates the name and address of each  
 11 transferee of the property interests included in the statement and  
 12 which indicates the total value of the property interests transferred  
 13 to each transferee; and  
 14 (5) contain the name and address of the attorney for the personal  
 15 representative or for the person filing the return.

16 ~~(b)~~ (c) If the decedent died testate, the person filing the return shall  
 17 attach a copy of the decedent's will to the return.

18 SECTION 23. IC 6-4.1-4-2, AS AMENDED BY P.L.238-2005,  
 19 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 APRIL 1, 2016]: Sec. 2. (a) If the Internal Revenue Service allows an  
 21 extension on a federal estate tax return, the corresponding due date for  
 22 the Indiana inheritance tax return is automatically extended for the  
 23 same period as the federal extension.

24 (b) **This subsection applies to an inheritance tax return filed**  
 25 **with the appropriate probate court before April 1, 2016.** If the  
 26 appropriate probate court finds that because of an unavoidable delay an  
 27 inheritance tax return cannot be filed within nine (9) months after the  
 28 date of decedent's death, the court may extend the period for filing the  
 29 return. After the expiration of the first extension period, the court may  
 30 grant a subsequent extension if the person seeking the extension files  
 31 a written motion which states the reason for the delay in filing the  
 32 return.

33 (c) **This subsection applies to an inheritance tax return filed**  
 34 **with the department of state revenue after March 31, 2016. If the**  
 35 **department of state revenue finds that because of an unavoidable**  
 36 **delay an inheritance tax return cannot be filed within nine (9)**  
 37 **months after the date of decedent's death, the department of state**  
 38 **revenue may extend the period for filing the return. After the**  
 39 **expiration of the first extension period, the department of state**  
 40 **revenue may grant a subsequent extension if the person seeking the**  
 41 **extension files a written motion that states the reason for the delay**  
 42 **in filing the return.**



1           (e) (d) For purposes of sections 3 and 6 of this chapter, an  
2 inheritance tax return is not due until the last day of any extension  
3 period or periods granted under this section.

4           SECTION 24. IC 6-4.1-4-6 IS AMENDED TO READ AS  
5 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 6. (a) ~~Except as~~  
6 ~~provided in subsection (b) of this section;~~ **For an inheritance tax**  
7 **return filed with the appropriate probate court before April 1,**  
8 **2016,** the appropriate probate court shall charge a person who fails to  
9 file an inheritance tax return on or before the due date a penalty in an  
10 amount which equals:

11           (1) fifty cents (\$0.50) per day for each day that the return is  
12 delinquent; or

13           (2) fifty dollars (\$50);

14 whichever is less. The court shall include the penalty in the inheritance  
15 tax decree which it issues with respect to the decedent's estate. The  
16 person to whom the penalty is charged shall pay it to the treasurer of  
17 the county in which the resident decedent was domiciled at the time of  
18 the resident decedent's death. **However, the appropriate probate**  
19 **court may waive the penalty otherwise required under this**  
20 **subsection if the court finds that the person had a justifiable excuse**  
21 **for not filing the return on or before the due date.**

22           (b) **For an inheritance tax return filed with the department of**  
23 **state revenue after March 31, 2016, the department of state**  
24 **revenue shall charge a person who fails to file an inheritance tax**  
25 **return on or before the due date a penalty in an amount that**  
26 **equals:**

27           (1) fifty cents (\$0.50) per day for each day that the return is  
28 delinquent; or

29           (2) fifty dollars (\$50);

30 whichever is less. The department of state revenue shall include the  
31 penalty in the inheritance tax decree that it issues with respect to  
32 the decedent's estate. The person to whom the penalty is charged  
33 shall pay it to the department of state revenue. However, the  
34 department of state revenue may waive the penalty otherwise  
35 required under this subsection if the department of state revenue  
36 finds that the person had a justifiable excuse for not filing the  
37 return on or before the due date.

38           (b) The appropriate probate court may waive the penalty otherwise  
39 required under subsection (a) of this section if the court finds that the  
40 person had a justifiable excuse for not filing the return on or before the  
41 due date.

42           SECTION 25. IC 6-4.1-5-2 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 2. **(a) This subsection**  
 2 **applies to an inheritance tax return filed with the probate court**  
 3 **before April 1, 2016.** Within ten (10) days after an inheritance tax  
 4 return for a resident decedent is filed with the probate court, the court  
 5 shall refer the return to the county inheritance tax appraiser. The county  
 6 inheritance tax appraiser shall:

7 (1) investigate the facts concerning taxable transfers made by the  
 8 decedent before ~~his~~ **the decedent's** death;

9 (2) review the return for mistakes and omissions; and

10 (3) appraise each property interest, transferred by the decedent  
 11 under a taxable transfer, at its fair market value as of the appraisal  
 12 date prescribed by IC 6-4.1-5-1.5.

13 **(b) This subsection applies to an inheritance tax return filed**  
 14 **with the department of state revenue after March 31, 2016. Within**  
 15 **sixty (60) days after an inheritance tax return for a resident**  
 16 **decedent is filed with the department of state revenue, the**  
 17 **department of revenue shall:**

18 (1) investigate the facts concerning taxable transfers made by  
 19 the decedent before the decedent's death;

20 (2) review the return for mistakes and omissions; and

21 (3) appraise each property interest, transferred by the  
 22 decedent under a taxable transfer, at its fair market value as  
 23 of the appraisal date prescribed by IC 6-4.1-5-1.5.

24 SECTION 26. IC 6-4.1-5-3 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 3. **(a) This subsection**  
 26 **applies to an inheritance tax return filed with the probate court**  
 27 **before April 1, 2016.** Before making the appraisal required under  
 28 section ~~2(3)~~ **2(a)(3)** of this chapter, the county inheritance tax appraiser  
 29 shall give notice of the date, time, and place of the appraisal, by mail,  
 30 to any person designated by the probate court and each interested  
 31 person who filed a request for notice and provided a mailing address to  
 32 the county assessor. The county inheritance tax appraiser shall appraise  
 33 the property interests at the time and place stated in the notice.

34 **(b) This subsection applies to an inheritance tax return filed**  
 35 **with the department of state revenue after March 31, 2016. Before**  
 36 **making the appraisal required under section 2(b)(3) of this**  
 37 **chapter, the department of state revenue shall give notice of the**  
 38 **date, time, and place of the appraisal, by mail, to any person**  
 39 **designated by the department of state revenue and each interested**  
 40 **person who filed a request for notice and provided a mailing**  
 41 **address to the department of state revenue. The department of**  
 42 **state revenue shall appraise the property interests at the time and**



1 **place stated in the notice.**

2 SECTION 27. IC 6-4.1-5-4 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 4. **(a) This subsection**  
4 **applies to an inheritance tax return filed with the probate court**  
5 **before April 1, 2016.** In order to make the appraisal required under  
6 section ~~2(3)~~ **2(a)(3)** of this chapter, the county inheritance tax appraiser  
7 may:

- 8 (1) issue subpoenas;  
9 (2) compel the appearance of witnesses before him; and  
10 (3) examine witnesses under oath.

11 Each witness examined with respect to the appraisal is entitled to  
12 receive a fee in the same amount paid to a witness subpoenaed to  
13 appear before a court of record. The county treasurer shall, from county  
14 funds not otherwise appropriated, pay the witness fee which is provided  
15 for under this section and which is allowed by the probate court under  
16 section 10 of this chapter.

17 **(b) This subsection applies to an inheritance tax return filed**  
18 **with the department of state revenue after March 31, 2016. In**  
19 **order to make the appraisal required under section 2(b)(3) of this**  
20 **chapter, the department of state revenue may:**

- 21 (1) issue subpoenas;  
22 (2) compel the appearance of witnesses; and  
23 (3) examine witnesses under oath.

24 Each witness examined with respect to the appraisal is entitled to  
25 receive a fee in the same amount paid to a witness subpoenaed to  
26 appear before a court of record. The department of state revenue  
27 shall, from state funds not otherwise appropriated, pay the witness  
28 fee that is provided for under this section as determined by the  
29 department of state revenue.

30 SECTION 28. IC 6-4.1-5-5 IS AMENDED TO READ AS  
31 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 5. **(a) This subsection**  
32 **applies to an inheritance tax return filed with the probate court**  
33 **before April 1, 2016.** After an inheritance tax return filed for a  
34 resident decedent is examined by the county inheritance tax appraiser  
35 and the probate court, the court shall order the person responsible for  
36 filing the return to complete the return and refile it if the court finds  
37 that the return is incomplete. When the return is refiled, the court shall  
38 refer the refiled return to the county inheritance tax appraiser for  
39 review by him.

40 **(b) This subsection applies to an inheritance tax return filed**  
41 **with the department of state revenue after March 31, 2016. After**  
42 **an inheritance tax return filed for a resident decedent is examined**



1 by the department of state revenue, the department of state  
 2 revenue shall order the person responsible for filing the return to  
 3 complete the return and refile it if the department of state revenue  
 4 finds that the return is incomplete.

5 SECTION 29. IC 6-4.1-5-6 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 6. (a) **This section**  
 7 **applies to an inheritance tax return filed with the probate court**  
 8 **before April 1, 2016.**

9 (b) After completing the duties assigned to him under section ~~2~~ **2(a)**  
 10 of this chapter, the county inheritance tax appraiser shall prepare an  
 11 appraisal report. The appraisal report shall:

12 (1) contain a list of the property interests described in section ~~2(3)~~

13 **2(a)(3)** of this chapter; and

14 (2) indicate the fair market value of the property interests.

15 The county inheritance tax appraiser shall file one (1) copy of the  
 16 report with the probate court, and ~~he~~ shall file another copy of the  
 17 report with the department of state revenue. The appraiser shall attach  
 18 the depositions of any witnesses examined with respect to the appraisal  
 19 and any other information which the court may require to the appraisal  
 20 report ~~which he~~ **that the appraiser** files with the court.

21 SECTION 30. IC 6-4.1-5-7 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 7. (a) **This subsection**  
 23 **applies before April 1, 2016.** If the personal representative of a  
 24 resident decedent's estate or the trustee or transferee of property  
 25 transferred by the decedent believes that no inheritance tax is imposed  
 26 under this article as a result of the decedent's death, ~~he~~ **the individual**  
 27 may file a verified petition with the appropriate probate court  
 28 requesting that the court enter an order stating that no inheritance tax  
 29 is due. The petitioner must include in the petition a statement of the  
 30 value of the property interests transferred by the decedent.

31 (b) **This subsection applies after March 31, 2016. If the personal**  
 32 **representative of a resident decedent's estate or the trustee or**  
 33 **transferee of property transferred by the decedent believes that no**  
 34 **inheritance tax is imposed under this article as a result of the**  
 35 **decedent's death, the personal representative or the trustee or**  
 36 **transferee may file a verified petition with the department of state**  
 37 **revenue requesting that the department of state revenue enter an**  
 38 **order stating that no inheritance tax is due. The petitioner must**  
 39 **include in the petition a statement of the value of the property**  
 40 **interests transferred by the decedent.**

41 SECTION 31. IC 6-4.1-5-8 IS AMENDED TO READ AS  
 42 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 8. (a) If a petition is



1 filed under section 7 7(a) of this chapter, the probate court may hold a  
 2 hearing on the petition. If the court elects to hold a hearing, it shall give  
 3 notice of the hearing in the same manner prescribed for giving the  
 4 notice required under section 9 9(a) of this chapter. After the probate  
 5 court completes its examination of the petition, the court may enter an  
 6 order stating that no inheritance tax is due as a result of the decedent's  
 7 death. If the court enters such an order, the petitioner is not required to  
 8 file an inheritance tax return. However, a person may petition the  
 9 appropriate probate court under IC 6-4.1-7 for a rehearing on the  
 10 court's order or for a reappraisal of the property interests transferred by  
 11 the decedent.

12 **(b) If a petition is filed under section 7(b) of this chapter, the**  
 13 **department of state revenue may hold a hearing on the petition. If**  
 14 **the department of state revenue elects to hold a hearing, it shall**  
 15 **give notice of the hearing in the same manner prescribed for giving**  
 16 **the notice required under section 9(b) of this chapter. After the**  
 17 **department of state revenue completes its examination of the**  
 18 **petition, the department of state revenue may enter an order**  
 19 **stating that no inheritance tax is due as a result of the decedent's**  
 20 **death. If the department of state revenue enters such an order, the**  
 21 **petitioner is not required to file an inheritance tax return.**  
 22 **However, a person may petition the appropriate probate court for**  
 23 **a rehearing on the department of state revenue's order or for a**  
 24 **reappraisal of the property interests transferred by the decedent**  
 25 **in the same manner as provided in IC 6-4.1-7-2.**

26 SECTION 32. IC 6-4.1-5-9 IS AMENDED TO READ AS  
 27 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 9. (a) **This subsection**  
 28 **applies to an inheritance tax return filed with the probate court**  
 29 **before April 1, 2016.** When the county inheritance tax appraiser files  
 30 an appraisal report with the probate court, the court shall give twenty  
 31 (20) days notice by mail of the date, time, and place of a hearing on the  
 32 report to each interested person who filed a request for notice and  
 33 provided a mailing address under section 3 3(a) of this chapter.

34 **(b) This subsection applies to an inheritance tax return filed**  
 35 **with the department of state revenue after March 31, 2016. The**  
 36 **department of state revenue shall give twenty (20) days notice by**  
 37 **mail of the date, time, and place of a hearing on an appraisal to**  
 38 **each interested person who filed a request for notice and provided**  
 39 **a mailing address under section 3(b) of this chapter.**

40 SECTION 33. IC 6-4.1-5-10 IS AMENDED TO READ AS  
 41 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 10. (a) **This**  
 42 **subsection applies to an inheritance tax return filed with the**



1 **probate court before April 1, 2016.** After the hearing required by  
 2 section ~~9~~ **9(a)** of this chapter, the probate court shall determine the fair  
 3 market value of the property interests transferred by the resident  
 4 decedent and the amount of inheritance tax due as a result of ~~his~~ **the**  
 5 **decedent's** death. The court shall then enter an order stating the  
 6 amount of inheritance tax due and the fees due witnesses under section  
 7 4 of this chapter. If the court finds that no inheritance tax is due, the  
 8 court shall include a statement to that effect in the order.

9 (b) The court shall prepare the order required by ~~this section~~  
 10 **subsection (a)** on the form prescribed by the department of state  
 11 revenue. The court shall include in the order a description of all Indiana  
 12 real property owned by the resident decedent at the time of ~~his~~ **the**  
 13 **decedent's** death. The probate court shall spread the order of record in  
 14 the office of the clerk of the circuit court. The clerk shall maintain the  
 15 orders in a looseleaf ledger.

16 (c) **This subsection applies to an inheritance tax return filed**  
 17 **with the department of state revenue after March 31, 2016. The**  
 18 **department of state revenue shall determine the fair market value**  
 19 **of the property interests transferred by the resident decedent and**  
 20 **the amount of inheritance tax due as a result of the decedent's**  
 21 **death. The department of state revenue shall then enter an order**  
 22 **stating the amount of inheritance tax due and the fees due**  
 23 **witnesses (if any) as determined by the department of state**  
 24 **revenue. If the department of state revenue finds that no**  
 25 **inheritance tax is due, the department of state revenue shall**  
 26 **include a statement to that effect in the order. The department of**  
 27 **state revenue is not required to hold a hearing before making a**  
 28 **determination under this subsection.**

29 (d) The order entered by the department of state revenue under  
 30 subsection (c) must contain a record of all Indiana real property  
 31 owned by the decedent at the time of the decedent's death. The  
 32 clerk of the circuit court of the county in which the appropriate  
 33 probate court is located shall spread the order of record in the  
 34 office of the clerk of the circuit court. The clerk shall maintain the  
 35 orders in a looseleaf ledger.

36 (e) The order described in this section is confidential.

37 SECTION 34. IC 6-4.1-5-11 IS AMENDED TO READ AS  
 38 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 11. (a) **This**  
 39 **subsection applies to an inheritance tax return filed with the**  
 40 **probate court before April 1, 2016.** The court shall immediately mail  
 41 a copy of its determination of the fair market value of the property  
 42 interests transferred by a resident decedent and the inheritance tax due





1 as a result of the person's death to each interested person who filed a  
 2 request for notice and provided a mailing address under section 33(a)  
 3 of this chapter, the department of state revenue, and the county  
 4 treasurer.

5 **(b) This subsection applies to an inheritance tax return filed**  
 6 **with the department of state revenue after March 31, 2016. The**  
 7 **department of state revenue shall immediately mail a copy of its**  
 8 **determination of the fair market value of the property interests**  
 9 **transferred by a resident decedent and the inheritance tax due as**  
 10 **a result of the decedent's death to each interested person who filed**  
 11 **a request for notice and provided a mailing address under section**  
 12 **3(b) of this chapter.**

13 SECTION 35. IC 6-4.1-6-0.7 IS ADDED TO THE INDIANA  
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 15 [EFFECTIVE JULY 1, 2016]: **Sec. 0.7. (a) This section applies to an**  
 16 **inheritance tax return filed with the department of state revenue**  
 17 **after March 31, 2016.**

18 **(b) Subject to any right of appeal, the department of state**  
 19 **revenue shall have sole power to appraise any property interests**  
 20 **appraised under this chapter.**

21 **(c) The provisions of section 4 of this chapter relating to the**  
 22 **probate court's determination of the manner in which property**  
 23 **will probably be distributed do not apply to the department of state**  
 24 **revenue under this section.**

25 **(d) If a person is dissatisfied with a determination made by the**  
 26 **department of state revenue concerning the manner in which the**  
 27 **property will probably be distributed, that person may file a**  
 28 **petition for redetermination by the appropriate probate court.**

29 SECTION 36. IC 6-4.1-7-1 IS AMENDED TO READ AS  
 30 FOLLOWS [EFFECTIVE APRIL 1, 2016]: **Sec. 1. (a) A person who**  
 31 **is dissatisfied with an inheritance tax determination made by a probate**  
 32 **court (in the case of an inheritance tax return filed with the probate**  
 33 **court before April 1, 2016) or the department of state revenue (in**  
 34 **the case of an inheritance tax return filed with the department of**  
 35 **state revenue after March 31, 2016) with respect to a resident**  
 36 **decedent's estate may obtain a rehearing on the determination. To**  
 37 **obtain the rehearing, the person must file a petition for rehearing with**  
 38 **the probate court within one hundred twenty (120) days after the**  
 39 **determination is made.**

40 **(b) In the petition, the person must state the grounds for the**  
 41 **rehearing. The probate court shall base the rehearing on the following:**

42 **(1) On evidence presented at the original hearing plus any**



1 additional evidence which the court elects to hear, **in the case of**  
 2 **an inheritance tax return filed with the probate court before**  
 3 **April 1, 2016.**

4 **(2) On evidence presented to the department of state revenue**  
 5 **plus any additional evidence that the court elects to hear, in**  
 6 **the case of an inheritance tax return filed with the department**  
 7 **of state revenue after March 31, 2016.**

8 SECTION 37. IC 6-4.1-7-2 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 2. A person who is  
 10 dissatisfied with an appraisal approved by a probate court **(in the case**  
 11 **of an inheritance tax return filed before April 1, 2016) or the**  
 12 **department of state revenue (in the case of an inheritance tax**  
 13 **return filed with the department of state revenue after March 31,**  
 14 **2016)** with respect to a resident decedent's estate may obtain a  
 15 reappraisal of the property interest involved. To obtain the reappraisal,  
 16 the person must file a petition for reappraisal with the probate court  
 17 within one (1) year after the court **(in the case of an inheritance tax**  
 18 **return filed before April 1, 2016) or the department of state**  
 19 **revenue (in the case of an inheritance tax return filed after March**  
 20 **31, 2016)** enters an order determining the inheritance tax due as a  
 21 result of the decedent's death. However, if the original appraisal is  
 22 fraudulently or erroneously made, the person may file the reappraisal  
 23 petition within two (2) years after the court enters the order.

24 SECTION 38. IC 6-4.1-7-3 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 3. **(a)** When a  
 26 reappraisal petition is filed under section 2 of this chapter, the probate  
 27 court may appoint a competent person to reappraise the property  
 28 interests transferred by the resident decedent under taxable transfers.  
 29 An appraiser appointed by the court under this section has the same  
 30 powers and duties, including the duty to give notice of the appraisal  
 31 and the duty to make an appraisal report to the court, as the county  
 32 inheritance tax appraiser **has for purposes of inheritance tax returns**  
 33 **filed before April 1, 2016.** The appointed appraiser is entitled to  
 34 receive an amount fixed by the court and approved by the department  
 35 of revenue as compensation for his services.

36 **(b) This subsection applies to a reappraisal for inheritance tax**  
 37 **returns filed before April 1, 2016.** After the probate court certifies to  
 38 the county treasurer the amount of compensation due the appointed  
 39 appraiser, the county treasurer shall pay the appraiser from county  
 40 funds not otherwise appropriated.

41 **(c) This subsection applies to a reappraisal for an inheritance**  
 42 **tax return filed after March 31, 2016. The probate court shall**



1 certify to the department of state revenue the amount of  
 2 compensation due the appointed appraiser, and the department of  
 3 state revenue shall pay the appointed appraiser.

4 SECTION 39. IC 6-4.1-7-4 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 4. (a) After the  
 6 appraiser, if any, appointed under section 3 of this chapter files his the  
 7 appraiser's appraisal report, the probate court shall redetermine the  
 8 inheritance tax due with respect to the property interests transferred by  
 9 the resident decedent. In making the redetermination, the court shall do  
 10 the following:

11 (1) In the case of a redetermination for an inheritance tax  
 12 return filed before April 1, 2016, follow the same procedures it  
 13 is required to follow under IC 6-4.1-5-9, IC 6-4.1-5-10, and  
 14 IC 6-4.1-5-11 when making an original inheritance tax  
 15 determination.

16 (2) In the case of a redetermination for an inheritance tax  
 17 return filed after March 31, 2016, follow the same procedures  
 18 that the department of state revenue is required to follow  
 19 when making an original inheritance tax determination.

20 (b) The probate court's redetermination of the inheritance tax due  
 21 supersedes the court's original determination (in the case of a  
 22 redetermination for an inheritance tax return filed before April 1,  
 23 2016) or the department of state revenue's original determination  
 24 (in the case of a redetermination for an inheritance tax return filed  
 25 after March 31, 2016). The court shall file a copy of the  
 26 redetermination:

27 (1) with the clerk of the court, in the case of a redetermination  
 28 for an inheritance tax return filed before April 1, 2016; or

29 (2) with the department of state revenue, in the case of a  
 30 redetermination for an inheritance tax return filed after  
 31 March 31, 2016.

32 SECTION 40. IC 6-4.1-7-7 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 7. (a) A probate  
 34 court's redetermination of inheritance tax under this chapter may be  
 35 appealed to the tax court in accordance with the rules of appellate  
 36 procedure.

37 (b) In the case of an inheritance tax return filed after March 31,  
 38 2016, a probate court's redetermination of inheritance tax under  
 39 this chapter may be appealed under subsection (a) only if an appeal  
 40 of the department of state revenue's determination regarding  
 41 inheritance tax was first filed with the probate court.

42 SECTION 41. IC 6-4.1-8-2 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 2. (a) The personal  
 2 representative of a decedent's estate or the trustee of property  
 3 transferred by the decedent may not transfer or deliver property to a  
 4 transferee unless the inheritance tax imposed with respect to the  
 5 transfer has been paid.

6 (b) If money is transferred by the decedent to a transferee for a  
 7 limited period of time, the personal representative or trustee shall retain  
 8 the total inheritance tax imposed on all the interests in the money.

9 (c) If property other than money is transferred by the decedent to a  
 10 transferee for a limited period of time, the transferees of the interests  
 11 in the property shall pay to the personal representative or trustee the  
 12 inheritance tax imposed on the interests. The personal representative  
 13 or trustee shall apply to the:

- 14 (1) appropriate probate court, **for transfers of property**  
 15 **occurring before April 1, 2016; or**  
 16 (2) **department of state revenue, for transfers of property**  
 17 **occurring after March 31, 2016;**

18 for a determination of the amount which each transferee is required to  
 19 pay under this subsection.

20 SECTION 42. IC 6-4.1-8-4, AS AMENDED BY P.L.205-2013,  
 21 SECTION 109, IS AMENDED TO READ AS FOLLOWS  
 22 [EFFECTIVE APRIL 1, 2016]: Sec. 4. (a) A person who has possession  
 23 of or control over personal property held jointly by a resident decedent  
 24 and another person may not transfer the property to the surviving joint  
 25 tenant, unless:

- 26 (1) the surviving joint tenant is the decedent's surviving spouse;  
 27 or  
 28 (2) the property is money held in a joint checking account;

29 without the written consent of the department of state revenue or the  
 30 county assessor of the county in which the resident decedent was  
 31 domiciled at the time of the decedent's death.

32 (b) Except as provided in subsection (c), a person who has  
 33 possession of or control over personal property held in a trust that is  
 34 subject to the Indiana inheritance tax or estate tax (before its repeal) at  
 35 the time of a resident decedent's death may not transfer the property to  
 36 a beneficiary or any other person, unless the beneficiary or other person  
 37 is the decedent's surviving spouse, without the written consent of the  
 38 department of state revenue or the county assessor of the county in  
 39 which the resident decedent was domiciled at the time of the decedent's  
 40 death.

41 (c) A person who has possession of or control over personal  
 42 property held in trust may transfer the property without the written



1 consent of the department of state revenue or the county assessor of the  
 2 county in which the resident decedent was domiciled at the time of the  
 3 decedent's death under the following conditions:

4 (1) The transferee is domiciled in Indiana.

5 (2) The transferee completes a sworn affidavit on a form  
 6 prescribed by the department of state revenue that states:

7 (A) the transfer of the personal property is not subject to  
 8 Indiana inheritance tax or estate tax (before its repeal); and

9 (B) the reasons the transfer is not subject to tax.

10 (3) A copy of the affidavit required under subdivision (2) is  
 11 immediately filed with the department of state revenue.

12 (d) A person who has possession of or control over a resident  
 13 decedent's personal property (except proceeds payable under a life  
 14 insurance policy) may not transfer the property to any other person,  
 15 unless:

16 (1) the other person is the decedent's surviving spouse; or

17 (2) the property is money held in a checking account;

18 without the written consent of the department of state revenue or the  
 19 county assessor of the county in which the resident decedent was  
 20 domiciled at the time of the decedent's death.

21 (e) The department of state revenue or the appropriate county  
 22 assessor may consent to a transfer if the department or the county  
 23 assessor believes that the transfer will not jeopardize the collection of  
 24 inheritance tax.

25 (f) The department of state revenue shall send a copy of any consent  
 26 to transfer that it issues under this section **after March 31, 2016**, to the  
 27 county assessor of the county in which the resident decedent was  
 28 domiciled at the time of the decedent's death.

29 **(g) If a person files a request for a consent to transfer property**  
 30 **with the county assessor under this section after March 31, 2016,**  
 31 **the person must submit a copy of the consent to transfer form to**  
 32 **the department of state revenue. A county assessor shall send to the**  
 33 **department of state revenue a copy of any consent to transfer that**  
 34 **the county assessor issues under this section.**

35 SECTION 43. IC 6-4.1-8-4.6 IS AMENDED TO READ AS  
 36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.6. (a) A person  
 37 who has possession of or control over money held in a checking  
 38 account in which a resident decedent had a legal interest shall notify  
 39 the department or, **except as provided in subsection (b)**, the county  
 40 assessor of the county in which the resident decedent was domiciled at  
 41 the time of death, when money is transferred from the account to a  
 42 person, other than the resident decedent's surviving spouse.



1           **(b) However, in the case of a transfer described in this section**  
 2 **that is made after March 31, 2016, the person making the transfer:**

3           **(1) shall notify the department of state revenue of the**  
 4 **transfer; and**

5           **(2) is not required to notify the county assessor of the transfer.**

6           SECTION 44. IC 6-4.1-8-5, AS AMENDED BY P.L.143-2009,  
 7 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 APRIL 1, 2016]: Sec. 5. (a) Within ten (10) days after life insurance  
 9 proceeds are paid to a resident decedent's estate, the life insurance  
 10 company shall give notice of the payment to the department of state  
 11 revenue.

12           (b) Not later than ten (10) days after damages payable under a cause  
 13 of action maintained by a personal representative under IC 34-9-3-4 are  
 14 paid to a resident decedent's estate, the person making the payment  
 15 shall give notice of the payment to the department of state revenue.

16           (c) The department of state revenue shall send a copy of any notice  
 17 which it receives under subsection (a) or (b) **before April 1, 2016**, to  
 18 the county assessor of the county in which the resident decedent was  
 19 domiciled at the time of the resident decedent's death.

20           SECTION 45. IC 6-4.1-9-1 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 1. (a) Except as  
 22 otherwise provided in IC 6-4.1-6-6(b), the inheritance tax imposed as  
 23 a result of a decedent's death is due twelve (12) months after the  
 24 person's date of death. If a person liable for payment of inheritance tax  
 25 does not pay the tax on or before the due date, the person shall, except  
 26 as provided in subsection (b) of this section, pay interest on the  
 27 delinquent portion of the tax at the rate of ten percent (10%) per year  
 28 from the date of the decedent's death to the date payment is made.

29           (b) If an unavoidable delay, such as necessary litigation, prevents a  
 30 determination of the amount of inheritance tax due:

31           **(1) the appropriate probate court, in the case of an inheritance**  
 32 **tax return filed before April 1, 2016, for a resident decedent; or**

33           **(2) the department of state revenue, in the case of:**

34           **(A) a non-resident decedent; or**

35           **(B) a resident decedent, in the case of an inheritance tax**  
 36 **return filed after March 31, 2016;**

37 may reduce the rate of interest imposed under this section, for the time  
 38 period beginning on the date of the decedent's death and ending when  
 39 the cause of delay is removed, to six percent (6%) per year.

40           SECTION 46. IC 6-4.1-9-5 IS AMENDED TO READ AS  
 41 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 5. (a) **This subsection**  
 42 **applies to the payment of inheritance tax before April 1, 2016. A**



1 person who is liable for inheritance tax imposed as a result of a resident  
 2 decedent's death shall pay the tax to the treasurer of the county in  
 3 which the resident decedent was domiciled at the time of the resident  
 4 decedent's death. If such a person believes that more inheritance tax is  
 5 due as a result of the resident decedent's death than the amount of tax  
 6 determined by the court under IC 6-4.1-5-10, the person may, without  
 7 obtaining another court determination, pay the additional tax and any  
 8 interest due on the additional tax to the county treasurer.

9 (b) **This subsection applies to the payment of inheritance tax**  
 10 **before April 1, 2016.** The county treasurer shall collect the tax, shall  
 11 issue a receipt for the tax payment in duplicate, and shall send one (1)  
 12 copy of the receipt to the department of state revenue. The department  
 13 shall countersign the receipt, shall affix its seal to the receipt, and shall  
 14 return the signed and sealed receipt to the payor. The department shall  
 15 also charge the county treasurer with the amount of inheritance tax  
 16 collected by him.

17 (c) **This subsection applies to the payment of inheritance tax**  
 18 **after March 31, 2016. A person who is liable for inheritance tax**  
 19 **imposed as a result of a resident decedent's death shall pay the tax**  
 20 **to the department of state revenue. If such a person believes that**  
 21 **more inheritance tax is due as a result of the resident decedent's**  
 22 **death than the amount of tax determined under IC 6-4.1-5-10, the**  
 23 **person may, without obtaining another determination, pay the**  
 24 **additional tax and any interest due on the additional tax to the**  
 25 **department of state revenue.**

26 SECTION 47. IC 6-4.1-9-7 IS AMENDED TO READ AS  
 27 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 7. (a) On the first day  
 28 of January, April, July, and October of each year, each county treasurer  
 29 shall, under oath, send a written inheritance tax report to the  
 30 department of state revenue. Each report shall state the amount of  
 31 inheritance taxes collected by the county treasurer during the preceding  
 32 three (3) months and shall indicate the estates for which the taxes were  
 33 paid, who paid the taxes, and when the taxes were paid. The county  
 34 treasurer shall prepare each report on the form prescribed by the state  
 35 board of accounts. **However, a county treasurer is not required to**  
 36 **submit a report to the department of state revenue under this**  
 37 **subsection for a period beginning after March 31, 2016.**

38 (b) On the first day of January, April, July, and October of each  
 39 year, each county auditor shall issue a warrant to the state treasurer for  
 40 the amount of inheritance taxes, interest charges, and penalties which  
 41 the state is to receive under section 6 of this chapter. The county  
 42 treasurer shall stamp and countersign the warrant. The county treasurer



1 shall send the warrant to the department of state revenue not more than  
 2 thirty (30) days after the county treasurer is required to send the related  
 3 inheritance tax report for the preceding three (3) months under  
 4 subsection (a).

5 SECTION 48. IC 6-4.1-12-1 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE APRIL 1, 2016]: Sec. 1. **(a) Except as**  
 7 **otherwise provided in this article**, the probate court of the county:

8 (1) in which a resident decedent was domiciled at the time of the  
 9 decedent's death; or

10 (2) in which the resident decedent's estate is being administered,  
 11 if different from the county described in subdivision (1);

12 has jurisdiction to determine the inheritance tax imposed as a result of  
 13 the resident decedent's death and to hear all matters related to the tax  
 14 determination. However, if two (2) or more courts in a county have  
 15 probate jurisdiction, the first court acquiring jurisdiction under this  
 16 article acquires exclusive jurisdiction over the inheritance tax  
 17 determination.

18 **(b) In the case of an inheritance tax return filed after March 31,**  
 19 **2016, the probate court having jurisdiction under subsection (a)**  
 20 **does not have the power to make original inheritance tax**  
 21 **determinations. The probate court may hear the following matters**  
 22 **with respect to an inheritance tax return filed after March 31,**  
 23 **2016, for a resident decedent:**

24 (1) Any matter subject to IC 6-4.1-4-3 through IC 6-4.1-4-5.

25 (2) Any matter subject to IC 6-4.1-5-13.

26 (3) Petitions for a redetermination of inheritance tax due or  
 27 a reappraisal of a property interest under IC 6-4.1-7.

28 (4) An appeal of a refund order under IC 6-4.1-10-4.

29 SECTION 49. IC 6-4.1-12-2 IS AMENDED TO READ AS  
 30 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a) Except as**  
 31 **provided in subsection (b)**, each county assessor shall serve as the  
 32 county inheritance tax appraiser for the county he serves. However, the  
 33 appropriate probate court shall appoint a competent and qualified  
 34 resident of the county to appraise property transferred by a resident  
 35 decedent if the county assessor is:

36 (1) beneficially interested as an heir of the decedent's estate;

37 (2) the personal representative of the decedent's estate; or

38 (3) related to the decedent or a beneficiary of the decedent's estate  
 39 within the third degree of consanguinity or affinity.

40 A person who is appointed to act as the county inheritance tax  
 41 appraiser under this section shall receive a fee for his services. The  
 42 court, subject to the approval of the department of state revenue, shall





1 set the fee.

2 **(b) For purposes of determining the inheritance tax with respect**  
 3 **to an inheritance tax return filed after March 31, 2016, the**  
 4 **department of state revenue rather than the county assessor has**  
 5 **the duty to appraise property interest transferred by a resident**  
 6 **decedent.**

7 SECTION 50. IC 6-6-5-1, AS AMENDED BY P.L.259-2013,  
 8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9 JANUARY 1, 2017]: Sec. 1. (a) As used in this chapter, "vehicle"  
 10 means a vehicle subject to annual registration as a condition of its  
 11 operation on the public highways pursuant to the motor vehicle  
 12 registration laws of the state.

13 (b) As used in this chapter, "mobile home" means a  
 14 nonself-propelled vehicle designed for occupancy as a dwelling or  
 15 sleeping place.

16 (c) As used in this chapter, "bureau" means the bureau of motor  
 17 vehicles.

18 (d) As used in this chapter, "license branch" means a branch office  
 19 of the bureau authorized to register motor vehicles pursuant to the laws  
 20 of the state.

21 (e) As used in this chapter, "owner" means the person in whose  
 22 name the vehicle or trailer is registered (as defined in IC 9-13-2).

23 (f) As used in this chapter, "motor home" means a self-propelled  
 24 vehicle having been designed and built as an integral part thereof  
 25 having living and sleeping quarters, including that which is commonly  
 26 referred to as a recreational vehicle.

27 (g) As used in this chapter, "last preceding annual excise tax  
 28 liability" means either:

29 (1) the amount of excise tax liability to which the vehicle was  
 30 subject on the owner's last preceding regular annual registration  
 31 date; or

32 (2) the amount of excise tax liability to which a vehicle that was  
 33 registered after the owner's last preceding annual registration date  
 34 would have been subject if it had been registered on that date.

35 (h) As used in this chapter, "trailer" means a device having a gross  
 36 vehicle weight equal to or less than three thousand (3,000) pounds that  
 37 is pulled behind a vehicle and that is subject to annual registration as  
 38 a condition of its operation on the public highways pursuant to the  
 39 motor vehicle registration laws of the state. The term includes any  
 40 utility, boat, or other two (2) wheeled trailer.

41 (i) This chapter does not apply to the following:

42 (1) Vehicles owned, or leased and operated, by the United States,



1 the state, or political subdivisions of the state.

2 (2) Mobile homes and motor homes.

3 (3) Vehicles assessed under IC 6-1.1-8.

4 (4) Vehicles subject to registration as trucks under the motor  
5 vehicle registration laws of the state, except trucks having a  
6 declared gross weight not exceeding eleven thousand (11,000)  
7 pounds, trailers, semitrailers, tractors, and buses.

8 (5) Vehicles owned, or leased and operated, by a postsecondary  
9 educational institution ~~described in IC 6-3-3-5(d)~~ **that:**

10 **(A) normally maintains a regular faculty and curriculum**  
11 **and normally has a regularly organized body of students**  
12 **in attendance at the place where its educational activities**  
13 **are carried on;**

14 **(B) regularly offers education at a level above the twelfth**  
15 **grade;**

16 **(C) regularly awards associate, bachelor's, master's, or**  
17 **doctoral degrees, or any combination thereof; and**

18 **(D) is accredited by the North Central Association of**  
19 **Colleges and Schools, the Indiana state board of education,**  
20 **or the American Association of Theological Schools.**

21 (6) Vehicles owned, or leased and operated, by a volunteer fire  
22 department (as defined in IC 36-8-12-2).

23 (7) Vehicles owned, or leased and operated, by a volunteer  
24 emergency ambulance service that:

25 (A) meets the requirements of IC 16-31; and

26 (B) has only members that serve for no compensation or a  
27 nominal annual compensation of not more than three thousand  
28 five hundred dollars (\$3,500).

29 (8) Vehicles that are exempt from the payment of registration fees  
30 under IC 9-18-3-1.

31 (9) Farm wagons.

32 (10) Off-road vehicles (as defined in IC 14-8-2-185).

33 (11) Snowmobiles (as defined in IC 14-8-2-261).

34 SECTION 51. IC 6-6-5.1-1, AS ADDED BY P.L.131-2008,  
35 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
36 JANUARY 1, 2017]: Sec. 1. This chapter does not apply to the  
37 following:

38 (1) A vehicle subject to the motor vehicle excise tax under  
39 IC 6-6-5.

40 (2) A vehicle owned or leased and operated by the United States,  
41 the state, or a political subdivision of the state.

42 (3) A mobile home.



- 1 (4) A vehicle assessed under IC 6-1.1-8.  
 2 (5) A vehicle subject to the commercial vehicle excise tax under  
 3 IC 6-6-5.5.  
 4 (6) A trailer subject to the annual excise tax imposed under  
 5 IC 6-6-5-5.5.  
 6 (7) A bus (as defined in IC 9-13-2-17(a)).  
 7 (8) A vehicle owned or leased and operated by a postsecondary  
 8 educational institution ~~(as described in IC 6-3-3-5(d))~~ **that:**  
 9 **(A) normally maintains a regular faculty and curriculum**  
 10 **and normally has a regularly organized body of students**  
 11 **in attendance at the place where its educational activities**  
 12 **are carried on;**  
 13 **(B) regularly offers education at a level above the twelfth**  
 14 **grade;**  
 15 **(C) regularly awards associate, bachelor's, master's, or**  
 16 **doctoral degrees, or any combination thereof; and**  
 17 **(D) is accredited by the North Central Association of**  
 18 **Colleges and Schools, the Indiana state board of education,**  
 19 **or the American Association of Theological Schools.**  
 20 (9) A vehicle owned or leased and operated by a volunteer fire  
 21 department (as defined in IC 36-8-12-2).  
 22 (10) A vehicle owned or leased and operated by a volunteer  
 23 emergency ambulance service that:  
 24 (A) meets the requirements of IC 16-31; and  
 25 (B) has only members who serve for no compensation or a  
 26 nominal annual compensation of not more than three thousand  
 27 five hundred dollars (\$3,500).  
 28 (11) A vehicle that is exempt from the payment of registration  
 29 fees under IC 9-18-3-1.  
 30 (12) A farm wagon.  
 31 (13) A recreational vehicle or truck camper in the inventory of  
 32 recreational vehicles and truck campers held for sale by a  
 33 manufacturer, distributor, or dealer in the course of business.  
 34 SECTION 52. IC 6-6-5.5-2, AS AMENDED BY P.L.2-2007,  
 35 SECTION 127, IS AMENDED TO READ AS FOLLOWS  
 36 [EFFECTIVE JANUARY 1, 2017]: Sec. 2. (a) Except as provided in  
 37 subsection (b), this chapter applies to all commercial vehicles.  
 38 (b) This chapter does not apply to the following:  
 39 (1) Vehicles owned or leased and operated by the United States,  
 40 the state, or political subdivisions of the state.  
 41 (2) Mobile homes and motor homes.  
 42 (3) Vehicles assessed under IC 6-1.1-8.



- 1 (4) Buses subject to apportioned registration under the  
 2 International Registration Plan.  
 3 (5) Vehicles subject to taxation under IC 6-6-5.  
 4 (6) Vehicles owned or leased and operated by a postsecondary  
 5 educational institution ~~described in IC 6-3-3-5(d)~~ that:  
 6 (A) normally maintains a regular faculty and curriculum  
 7 and normally has a regularly organized body of students  
 8 in attendance at the place where its educational activities  
 9 are carried on;  
 10 (B) regularly offers education at a level above the twelfth  
 11 grade;  
 12 (C) regularly awards associate, bachelor's, master's, or  
 13 doctoral degrees, or any combination thereof; and  
 14 (D) is accredited by the North Central Association of  
 15 Colleges and Schools, the Indiana state board of education,  
 16 or the American Association of Theological Schools.  
 17 (7) Vehicles owned or leased and operated by a volunteer fire  
 18 department (as defined in IC 36-8-12-2).  
 19 (8) Vehicles owned or leased and operated by a volunteer  
 20 emergency ambulance service that:  
 21 (A) meets the requirements of IC 16-31; and  
 22 (B) has only members that serve for no compensation or a  
 23 nominal annual compensation of not more than three thousand  
 24 five hundred dollars (\$3,500).  
 25 (9) Vehicles that are exempt from the payment of registration fees  
 26 under IC 9-18-3-1.  
 27 (10) Farm wagons.  
 28 (11) A vehicle in the inventory of vehicles held for sale by a  
 29 manufacturer, distributor, or dealer in the course of business.  
 30 SECTION 53. IC 6-8.1-8-2, AS AMENDED BY P.L.242-2015,  
 31 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JULY 1, 2016]: Sec. 2. (a) Except as provided in IC 6-8.1-5-3 and  
 33 sections 16 and 17 of this chapter, the department must issue a demand  
 34 notice for the payment of a tax and any interest or penalties accrued on  
 35 the tax, if a person files a tax return without including full payment of  
 36 the tax or if the department, after ruling on a protest, finds that a person  
 37 owes the tax before the department issues a tax warrant. The demand  
 38 notice must state the following:  
 39 (1) That the person has ~~ten (10)~~ **twenty (20)** days from the date  
 40 the department mails the notice to either pay the amount  
 41 demanded or show reasonable cause for not paying the amount  
 42 demanded.



- 1 (2) The statutory authority of the department for the issuance of  
2 a tax warrant.
- 3 (3) The earliest date on which a tax warrant may be filed and  
4 recorded.
- 5 (4) The statutory authority for the department to levy against a  
6 person's property that is held by a financial institution.
- 7 (5) The remedies available to the taxpayer to prevent the filing  
8 and recording of the judgment.
- 9 If the department files a tax warrant in more than one (1) county, the  
10 department is not required to issue more than one (1) demand notice.
- 11 (b) If the person does not pay the amount demanded or show  
12 reasonable cause for not paying the amount demanded within the ~~ten~~  
13 **(10) twenty (20)** day period, the department may issue a tax warrant  
14 for the amount of the tax, interest, penalties, collection fee, sheriff's  
15 costs, clerk's costs, and fees established under section 4(b) of this  
16 chapter when applicable.
- 17 When the department issues a tax warrant, a collection fee of ten  
18 percent (10%) of the unpaid tax is added to the total amount due.
- 19 (c) When the department issues a tax warrant, it may not file the  
20 warrant with the circuit court clerk of any county in which the person  
21 owns property until at least twenty (20) days after the date the demand  
22 notice was mailed to the taxpayer. The department may also send the  
23 warrant to the sheriff of any county in which the person owns property  
24 and direct the sheriff to file the warrant with the circuit court clerk:
- 25 (1) at least twenty (20) days after the date the demand notice was  
26 mailed to the taxpayer; and
- 27 (2) no later than five (5) days after the date the department issues  
28 the warrant.
- 29 (d) When the circuit court clerk receives a tax warrant from the  
30 department or the sheriff, the clerk shall record the warrant by making  
31 an entry in the judgment debtor's column of the judgment record,  
32 listing the following:
- 33 (1) The name of the person owing the tax.
- 34 (2) The amount of the tax, interest, penalties, collection fee,  
35 sheriff's costs, clerk's costs, and fees established under section  
36 4(b) of this chapter when applicable.
- 37 (3) The date the warrant was filed with the clerk.
- 38 (e) When the entry is made, the total amount of the tax warrant  
39 becomes a judgment against the person owing the tax. The judgment  
40 creates a lien in favor of the state that attaches to all the person's  
41 interest in any:
- 42 (1) chose in action in the county; and



1 (2) real or personal property in the county;  
2 excepting only negotiable instruments not yet due.

3 (f) A judgment obtained under this section is valid for ten (10) years  
4 from the date the judgment is filed. The department may renew the  
5 judgment for additional ten (10) year periods by filing an alias tax  
6 warrant with the circuit court clerk of the county in which the judgment  
7 previously existed.

8 (g) A judgment arising from a tax warrant in a county shall be  
9 released by the department:

10 (1) after the judgment, including all accrued interest to the date of  
11 payment, has been fully satisfied; or

12 (2) if the department determines that the tax assessment or the  
13 issuance of the tax warrant was in error.

14 (h) Subject to subsections (p) and (q), if the department determines  
15 that the filing of a tax warrant was in error or if the commissioner  
16 determines that the release of the judgment and expungement of the tax  
17 warrant are in the best interest of the state, the department shall mail a  
18 release of the judgment to the taxpayer and the circuit court clerk of  
19 each county where the warrant was filed. The circuit court clerk of each  
20 county where the warrant was filed shall expunge the warrant from the  
21 judgment debtor's column of the judgment record. The department shall  
22 mail the release and the order for the warrant to be expunged as soon  
23 as possible but no later than seven (7) days after:

24 (1) the determination by the department that the filing of the  
25 warrant was in error; and

26 (2) the receipt of information by the department that the judgment  
27 has been recorded under subsection (d).

28 (i) If the department determines that a judgment described in  
29 subsection (h) is obstructing a lawful transaction, the department shall  
30 immediately upon making the determination mail:

31 (1) a release of the judgment to the taxpayer; and

32 (2) an order requiring the circuit court clerk of each county where  
33 the judgment was filed to expunge the warrant.

34 (j) A release issued under subsection (h) or (i) must state that the  
35 filing of the tax warrant was in error. Upon the request of the taxpayer,  
36 the department shall mail a copy of a release and the order for the  
37 warrant to be expunged issued under subsection (h) or (i) to each major  
38 credit reporting company located in each county where the judgment  
39 was filed.

40 (k) The commissioner shall notify each state agency or officer  
41 supplied with a tax warrant list of the issuance of a release under  
42 subsection (h) or (i).



1 (l) If the sheriff collects the full amount of a tax warrant, the sheriff  
 2 shall disburse the money collected in the manner provided in section  
 3 3(c) of this chapter. If a judgment has been partially or fully satisfied  
 4 by a person's surety, the surety becomes subrogated to the department's  
 5 rights under the judgment. If a sheriff releases a judgment:

6 (1) before the judgment is fully satisfied;

7 (2) before the sheriff has properly disbursed the amount collected;

8 or

9 (3) after the sheriff has returned the tax warrant to the department;  
 10 the sheriff commits a Class B misdemeanor and is personally liable for  
 11 the part of the judgment not remitted to the department.

12 (m) A lien on real property described in subsection (e)(2) is void if  
 13 both of the following occur:

14 (1) The person owing the tax provides written notice to the  
 15 department to file an action to foreclose the lien.

16 (2) The department fails to file an action to foreclose the lien not  
 17 later than one hundred eighty (180) days after receiving the  
 18 notice.

19 (n) A person who gives notice under subsection (m) by registered  
 20 or certified mail to the department may file an affidavit of service of the  
 21 notice to file an action to foreclose the lien with the circuit court clerk  
 22 in the county in which the property is located. The affidavit must state  
 23 the following:

24 (1) The facts of the notice.

25 (2) That more than one hundred eighty (180) days have passed  
 26 since the notice was received by the department.

27 (3) That no action for foreclosure of the lien is pending.

28 (4) That no unsatisfied judgment has been rendered on the lien.

29 (o) Upon receipt of the affidavit described in subsection (n), the  
 30 circuit court clerk shall make an entry showing the release of the  
 31 judgment lien in the judgment records for tax warrants.

32 (p) The department shall adopt rules to define the circumstances  
 33 under which a release and expungement may be granted based on a  
 34 finding that the release and expungement would be in the best interest  
 35 of the state. The rules may allow the commissioner to expunge a tax  
 36 warrant in other circumstances not inconsistent with subsection (q) that  
 37 the commissioner determines are appropriate. Any releases or  
 38 expungements granted by the commissioner must be consistent with  
 39 these rules.

40 (q) The commissioner may expunge a tax warrant in the following  
 41 circumstances:

42 (1) If the taxpayer has timely and fully filed and paid all of the



1 taxpayer's state taxes, or has otherwise resolved any outstanding  
2 state tax issues, for the preceding five (5) years.

3 (2) If the warrant was issued more than ten (10) years prior to the  
4 expungement.

5 (3) If the warrant is not subject to pending litigation.

6 (4) Other circumstances not inconsistent with subdivisions (1)  
7 through (3) that are specified in the rules adopted under  
8 subsection (p).

9 (r) Notwithstanding any other provision in this section, the  
10 commissioner may decline to release a judgment or expunge a warrant  
11 upon a finding that the warrant was issued based on the taxpayer's  
12 fraudulent, intentional, or reckless conduct.

13 (s) The rules required under subsection (p) shall specify the process  
14 for requesting that the commissioner release and expunge a tax  
15 warrant.

16 SECTION 54. IC 6-8.1-9-4, AS AMENDED BY P.L.288-2013,  
17 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 UPON PASSAGE]: Sec. 4. (a) Every individual (other than a  
19 nonresident) who files an individual income tax return and who is  
20 entitled to a refund from the department of state revenue because of the  
21 overpayment of income tax for a taxable year may designate on the  
22 individual's annual state income tax return that either a specific amount  
23 or all of the refund to which the individual is entitled shall be paid over  
24 to one (1) or more of the funds described in subsection (c). If the refund  
25 to which the individual is entitled is less than the total amount  
26 designated to be paid over to one (1) or more of the funds described in  
27 subsection (c), all of the refund to which the individual is entitled shall  
28 be paid over to the designated funds, but in an amount or amounts  
29 reduced proportionately for each designated fund. If an individual  
30 designates all of the refund to which the individual is entitled to be paid  
31 over to one (1) or more of the funds described in subsection (c) without  
32 designating specific amounts, the refund to which the individual is  
33 entitled shall be paid over to each fund described in subsection (c) in  
34 an amount equal to the refund divided by the number of funds  
35 described in subsection (c), rounded to the lowest cent, with any part  
36 of the refund remaining due to the effects of rounding to be deposited  
37 in the nongame fund.

38 (b) Every husband and wife (other than nonresidents) who file a  
39 joint income tax return and who are entitled to a refund from the  
40 department of state revenue because of the overpayment of income tax  
41 for a taxable year may designate on their annual state income tax return  
42 that either a specific amount or all of the refund to which they are





1 entitled shall be paid over to one (1) or more of the funds described in  
 2 subsection (c). If the refund to which a husband and wife are entitled  
 3 is less than the total amount designated to be paid over to one (1) or  
 4 more of the funds described in subsection (c), all of the refund to which  
 5 the husband and wife are entitled shall be paid over to the designated  
 6 funds, but in an amount or amounts reduced proportionately for each  
 7 designated fund. If a husband and wife designate all of the refund to  
 8 which the husband and wife are entitled to be paid over to one (1) or  
 9 more of the funds described in subsection (c) without designating  
 10 specific amounts, the refund to which the husband and wife are entitled  
 11 shall be paid over to each fund described in subsection (c) in an  
 12 amount equal to the refund divided by the number of funds described  
 13 in subsection (c), rounded to the lowest cent, with any part of the  
 14 refund remaining due to the effects of rounding to be deposited in the  
 15 nongame fund.

16 (c) Designations under subsection (a) or (b) may be directed only to  
 17 the following funds:

18 (1) The nongame fund.

19 (2) The state general fund for exclusive use in funding public  
 20 education for kindergarten through grade 12.

21 **(3) The veterans' affairs trust fund.**

22 **(d) This subsection applies if a taxpayer is not entitled to a**  
 23 **refund or if the taxpayer has under subsection (a) or (b) designated**  
 24 **that all of the taxpayer's refund be directed to a fund listed in**  
 25 **subsection (c) or a combination of the funds listed in subsection (c).**  
 26 **In addition to a designation under subsection (a) or (b), a taxpayer**  
 27 **who files an individual income tax return or joint income tax**  
 28 **return may designate on the taxpayer's annual state income tax**  
 29 **return an amount that the taxpayer desires to contribute to the**  
 30 **veterans' affairs trust fund by stating the amount of the**  
 31 **contribution. However, the amount may not be less than one dollar**  
 32 **(\$1). The department shall, on the individual income tax return**  
 33 **and joint income tax return, include a statement explaining that a**  
 34 **contribution under this subsection will increase the amount that**  
 35 **must be remitted with the tax return.**

36 ~~(d)~~ **(e)** The instructions for the preparation of individual income tax  
 37 returns shall contain a description of the purposes of the following:

38 (1) The nongame and endangered species program. The  
 39 description of this program shall be written in cooperation with  
 40 the department of natural resources.

41 (2) The funding of public education for kindergarten through  
 42 grade 12. The description of this purpose shall be written in



1 cooperation with the state superintendent of public instruction.

2 **(3) The purposes of the veterans' affairs trust fund. The**  
 3 **description of the purposes of this fund shall be written in**  
 4 **cooperation with the Indiana department of veterans' affairs.**

5 ~~(e)~~ **(f)** The department shall interpret a designation on a return under  
 6 subsection (a), ~~or~~ (b), **or (d)** that is illegible or otherwise not  
 7 reasonably discernible to the department as if the designation had not  
 8 been made.

9 SECTION 55. IC 6-8.1-10-2.1, AS AMENDED BY  
 10 P.L.293-2013(ts), SECTION 34, IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2.1. (a) Except as  
 12 provided in ~~IC 6-3-4-12(j)~~ **IC 6-3-4-12(k)** and IC 6-3-4-13(l), a person  
 13 that:

- 14 (1) fails to file a return for any of the listed taxes;  
 15 (2) fails to pay the full amount of tax shown on the person's return  
 16 on or before the due date for the return or payment;  
 17 (3) incurs, upon examination by the department, a deficiency that  
 18 is due to negligence;  
 19 (4) fails to timely remit any tax held in trust for the state; or  
 20 (5) is required to make a payment by electronic funds transfer (as  
 21 defined in IC 4-8.1-2-7), overnight courier, or personal delivery  
 22 and the payment is not received by the department by the due date  
 23 in funds acceptable to the department;

24 is subject to a penalty.

25 (b) Except as provided in subsection (g), the penalty described in  
 26 subsection (a) is ten percent (10%) of:

- 27 (1) the full amount of the tax due if the person failed to file the  
 28 return;  
 29 (2) the amount of the tax not paid, if the person filed the return  
 30 but failed to pay the full amount of the tax shown on the return;  
 31 (3) the amount of the tax held in trust that is not timely remitted;  
 32 (4) the amount of deficiency as finally determined by the  
 33 department; or  
 34 (5) the amount of tax due if a person failed to make payment by  
 35 electronic funds transfer, overnight courier, or personal delivery  
 36 by the due date.

37 (c) For purposes of this section, the filing of a substantially blank or  
 38 unsigned return does not constitute a return.

39 (d) If a person subject to the penalty imposed under this section can  
 40 show that the failure to file a return, pay the full amount of tax shown  
 41 on the person's return, timely remit tax held in trust, or pay the  
 42 deficiency determined by the department was due to reasonable cause



1 and not due to willful neglect, the department shall waive the penalty.

2 (e) A person who wishes to avoid the penalty imposed under this  
 3 section must make an affirmative showing of all facts alleged as a  
 4 reasonable cause for the person's failure to file the return, pay the  
 5 amount of tax shown on the person's return, pay the deficiency, or  
 6 timely remit tax held in trust, in a written statement containing a  
 7 declaration that the statement is made under penalty of perjury. The  
 8 statement must be filed with the return or payment within the time  
 9 prescribed for protesting departmental assessments. A taxpayer may  
 10 also avoid the penalty imposed under this section by obtaining a ruling  
 11 from the department before the end of a particular tax period on the  
 12 amount of tax due for that tax period.

13 (f) The department shall adopt rules under IC 4-22-2 to prescribe the  
 14 circumstances that constitute reasonable cause and negligence for  
 15 purposes of this section.

16 (g) A person who fails to file a return for a listed tax that shows no  
 17 tax liability for a taxable year, other than an information return (as  
 18 defined in section 6 of this chapter), on or before the due date of the  
 19 return shall pay a penalty of ten dollars (\$10) for each day that the  
 20 return is past due, up to a maximum of two hundred fifty dollars  
 21 (\$250).

22 (h) A:

- 23 (1) corporation which otherwise qualifies under IC 6-3-2-2.8(2);  
 24 (2) partnership; or  
 25 (3) trust;

26 that fails to withhold and pay any amount of tax required to be withheld  
 27 under IC 6-3-4-12, IC 6-3-4-13, or IC 6-3-4-15 shall pay a penalty  
 28 equal to twenty percent (20%) of the amount of tax required to be  
 29 withheld under IC 6-3-4-12, IC 6-3-4-13, or IC 6-3-4-15. This penalty  
 30 shall be in addition to any penalty imposed by section 6 of this chapter.

31 (i) Subsections (a) through (c) do not apply to a motor carrier fuel  
 32 tax return.

33 (j) If a partnership or an S corporation fails to include all  
 34 nonresidential individual partners or nonresidential individual  
 35 shareholders in a composite return as required by ~~IC 6-3-4-12(h)~~  
 36 **IC 6-3-4-12(i)** or IC 6-3-4-13(j), a penalty of five hundred dollars  
 37 (\$500) per partnership or S corporation is imposed on the partnership  
 38 or S corporation.

39 SECTION 56. IC 6-9-0.5 IS ADDED TO THE INDIANA CODE  
 40 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2016]:

42 **Chapter 0.5. Innkeeper's Tax Collection Requirements**



1           **Sec. 1. The tax collection requirements under IC 6-2.5-6-18 with**  
 2 **respect to an innkeeper's tax apply to an innkeeper's tax adopted**  
 3 **under any chapter of this article.**

4           SECTION 57. IC 6-9-29-3 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. If an ordinance has  
 6 been adopted requiring the payment of the innkeeper's tax to the county  
 7 treasurer instead of the department of state revenue, the county  
 8 treasurer has the same rights and powers with respect to collecting **and**  
 9 **refunding** the county innkeeper's tax as the department of state  
 10 revenue.

11           SECTION 58. IC 8-24-17-14, AS AMENDED BY P.L.250-2015,  
 12 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 JANUARY 1, 2017]: Sec. 14. (a) Except as otherwise provided in this  
 14 chapter, all provisions of the adjusted gross income tax law (IC 6-3)  
 15 concerning:

- 16           (1) definitions;
- 17           (2) declarations of estimated tax;
- 18           (3) filing of returns;
- 19           (4) remittances;
- 20           (5) incorporation of the provisions of the Internal Revenue Code;
- 21           (6) penalties and interest;
- 22           (7) exclusion of military pay credits for withholding; and
- 23           (8) exemptions and deductions;

24 apply to the imposition, collection, and administration of the  
 25 improvement tax.

26           (b) IC 6-3-3-3 ~~IC 6-3-3-5~~, and IC 6-3-5-1 do not apply to the  
 27 improvement tax.

28           (c) Notwithstanding subsections (a) and (b), each employer shall  
 29 report to the department the amount of withholdings of the  
 30 improvement tax attributable to each county. This report shall be  
 31 submitted to the department:

- 32           (1) each time the employer remits to the department the tax that  
 33 is withheld; and
- 34           (2) annually along with the employer's annual withholding report.

35           SECTION 59. IC 21-12-7-4 IS REPEALED [EFFECTIVE  
 36 JANUARY 1, 2017]. ~~Sec. 4. A contributor to the fund is entitled to an~~  
 37 ~~income tax credit under IC 6-3-3-5.1.~~

38           SECTION 60. IC 36-1-8-14.2, AS AMENDED BY P.L.146-2008,  
 39 SECTION 686, IS AMENDED TO READ AS FOLLOWS  
 40 [EFFECTIVE JULY 1, 2016]: Sec. 14.2. **(a) PILOTS may not be**  
 41 **imposed under this section for an assessment date occurring after**  
 42 **January 1, 2017.**



1           (a) (b) As used in this section, the following terms have the  
2 meanings set forth in IC 6-1.1-1:

- 3           (1) Assessed value.  
4           (2) Exemption.  
5           (3) Owner.  
6           (4) Person.  
7           (5) Property taxation.  
8           (6) Real property.  
9           (7) Township assessor.

10          (b) (c) As used in this section, "PILOTS" means payments in lieu of  
11 taxes.

12          (c) (d) As used in this section, "property owner" means the owner  
13 of real property described in IC 6-1.1-10-16.7 **(before its expiration)**.

14          (d) (e) Subject to **subsection (a) and** the approval of a property  
15 owner, the governing body of a political subdivision may adopt an  
16 ordinance to require the property owner to pay PILOTS at times set  
17 forth in the ordinance with respect to real property that is subject to an  
18 exemption under IC 6-1.1-10-16.7 **(before its expiration)**. ~~if the~~  
19 ~~improvements that qualify the real property for an exemption were~~  
20 ~~begun or acquired after December 31, 2001~~. The ordinance remains in  
21 full force and effect until:

- 22           **(1) the date the ordinance is** repealed or modified by the  
23 governing body, subject to the approval of the property owner; **or**  
24 **(2) January 1, 2017;**

25 **whichever occurs first.**

26          (e) (f) The PILOTS must be calculated so that the PILOTS are in an  
27 amount equal to the amount of property taxes that would have been  
28 levied by the governing body for the political subdivision upon the real  
29 property described in subsection (d) (e) if the property were not subject  
30 to an exemption from property taxation.

31          (f) (g) PILOTS shall be imposed as are property taxes and shall be  
32 based on the assessed value of the real property described in subsection  
33 (d) (e). Except as provided in subsection (j); (k), the township  
34 assessor, or the county assessor if there is no township assessor for the  
35 township, shall assess the real property described in subsection (d) (e)  
36 as though the property were not subject to an exemption.

37          (g) (h) PILOTS collected under this section shall be deposited in the  
38 unit's affordable housing fund established under IC 5-20-5-15.5 and  
39 used for any purpose for which the affordable housing fund may be  
40 used.

41          (h) (i) PILOTS shall be due as set forth in the ordinance and bear  
42 interest, if unpaid, as in the case of other taxes on property. PILOTS



1 shall be treated in the same manner as taxes for purposes of all  
2 procedural and substantive provisions of law.

3 ~~(i)~~ **(j)** This section does not apply to a county that contains a  
4 consolidated city or to a political subdivision of the county.

5 ~~(j)~~ **(k)** If the duties of the township assessor have been transferred  
6 to the county assessor as described in IC 6-1.1-1-24, a reference to the  
7 township assessor in this section is considered to be a reference to the  
8 county assessor.

9 **(l) This section expires January 1, 2020.**

10 SECTION 61. IC 36-2-6-22, AS AMENDED BY P.L.146-2008,  
11 SECTION 690, IS AMENDED TO READ AS FOLLOWS  
12 [EFFECTIVE JULY 1, 2016]: Sec. 22. **(a) PILOTS may not be**  
13 **imposed under this section for an assessment date occurring after**  
14 **January 1, 2017.**

15 ~~(a)~~ **(b)** As used in this section, the following terms have the  
16 meanings set forth in IC 6-1.1-1:

- 17 (1) Assessed value.
- 18 (2) Exemption.
- 19 (3) Owner.
- 20 (4) Person.
- 21 (5) Property taxation.
- 22 (6) Real property.
- 23 (7) Township assessor.

24 ~~(b)~~ **(c)** As used in this section, "PILOTS" means payments in lieu of  
25 taxes.

26 ~~(c)~~ **(d)** As used in this section, "property owner" means the owner  
27 of real property described in IC 6-1.1-10-16.7 **(before its expiration)**  
28 that is not located in a county containing a consolidated city.

29 ~~(d)~~ **(e)** Subject to **subsection (a) and** the approval of a property  
30 owner, the fiscal body of a county may adopt an ordinance to require  
31 the property owner to pay PILOTS at times set forth in the ordinance  
32 with respect to real property that is subject to an exemption under  
33 IC 6-1.1-10-16.7 **(before its expiration)**. The ordinance remains in full  
34 force and effect until:

35 **(1) the date the ordinance is repealed or modified by the**  
36 **legislative body, subject to the approval of the property owner; or**  
37 **(2) January 1, 2017;**  
38 **whichever occurs first.**

39 ~~(e)~~ **(f)** The PILOTS must be calculated so that the PILOTS are in an  
40 amount equal to the amount of property taxes that would have been  
41 levied upon the real property described in subsection ~~(d)~~ **(e)** if the  
42 property were not subject to an exemption from property taxation.



1           ~~(f)~~ **(g)** PILOTS shall be imposed in the same manner as property  
 2 taxes and shall be based on the assessed value of the real property  
 3 described in subsection ~~(d)~~; **(e)**. Except as provided in subsection ~~(i)~~;  
 4 **(j)**, the township assessor, or the county assessor if there is no township  
 5 assessor for the township, shall assess the real property described in  
 6 subsection ~~(d)~~ **(e)** as though the property were not subject to an  
 7 exemption.

8           ~~(g)~~ **(h)** PILOTS collected under this section shall be distributed in  
 9 the same manner as if they were property taxes being distributed to  
 10 taxing units in the county.

11           ~~(h)~~ **(i)** PILOTS shall be due as set forth in the ordinance and bear  
 12 interest, if unpaid, as in the case of other taxes on property. PILOTS  
 13 shall be treated in the same manner as taxes for purposes of all  
 14 procedural and substantive provisions of law.

15           ~~(i)~~ **(j)** If the duties of the township assessor have been transferred to  
 16 the county assessor as described in IC 6-1.1-1-24, a reference to the  
 17 township assessor in this section is considered to be a reference to the  
 18 county assessor.

19           **(k) This section expires January 1, 2020.**

20           SECTION 62. IC 36-3-2-11, AS AMENDED BY P.L.146-2008,  
 21 SECTION 702, IS AMENDED TO READ AS FOLLOWS  
 22 [EFFECTIVE JULY 1, 2016]: Sec. 11. **(a) PILOTS may not be**  
 23 **imposed under this section for an assessment date occurring after**  
 24 **January 1, 2017.**

25           ~~(a)~~ **(b)** As used in this section, the following terms have the  
 26 meanings set forth in IC 6-1.1-1:

- 27           (1) Assessed value.
- 28           (2) Exemption.
- 29           (3) Owner.
- 30           (4) Person.
- 31           (5) Property taxation.
- 32           (6) Real property.
- 33           (7) Township assessor.

34           ~~(b)~~ **(c)** As used in this section, "PILOTS" means payments in lieu of  
 35 taxes.

36           ~~(c)~~ **(d)** As used in this section, "property owner" means the owner  
 37 of real property described in IC 6-1.1-10-16.7 **(before its expiration)**  
 38 that is located in a county with a consolidated city.

39           ~~(d)~~ **(e)** Subject to **subsection (a) and** the approval of a property  
 40 owner, the legislative body of the consolidated city may adopt an  
 41 ordinance to require the property owner to pay PILOTS at times set  
 42 forth in the ordinance with respect to real property that is subject to an



1 exemption under IC 6-1.1-10-16.7 **(before its expiration)**. The  
 2 ordinance remains in full force and effect until:

3 **(1) the date the ordinance is** repealed or modified by the  
 4 legislative body, subject to the approval of the property owner; **or**

5 **(2) January 1, 2017;**

6 **whichever occurs first.**

7 ~~(e)~~ **(f)** The PILOTS must be calculated so that the PILOTS are in an  
 8 amount that is:

9 (1) agreed upon by the property owner and the legislative body of  
 10 the consolidated city;

11 (2) a percentage of the property taxes that would have been levied  
 12 by the legislative body for the consolidated city and the county  
 13 upon the real property described in subsection ~~(d)~~ **(e)** if the  
 14 property were not subject to an exemption from property taxation;  
 15 and

16 (3) not more than the amount of property taxes that would have  
 17 been levied by the legislative body for the consolidated city and  
 18 county upon the real property described in subsection ~~(d)~~ **(e)** if the  
 19 property were not subject to an exemption from property taxation.

20 ~~(f)~~ **(g)** PILOTS shall be imposed as are property taxes and shall be  
 21 based on the assessed value of the real property described in subsection  
 22 ~~(d)~~ **(e)**. Except as provided in subsection ~~(i)~~ **(j)**, the township assessor,  
 23 or the county assessor if there is no township assessor for the township,  
 24 shall assess the real property described in subsection ~~(d)~~ **(e)** as though  
 25 the property were not subject to an exemption.

26 ~~(g)~~ **(h)** PILOTS collected under this section shall be deposited in the  
 27 housing trust fund established under IC 36-7-15.1-35.5 and used for  
 28 any purpose for which the housing trust fund may be used.

29 ~~(h)~~ **(i)** PILOTS shall be due as set forth in the ordinance and bear  
 30 interest, if unpaid, as in the case of other taxes on property. PILOTS  
 31 shall be treated in the same manner as taxes for purposes of all  
 32 procedural and substantive provisions of law.

33 ~~(i)~~ **(j)** If the duties of the township assessor have been transferred to  
 34 the county assessor as described in IC 6-1.1-1-24, a reference to the  
 35 township assessor in this section is considered to be a reference to the  
 36 county assessor.

37 **(k) This section expires January 1, 2020.**

38 SECTION 63. IC 36-7-15.1-35.5, AS AMENDED BY  
 39 P.L.144-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS  
 40 [EFFECTIVE JULY 1, 2016]: Sec. 35.5. (a) The general assembly  
 41 finds the following:

42 (1) Federal law permits the sale of a multiple family housing





1 project that is or has been covered, in whole or in part, by a  
 2 contract for project based assistance from the United States  
 3 Department of Housing and Urban Development without  
 4 requiring the continuation of that project based assistance.

5 (2) Such a sale displaces the former residents of a multiple family  
 6 housing project described in subdivision (1) and increases the  
 7 shortage of safe and affordable housing for persons of low and  
 8 moderate income within the county.

9 (3) The displacement of families and individuals from affordable  
 10 housing requires increased expenditures of public funds for crime  
 11 prevention, public health and safety, fire and accident prevention,  
 12 and other public services and facilities.

13 (4) The establishment of a supplemental housing program under  
 14 this section will do the following:

15 (A) Benefit the health, safety, morals, and welfare of the  
 16 county and the state.

17 (B) Serve to protect and increase property values in the county  
 18 and the state.

19 (C) Benefit persons of low and moderate income by making  
 20 affordable housing available to them.

21 (5) The establishment of a supplemental housing program under  
 22 this section and sections 32 through 35 of this chapter is:

23 (A) necessary in the public interest; and

24 (B) a public use and purpose for which public money may be  
 25 spent and private property may be acquired.

26 (b) In addition to its other powers with respect to a housing program  
 27 under sections 32 through 35 of this chapter, the commission may  
 28 establish a supplemental housing program. Except as provided by this  
 29 section, the commission has the same powers and duties with respect  
 30 to the supplemental housing program that the commission has under  
 31 sections 32 through 35 of this chapter with respect to the housing  
 32 program.

33 (c) One (1) allocation area may be established for the supplemental  
 34 housing program. The commission is not required to make the findings  
 35 required under section 34(5) through 34(8) of this chapter with respect  
 36 to the allocation area. However, the commission must find that the  
 37 property contained within the boundaries of the allocation area consists  
 38 solely of one (1) or more multiple family housing projects that are or  
 39 have been covered, in whole or in part, by a contract for project based  
 40 assistance from the United States Department of Housing and Urban  
 41 Development or have been owned at one time by a public housing  
 42 agency. The allocation area need not be contiguous. The definition of



1 "base assessed value" set forth in section 35(a) of this chapter applies  
 2 to the special fund established under section 26(b) of this chapter for  
 3 the allocation area.

4 (d) The special fund established under section 26(b) of this chapter  
 5 for the allocation area established under this section may be used only  
 6 for the following purposes:

7 (1) Subject to subdivision (2), on January 1 and July 1 of each  
 8 year the balance of the special fund shall be transferred to the  
 9 housing trust fund established under subsection (e).

10 (2) The commission may provide each taxpayer in the allocation  
 11 area a credit for property tax replacement in the manner provided  
 12 by section 35(b)(7) of this chapter. Transfers made under  
 13 subdivision (1) shall be reduced by the amount necessary to  
 14 provide the credit.

15 (e) The commission shall, by resolution, establish a housing trust  
 16 fund to be administered, subject to the terms of the resolution, by:

17 (1) the housing division of the consolidated city; or

18 (2) the department, division, or agency that has been designated  
 19 to perform the public housing function by an ordinance adopted  
 20 under IC 36-7-18-1.

21 (f) The housing trust fund consists of:

22 (1) amounts transferred to the fund under subsection (d);

23 (2) payments in lieu of taxes deposited in the fund under  
 24 IC 36-3-2-11 **(before its expiration)**;

25 (3) gifts and grants to the fund;

26 (4) investment income earned on the fund's assets;

27 (5) money deposited in the fund under IC 36-2-7-10(j); and

28 (6) other funds from sources approved by the commission.

29 (g) The commission shall, by resolution, establish uses for the  
 30 housing trust fund. However, the uses must be limited to:

31 (1) providing financial assistance to those individuals and  
 32 families whose income is at or below eighty percent (80%) of the  
 33 county's median income for individuals and families, respectively,  
 34 to enable those individuals and families to purchase or lease  
 35 residential units within the county;

36 (2) paying expenses of administering the fund;

37 (3) making grants, loans, and loan guarantees for the  
 38 development, rehabilitation, or financing of affordable housing  
 39 for individuals and families whose income is at or below eighty  
 40 percent (80%) of the county's median income for individuals and  
 41 families, respectively, including the elderly, persons with  
 42 disabilities, and homeless individuals and families;



1 (4) providing technical assistance to nonprofit developers of  
2 affordable housing; and

3 (5) funding other programs considered appropriate to meet the  
4 affordable housing and community development needs of lower  
5 income families (as defined in IC 5-20-4-5) and very low income  
6 families (as defined in IC 5-20-4-6), including lower income  
7 elderly individuals, individuals with disabilities, and homeless  
8 individuals.

9 (h) At least fifty percent (50%) of the dollars allocated for  
10 production, rehabilitation, or purchase of housing must be used for  
11 units to be occupied by individuals and families whose income is at or  
12 below fifty percent (50%) of the county's area median income for  
13 individuals and families, respectively.

14 (i) The low income housing trust fund advisory committee is  
15 established. The low-income housing trust fund advisory committee  
16 consists of eleven (11) members. The membership of the low income  
17 housing trust fund advisory committee is comprised of:

18 (1) one (1) member appointed by the mayor, to represent the  
19 interests of low income families;

20 (2) one (1) member appointed by the mayor, to represent the  
21 interests of owners of subsidized, multifamily housing  
22 communities;

23 (3) one (1) member appointed by the mayor, to represent the  
24 interests of banks and other financial institutions;

25 (4) one (1) member appointed by the mayor, of the department of  
26 metropolitan development;

27 (5) three (3) members representing the community at large  
28 appointed by the commission, from nominations submitted to the  
29 commission as a result of a general call for nominations from  
30 neighborhood associations, community based organizations, and  
31 other social services agencies;

32 (6) one (1) member appointed by and representing the Coalition  
33 for Homeless Intervention and Prevention of Greater Indianapolis;

34 (7) one (1) member appointed by and representing the Local  
35 Initiatives Support Corporation;

36 (8) one (1) member appointed by and representing the  
37 Indianapolis Coalition for Neighborhood Development; and

38 (9) one (1) member appointed by and representing the  
39 Indianapolis Neighborhood Housing Partnership.

40 Members of the low income housing trust fund advisory committee  
41 serve for a term of four (4) years, and are eligible for reappointment. If  
42 a vacancy exists on the committee, the appointing authority who



1 appointed the former member whose position has become vacant shall  
 2 appoint an individual to fill the vacancy. A committee member may be  
 3 removed at any time by the appointing authority who appointed the  
 4 committee member.

5 (j) The low income housing trust fund advisory committee shall  
 6 make recommendations to the commission regarding:

7 (1) the development of policies and procedures for the uses of the  
 8 low income housing trust fund; and

9 (2) long term sources of capital for the low income housing trust  
 10 fund, including:

11 (A) revenue from:

12 (i) development ordinances;

13 (ii) fees; or

14 (iii) taxes;

15 (B) financial market based income;

16 (C) revenue derived from private sources; and

17 (D) revenue generated from grants, gifts, donations, or income  
 18 in any other form, from a:

19 (i) government program;

20 (ii) foundation; or

21 (iii) corporation.

22 (k) The county treasurer shall invest the money in the fund not  
 23 currently needed to meet the obligations of the fund in the same  
 24 manner as other public funds may be invested.

25 **SECTION 64. [EFFECTIVE JULY 1, 2016] (a) IC 6-2.5-6-18, as**  
 26 **added by this act, applies to transactions occurring after June 30,**  
 27 **2016.**

28 **(b) This SECTION expires January 1, 2018.**

29 **SECTION 65. [EFFECTIVE JANUARY 1, 2017] (a) IC 6-3-1-3.5,**  
 30 **as amended by this act, applies to taxable years beginning after**  
 31 **December 31, 2016.**

32 **(b) This SECTION expires January 1, 2019.**

33 **SECTION 66. [EFFECTIVE UPON PASSAGE] (a) IC 6-8.1-9-4,**  
 34 **as amended by this act, applies to an adjusted gross income tax**  
 35 **return filed for a taxable year that begins after December 31, 2015.**

36 **(b) This SECTION expires January 1, 2020.**

37 **SECTION 67. An emergency is declared for this act.**

