

HOUSE BILL No. 1028

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-51.

Synopsis: Homestead property tax freeze. Freezes an individual's property tax liability attributable to the individual's homestead based on the date on which the individual acquired an ownership interest in the homestead.

Effective: July 1, 2025.

VanNatter

January 8, 2025, read first time and referred to Committee on Ways and Means.



First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

HOUSE BILL No. 1028

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

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

1 SECTION 1. IC 6-1.1-51 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]:

4 **Chapter 51. Property Tax Liability Freeze on Homesteads**

5 **Sec. 1. As used in this chapter, "homestead" has the meaning set**
6 **forth in IC 6-1.1-12-37.**

7 **Sec. 2. As used in this chapter, "property tax liability" means**
8 **liability for the tax imposed on property under this article**
9 **determined after application of all credits and deductions under**
10 **this article. The term does not include any interest or penalty**
11 **imposed under this article.**

12 **Sec. 3. As used in this chapter, "qualified interest" refers to an**
13 **interest described in IC 6-1.1-12-37(a)(2)(B).**

14 **Sec. 4. (a) Beginning with property taxes first due and payable**
15 **in the 2026 calendar year, and for property taxes first due and**
16 **payable in each subsequent calendar year, an individual is entitled**
17 **to a determination of property tax liability with respect to the**



1 individual's homestead under this chapter.

2 (b) Except as provided in subsection (c), the property tax
3 liability of an individual for property taxes first due and payable
4 in a particular calendar year with respect to the individual's
5 homestead is equal to the following amount:

6 (1) In the case of a homestead in which the individual
7 acquired a qualified interest before January 1, 2025, the
8 amount of property tax liability attributable to the homestead
9 for property taxes first due and payable in the 2025 calendar
10 year.

11 (2) In the case of a homestead in which the individual
12 acquired a qualified interest after December 31, 2024, the
13 lesser of the:

14 (A) amount of property tax liability attributable to the
15 homestead for the assessment date in the calendar year in
16 which the individual acquired a qualified interest in the
17 homestead; or

18 (B) lowest amount of property tax liability attributable to
19 the homestead for property taxes first due and payable in
20 a calendar year that is after the calendar year in which the
21 individual acquired a qualified interest in the homestead.

22 (c) If a physical change to the homestead results in an increased
23 assessment of the homestead for an assessment date after the date
24 on which an individual acquires a qualified interest in the
25 homestead, the property tax liability of an individual for property
26 taxes first due and payable in subsequent calendar years with
27 respect to the homestead is the sum of the:

28 (1) amount of the individual's property tax liability
29 attributable to the homestead otherwise determined under
30 subsection (b) for the calendar year; plus

31 (2) amount of the individual's property tax liability that is
32 directly attributable to the physical change in the homestead
33 for property taxes first due and payable in the first calendar
34 year for which the new assessment would otherwise result in
35 increased property tax liability with respect to the homestead
36 if not for the application of this chapter.

37 (d) The property tax liability for a homestead determined under
38 this section for property taxes first due and payable in a calendar
39 year is considered for all purposes to be property taxes imposed by
40 the state or a political subdivision in which the homestead is
41 located.

42 Sec. 5. Notwithstanding any other law, the property tax liability



1 determined under this chapter for a homestead for property taxes
2 first due and payable in a calendar year is the only property tax
3 liability to which the homestead is subject for that year.

4 **Sec. 6. The auditor of the county shall apply the provisions of**
5 **this chapter to a determination of property tax liability for an**
6 **individual's homestead as set forth under this chapter.**

7 SECTION 2. [EFFECTIVE JULY 1, 2025] (a) IC 6-1.1-51, as
8 added by this act, applies to property taxes first due and payable
9 beginning in calendar years after December 31, 2025.

10 (b) This SECTION expires January 1, 2028.

