

HOUSE BILL No. 1075

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Property taxes. Provides that, for assessments beginning in 2026, the assessed value of homestead property shall not be subject to annual adjustments (trending), but instead shall be determined based on the assessed value of the homestead on the January 1, 2025, assessment date, the assessed value of the homestead on the first assessment date that it becomes homestead property, if it was not a homestead on the January 1, 2025, assessment date, or the sales price or fair market value of the homestead, if there is a change of ownership after January 1, 2025. Increases the amount of the assessed value deduction for disabled veterans. Phases in the increase over five years from \$24,960 under current law to \$50,000 for assessments beginning in 2030. Provides for a five year phase in of a 100% property tax credit for the property tax liability imposed on the homestead of an individual who is or will be at least 65 years of age on or before December 31 of the calendar year immediately preceding the current calendar year in which the individual's property taxes are first due and payable. Specifies, beginning with property taxes first due and payable in 2026, the annual amounts of the phased in property tax credit for such an individual's homestead. Makes conforming changes.

Effective: Upon passage; July 1, 2025.

Haggard

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. 1075



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 6-1.1-4-4.2, AS AMENDED BY P.L.236-2023,
2 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]: Sec. 4.2. (a) The county assessor of each county shall,
4 before July 1, 2013, and before May 1 of every fourth year thereafter,
5 prepare and submit to the department of local government finance a
6 reassessment plan for the county. The following apply to a
7 reassessment plan prepared and submitted under this section:
8 (1) The reassessment plan is subject to approval by the
9 department of local government finance. The department of local
10 government finance shall complete its review and approval of the
11 reassessment plan before:
12 (A) March 1, 2015; and
13 (B) January 1 of each subsequent year that follows a year in
14 which the reassessment plan is submitted by the county.
15 (2) The department of local government finance shall determine
16 the classes of real property to be used for purposes of this section.
17 (3) Except as provided in subsection (b), the reassessment plan



- 1 must divide all parcels of real property in the county into four (4)
2 different groups of parcels. Each group of parcels must contain
3 approximately twenty-five percent (25%) of the parcels within
4 each class of real property in the county.
- 5 (4) Except as provided in subsection (b), all real property in each
6 group of parcels shall be reassessed under the county's
7 reassessment plan once during each four (4) year cycle.
- 8 (5) The reassessment of a group of parcels in a particular class of
9 real property shall begin on May 1 of a year.
- 10 (6) The reassessment of parcels:
- 11 (A) must include a physical inspection of each parcel of real
12 property in the group of parcels that is being reassessed; and
13 (B) shall be completed on or before January 1 of the year after
14 the year in which the reassessment of the group of parcels
15 begins.
- 16 (7) For real property included in a group of parcels that is
17 reassessed, the reassessment is the basis for taxes payable in the
18 year following the year in which the reassessment is to be
19 completed.
- 20 (8) The reassessment plan must specify the dates by which the
21 assessor must submit land values under section 13.6 of this
22 chapter to the county property tax assessment board of appeals.
- 23 (9) The department may not approve the reassessment plan until
24 the assessor provides verification that the land values
25 determination under section 13.6 of this chapter has been
26 completed.
- 27 (10) Subject to review and approval by the department of local
28 government finance, the county assessor may modify the
29 reassessment plan.
- 30 **(11) The reassessment plan with regard to homestead**
31 **property is subject to and must comply with the provisions in**
32 **section 4.5(i) of this chapter.**
- 33 (b) A county may submit a reassessment plan that provides for
34 reassessing more than twenty-five percent (25%) of all parcels of real
35 property in the county in a particular year. A plan may provide that all
36 parcels are to be reassessed in one (1) year. However, a plan must
37 cover a four (4) year period. All real property in each group of parcels
38 shall be reassessed under the county's reassessment plan once during
39 each reassessment cycle.
- 40 (c) The reassessment of the first group of parcels under a county's
41 reassessment plan shall begin on July 1, 2014, and shall be completed
42 on or before January 1, 2015.



1 (d) The department of local government finance may adopt rules to
2 govern the reassessment of property under county reassessment plans.

3 SECTION 2. IC 6-1.1-4-4.5, AS AMENDED BY P.L.8-2022,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2025]: Sec. 4.5. (a) The department of local government
6 finance shall adopt rules establishing a system for annually adjusting
7 the assessed value of real property to account for changes in value in
8 those years since a reassessment under section 4.2 of this chapter for
9 the property last took effect.

10 (b) Subject to ~~subsection~~ **subsections (f) and (i)**, the system must
11 be applied to adjust assessed values beginning with the 2006
12 assessment date and each year thereafter that is not a year in which a
13 reassessment under section 4.2 of this chapter for the property becomes
14 effective.

15 (c) The rules adopted under subsection (a) must include the
16 following characteristics in the system:

17 (1) Promote uniform and equal assessment of real property within
18 and across classifications.

19 (2) Require that assessing officials:

20 (A) reevaluate the factors that affect value;

21 (B) express the interactions of those factors mathematically;

22 (C) use mass appraisal techniques to estimate updated property
23 values within statistical measures of accuracy; and

24 (D) provide notice to taxpayers of an assessment increase that
25 results from the application of annual adjustments.

26 (3) Prescribe procedures that permit the application of the
27 adjustment percentages in an efficient manner by assessing
28 officials.

29 (d) The department of local government finance must review and
30 certify each annual adjustment determined under this section.

31 (e) For an assessment beginning after December 31, 2022,
32 agricultural improvements such as but not limited to barns, grain bins,
33 or silos on land assessed as agricultural shall not be adjusted using
34 factors, such as neighborhood delineation, that are appropriate for use
35 in adjusting residential, commercial, and industrial real property. Those
36 portions of agricultural parcels that include land and buildings not used
37 for an agricultural purpose, such as homes, homesites, and excess
38 residential land and commercial or industrial land and buildings, shall
39 be adjusted by the factor or factors developed for other similar property
40 within the geographic stratification. The residential portion of
41 agricultural properties shall be adjusted by the factors applied to
42 similar residential purposes.



1 (f) In making the annual determination of the base rate to satisfy the
 2 requirement for an annual adjustment for each assessment date, the
 3 department of local government finance shall not later than March 1 of
 4 each year determine the base rate using the methodology reflected in
 5 Table 2-18 of Book 1, Chapter 2 of the department of local government
 6 finance's Real Property Assessment Guidelines (as in effect on January
 7 1, 2005), except that the department shall adjust the methodology as
 8 follows:

9 (1) Use a six (6) year rolling average adjusted under subdivision

10 (3) instead of a four (4) year rolling average.

11 (2) Use the data from the six (6) most recent years preceding the
 12 year in which the assessment date occurs for which data is
 13 available, before one (1) of those six (6) years is eliminated under
 14 subdivision (3) when determining the rolling average.

15 (3) Eliminate in the calculation of the rolling average the year
 16 among the six (6) years for which the highest market value in use
 17 of agricultural land is determined.

18 (4) After determining a preliminary base rate that would apply for
 19 the assessment date without applying the adjustment under this
 20 subdivision, the department of local government finance shall
 21 adjust the preliminary base rate as follows:

22 (A) If the preliminary base rate for the assessment date would
 23 be at least ten percent (10%) greater than the final base rate
 24 determined for the preceding assessment date, a capitalization
 25 rate of eight percent (8%) shall be used to determine the final
 26 base rate.

27 (B) If the preliminary base rate for the assessment date would
 28 be at least ten percent (10%) less than the final base rate
 29 determined for the preceding assessment date, a capitalization
 30 rate of six percent (6%) shall be used to determine the final
 31 base rate.

32 (C) If neither clause (A) nor clause (B) applies, a capitalization
 33 rate of seven percent (7%) shall be used to determine the final
 34 base rate.

35 (D) In the case of a market value in use for a year that is used
 36 in the calculation of the six (6) year rolling average under
 37 subdivision (1) for purposes of determining the base rate for
 38 the assessment date:

39 (i) that market value in use shall be recalculated by using the
 40 capitalization rate determined under clauses (A) through (C)
 41 for the calculation of the base rate for the assessment date;
 42 and



1 (ii) the market value in use recalculated under item (i) shall
 2 be used in the calculation of the six (6) year rolling average
 3 under subdivision (1).

4 (g) For assessment dates after December 31, 2009, an adjustment in
 5 the assessed value of real property under this section shall be based on
 6 the estimated true tax value of the property on the assessment date that
 7 is the basis for taxes payable on that real property.

8 (h) The department shall release the department's annual
 9 determination of the base rate on or before March 1 of each year.

10 (i) **This subsection applies to assessment dates beginning on**
 11 **January 1, 2026, and each assessment date thereafter.**
 12 **Notwithstanding any other provision of this article, property that**
 13 **is eligible for the homestead standard deduction under**
 14 **IC 6-1.1-12-37 for an assessment date shall not be subject to an**
 15 **adjustment of assessed value under this section. Instead, the**
 16 **assessed value of the homestead shall be determined as:**

17 (1) **the assessed value of the homestead on the January 1,**
 18 **2025, assessment date;**

19 (2) **if the property was not eligible for the homestead standard**
 20 **deduction on the January 1, 2025, assessment date, the**
 21 **assessed value of the homestead on the first assessment date**
 22 **that the property becomes eligible for the homestead standard**
 23 **deduction after January 1, 2025;**

24 (3) **the sales price of the homestead, if there is a change of**
 25 **ownership of a homestead by sale after January 1, 2025; or**

26 (4) **the market value of the homestead, if there is a change of**
 27 **ownership of a homestead by gift, bequest, or other**
 28 **disposition after January 1, 2025.**

29 **The assessed value determination under subdivisions (3) and (4)**
 30 **shall apply for the assessment date immediately succeeding the**
 31 **date of the change of ownership, after which, if the property is no**
 32 **longer eligible for the homestead standard deduction, the property**
 33 **shall be subject to an adjustment of assessed value under this**
 34 **section.**

35 SECTION 3. IC 6-1.1-12-13, AS AMENDED BY P.L.293-2013(ts),
 36 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2025]: Sec. 13. (a) Except as provided in section 40.5 of this
 38 chapter, an individual may have ~~twenty-four thousand nine hundred~~
 39 ~~sixty dollars (\$24,960)~~ **the amount determined under subsection (e)**
 40 **deducted from the assessed value of the taxable tangible property that**
 41 **the individual owns, or real property, a mobile home not assessed as**
 42 **real property, or a manufactured home not assessed as real property**



1 that the individual is buying under a contract that provides that the
 2 individual is to pay property taxes on the real property, mobile home,
 3 or manufactured home, if the contract or a memorandum of the contract
 4 is recorded in the county recorder's office and if:

5 (1) the individual served in the military or naval forces of the
 6 United States during any of its wars;

7 (2) the individual received an honorable discharge;

8 (3) the individual has a disability with a service connected
 9 disability of ten percent (10%) or more;

10 (4) the individual's disability is evidenced by:

11 (A) a pension certificate, an award of compensation, or a
 12 disability compensation check issued by the United States
 13 Department of Veterans Affairs; or

14 (B) a certificate of eligibility issued to the individual by the
 15 Indiana department of veterans' affairs after the Indiana
 16 department of veterans' affairs has determined that the
 17 individual's disability qualifies the individual to receive a
 18 deduction under this section; and

19 (5) the individual:

20 (A) owns the real property, mobile home, or manufactured
 21 home; or

22 (B) is buying the real property, mobile home, or manufactured
 23 home under contract;

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

26 (b) The surviving spouse of an individual may receive the deduction
 27 provided by this section if the individual satisfied the requirements of
 28 subsection (a)(1) through (a)(4) at the time of death and the surviving
 29 spouse satisfies the requirement of subsection (a)(5) at the time the
 30 deduction statement is filed. The surviving spouse is entitled to the
 31 deduction regardless of whether the property for which the deduction
 32 is claimed was owned by the deceased veteran or the surviving spouse
 33 before the deceased veteran's death.

34 (c) One who receives the deduction provided by this section may not
 35 receive the deduction provided by section 16 of this chapter. However,
 36 the individual may receive any other property tax deduction which the
 37 individual is entitled to by law.

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



1 under this section against that real property, mobile home, or
2 manufactured home.

3 **(e) The amount of the deduction under this section is as follows:**

4 **(1) For assessments before January 1, 2026, twenty-four**
5 **thousand nine hundred sixty dollars (\$24,960).**

6 **(2) For assessments made in 2026, thirty thousand dollars**
7 **(\$30,000).**

8 **(3) For assessments made in 2027, thirty-five thousand dollars**
9 **(\$35,000).**

10 **(4) For assessments made in 2028, forty thousand dollars**
11 **(\$40,000).**

12 **(5) For assessments made in 2029, forty-five thousand dollars**
13 **(\$45,000).**

14 **(6) For assessments made in 2030, and for assessments made**
15 **in each taxable year thereafter, fifty thousand dollars**
16 **(\$50,000).**

17 SECTION 4. IC 6-1.1-20.6-3, AS AMENDED BY P.L.197-2016,
18 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 UPON PASSAGE]: Sec. 3. As used in this chapter, "property tax
20 liability" means ~~for purposes of:~~ **the following:**

21 **(1) For purposes of** this chapter, other than section 8.5 of this
22 chapter **(before its expiration)**, liability for the tax imposed on
23 property under this article determined after application of all
24 credits and deductions under this article or IC 6-3.6, except the
25 credit under this chapter, but does not include any interest or
26 penalty imposed under this article. ~~and~~

27 **(2) For purposes of** section 8.5 of this chapter **(before its**
28 **expiration)**, liability for the tax imposed on property under this
29 article determined after application of all credits and deductions
30 under this article or IC 6-3.6, including the credit granted by
31 section 7 or 7.5 of this chapter, but not including the credit
32 granted under section 8.5 of this chapter **(before its expiration)**
33 or any interest or penalty imposed under this article.

34 **(3) For purposes of section 8.6 of this chapter, liability for the**
35 **tax imposed on property under this article determined after**
36 **application of all credits and deductions under this article or**
37 **IC 6-3.6, including the credit granted by section 7 or 7.5 of**
38 **this chapter and, if applicable, the credit granted under**
39 **section 8.5 of this chapter (before its expiration) but not**
40 **including any interest or penalty imposed under this article.**

41 SECTION 5. IC 6-1.1-20.6-8, AS AMENDED BY P.L.146-2008,
42 SECTION 224, IS AMENDED TO READ AS FOLLOWS



1 [EFFECTIVE UPON PASSAGE]: Sec. 8. Except as provided in ~~section~~
 2 **sections 8.5 (before its expiration) and 8.6** of this chapter, a person
 3 is not required to file an application for the credit under this chapter.

4 The county auditor shall:

5 (1) identify the property in the county eligible for the credit under
 6 this chapter; and

7 (2) apply the credit under this chapter to property tax liability on
 8 the identified property.

9 SECTION 6. IC 6-1.1-20.6-8.5, AS AMENDED BY P.L.239-2023,
 10 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 UPON PASSAGE]: Sec. 8.5. (a) This section applies to an individual
 12 who:

13 (1) qualified for a standard deduction granted under
 14 IC 6-1.1-12-37 for the individual's homestead property in the
 15 immediately preceding calendar year (or was married at the time
 16 of death to a deceased spouse who qualified for a standard
 17 deduction granted under IC 6-1.1-12-37 for the individual's
 18 homestead property in the immediately preceding calendar year);

19 (2) qualifies for a standard deduction granted under
 20 IC 6-1.1-12-37 for the same homestead property in the current
 21 calendar year;

22 (3) is or will be at least sixty-five (65) years of age on or before
 23 December 31 of the calendar year immediately preceding the
 24 current calendar year; and

25 (4) had:

26 (A) in the case of an individual who filed a single return,
 27 adjusted gross income (as defined in Section 62 of the Internal
 28 Revenue Code) not exceeding thirty thousand dollars
 29 (\$30,000), and beginning for the January 1, 2023, assessment
 30 date, and each assessment date thereafter, adjusted annually by
 31 an amount equal to the percentage cost of living increase
 32 applied for Social Security benefits for the immediately
 33 preceding calendar year; or

34 (B) in the case of an individual who filed a joint income tax
 35 return with the individual's spouse, combined adjusted gross
 36 income (as defined in Section 62 of the Internal Revenue
 37 Code) not exceeding forty thousand dollars (\$40,000), and
 38 beginning for the January 1, 2023, assessment date, and each
 39 assessment date thereafter, adjusted annually by an amount
 40 equal to the percentage cost of living increase applied for
 41 Social Security benefits for the immediately preceding
 42 calendar year;



1 for the calendar year preceding by two (2) years the calendar year
2 in which property taxes are first due and payable.

3 For purposes of applying the annual cost of living increases described
4 in subdivision (4)(A) and (4)(B), the annual percentage increase is
5 applied to the adjusted amount of income from the immediately
6 preceding year.

7 (b) Except as provided in subsection (g), this section does not apply
8 if:

9 (1) for an individual who received a credit under this section
10 before January 1, 2020, the gross assessed value of the homestead
11 on the assessment date for which property taxes are imposed is at
12 least two hundred thousand dollars (\$200,000);

13 (2) for an individual who initially applies for a credit under this
14 section after December 31, 2019, and before January 1, 2023, the
15 assessed value of the individual's Indiana real property is at least
16 two hundred thousand dollars (\$200,000); or

17 (3) for an individual who initially applies for a credit under this
18 section after December 31, 2022, the assessed value of the
19 individual's Indiana real property is at least two hundred forty
20 thousand dollars (\$240,000).

21 (c) An individual is entitled to an additional credit under this section
22 for property taxes first due and payable for a calendar year on a
23 homestead if:

24 (1) the individual and the homestead qualify for the credit under
25 subsection (a) for the calendar year;

26 (2) the homestead is not disqualified for the credit under
27 subsection (b) for the calendar year; and

28 (3) the filing requirements under subsection (e) are met.

29 (d) The amount of the credit is equal to the greater of zero (0) or the
30 result of:

31 (1) the property tax liability first due and payable on the
32 homestead property for the calendar year; minus

33 (2) the result of:

34 (A) the property tax liability first due and payable on the
35 qualified homestead property for the immediately preceding
36 year after the application of the credit granted under this
37 section for that year; multiplied by

38 (B) one and two hundredths (1.02).

39 However, property tax liability imposed on any improvements to or
40 expansion of the homestead property after the assessment date for
41 which property tax liability described in subdivision (2) was imposed
42 shall not be considered in determining the credit granted under this



1 section in the current calendar year.

2 (e) Applications for a credit under this section shall be filed in the
3 manner provided for an application for a deduction under
4 IC 6-1.1-12-9. However, an individual who remains eligible for the
5 credit in the following year is not required to file a statement to apply
6 for the credit in the following year. An individual who receives a credit
7 under this section in a particular year and who becomes ineligible for
8 the credit in the following year shall notify the auditor of the county in
9 which the homestead is located of the individual's ineligibility not later
10 than sixty (60) days after the individual becomes ineligible.

11 (f) The auditor of each county shall, in a particular year, apply a
12 credit provided under this section to each individual who received the
13 credit in the preceding year unless the auditor determines that the
14 individual is no longer eligible for the credit.

15 (g) For purposes of determining the:

16 (1) assessed value of the homestead on the assessment date for
17 which property taxes are imposed under subsection (b)(1);

18 (2) assessed value of the individual's Indiana real property under
19 subsection (b)(2); or

20 (3) assessed value of the individual's Indiana real property under
21 subsection (b)(3);

22 for an individual who has received a credit under this section in a
23 previous year, increases in assessed value that occur after the later of
24 December 31, 2019, or the first year that the individual has received
25 the credit are not considered unless the increase in assessed value is
26 attributable to substantial renovation or new improvements. Where
27 there is an increase in assessed value for purposes of the credit under
28 this section, the assessor shall provide a report to the county auditor
29 describing the substantial renovation or new improvements, if any, that
30 were made to the property prior to the increase in assessed value.

31 **(h) This section expires December 31, 2029.**

32 SECTION 7. IC 6-1.1-20.6-8.6 IS ADDED TO THE INDIANA
33 CODE AS A NEW SECTION TO READ AS FOLLOWS
34 [EFFECTIVE UPON PASSAGE]: **Sec. 8.6. (a) This section applies to**
35 **property taxes first due and payable after December 31, 2025, for**
36 **an individual who:**

37 (1) **qualified for a standard deduction granted under**
38 **IC 6-1.1-12-37 for the individual's homestead property in the**
39 **immediately preceding calendar year (or was married at the**
40 **time of death to a deceased spouse who qualified for a**
41 **standard deduction granted under IC 6-1.1-12-37 for the**
42 **individual's homestead property in the immediately preceding**



1 calendar year);
2 (2) qualifies for a standard deduction granted under
3 IC 6-1.1-12-37 for the same homestead property in the
4 current calendar year; and
5 (3) is or will be at least sixty-five (65) years of age on or before
6 December 31 of the calendar year immediately preceding the
7 current calendar year.
8 (b) An individual is entitled to an additional credit under this
9 section for property taxes first due and payable for a calendar year
10 on a homestead if the individual and the homestead qualify for the
11 credit under subsection (a) for the calendar year.
12 (c) The amount of the credit is equal to the following
13 percentage:
14 (1) For property taxes first due and payable in 2026, an
15 amount equal to twenty percent (20%) of the property tax
16 liability imposed on the individual's homestead property.
17 (2) For property taxes first due and payable in 2027, an
18 amount equal to forty percent (40%) of the property tax
19 liability imposed on the individual's homestead property.
20 (3) For property taxes first due and payable in 2028, an
21 amount equal to sixty percent (60%) of the property tax
22 liability imposed on the individual's homestead property.
23 (4) For property taxes first due and payable in 2029, an
24 amount equal to eighty percent (80%) of the property tax
25 liability imposed on the individual's homestead property.
26 (5) For property taxes first due and payable in 2030 and for
27 each year thereafter, an amount equal to one hundred percent
28 (100%) of the property tax liability imposed on the
29 individual's homestead property.
30 (d) An individual may claim the credit provided by this section
31 on a form prescribed by the department. The department may
32 modify an existing form or prescribe a new form on which the
33 individual may claim the credit.
34 (e) The auditor of each county shall, in a particular year, apply
35 a credit provided under this section to each individual who
36 received the credit in the preceding year.
37 SECTION 8. IC 6-1.1-36-17, AS AMENDED BY P.L.85-2017,
38 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 UPON PASSAGE]: Sec. 17. (a) As used in this section, "nonreverting
40 fund" refers to a nonreverting fund established under subsection (d).
41 (b) If a county auditor makes a determination that property was not
42 eligible for a standard deduction under IC 6-1.1-12-37 in a particular



1 year within three (3) years after the date on which taxes for the
 2 particular year are first due, the county auditor may issue a notice of
 3 taxes, interest, and penalties due to the owner that improperly received
 4 the standard deduction and include a statement that the payment is to
 5 be made payable to the county auditor. The additional taxes and civil
 6 penalties that result from the removal of the deduction, if any, are
 7 imposed for property taxes first due and payable for an assessment date
 8 occurring before the earlier of the date of the notation made under
 9 subsection (c)(2)(A) or the date a notice of an ineligible homestead lien
 10 is recorded under subsection (e)(2) in the office of the county recorder.
 11 The notice must require full payment of the amount owed within:

12 (1) one (1) year with no penalties and interest, if:

13 (A) the taxpayer did not comply with the requirement to return
 14 the homestead verification form under IC 6-1.1-22-8.1(b)(9)

15 (expired January 1, 2015); and

16 (B) the county auditor allowed the taxpayer to receive the
 17 standard deduction in error; or

18 (2) thirty (30) days, if subdivision (1) does not apply.

19 With respect to property subject to a determination made under this
 20 subsection that is owned by a bona fide purchaser without knowledge
 21 of the determination, no lien attaches for any additional taxes and civil
 22 penalties that result from the removal of the deduction.

23 (c) If a county auditor issues a notice of taxes, interest, and penalties
 24 due to an owner under subsection (b), the county auditor shall:

25 (1) notify the county treasurer of the determination; and

26 (2) do one (1) or more of the following:

27 (A) Make a notation on the tax duplicate that the property is
 28 ineligible for the standard deduction and indicate the date the
 29 notation is made.

30 (B) Record a notice of an ineligible homestead lien under
 31 subsection (e)(2).

32 (d) Each county auditor shall establish a nonreverting fund. Upon
 33 collection of the adjustment in tax due (and any interest and penalties
 34 on that amount) after the termination of a deduction or credit as
 35 specified in subsection (b), the county treasurer shall deposit that
 36 amount:

37 (1) in the nonreverting fund, if the county contains a consolidated
 38 city; or

39 (2) if the county does not contain a consolidated city:

40 (A) in the nonreverting fund, to the extent that the amount
 41 collected, after deducting the direct cost of any contract,
 42 including contract related expenses, under which the



1 contractor is required to identify homestead deduction
 2 eligibility, does not cause the total amount deposited in the
 3 nonreverting fund under this subsection for the year during
 4 which the amount is collected to exceed one hundred thousand
 5 dollars (\$100,000); or

6 (B) in the county general fund, to the extent that the amount
 7 collected exceeds the amount that may be deposited in the
 8 nonreverting fund under clause (A).

9 (e) Any part of the amount due under subsection (b) that is not
 10 collected by the due date is subject to collection under one (1) or more
 11 of the following:

12 (1) After being placed on the tax duplicate for the affected
 13 property and collected in the same manner as other property taxes.

14 (2) Through a notice of an ineligible homestead lien recorded in
 15 the county recorder's office without charge.

16 The adjustment in tax due (and any interest and penalties on that
 17 amount) after the termination of a deduction or credit as specified in
 18 subsection (b) shall be deposited as specified in subsection (d) only in
 19 the first year in which that amount is collected. Upon the collection of
 20 the amount due under subsection (b) or the release of a lien recorded
 21 under subdivision (2), the county auditor shall submit the appropriate
 22 documentation to the county recorder, who shall amend the information
 23 recorded under subdivision (2) without charge to indicate that the lien
 24 has been released or the amount has been paid in full.

25 (f) The amount to be deposited in the nonreverting fund or the
 26 county general fund under subsection (d) includes adjustments in the
 27 tax due as a result of the termination of deductions or credits available
 28 only for property that satisfies the eligibility for a standard deduction
 29 under IC 6-1.1-12-37, including the following:

30 (1) Supplemental deductions under IC 6-1.1-12-37.5.

31 (2) Homestead credits under IC 6-1.1-20.4, IC 6-3.6-5,
 32 IC 6-3.6-11-3, or any other law.

33 (3) Credit for excessive property taxes under **any of the**
 34 **following:**

35 (A) IC 6-1.1-20.6-7.5. **or**

36 (B) IC 6-1.1-20.6-8.5 **(before its expiration).**

37 (C) **IC 6-1.1-20.6-8.6.**

38 Any amount paid that exceeds the amount required to be deposited
 39 under subsection (d)(1) or (d)(2) shall be distributed as property taxes.

40 (g) Money deposited under subsection (d)(1) or (d)(2) shall be
 41 treated as miscellaneous revenue. Distributions shall be made from the
 42 nonreverting fund established under this section upon appropriation by



1 the county fiscal body and shall be made only for the following
2 purposes:

3 (1) Fees and other costs incurred by the county auditor to discover
4 property that is eligible for a standard deduction under
5 IC 6-1.1-12-37.

6 (2) Other expenses of the office of the county auditor.

7 The amount of deposits in a reverting fund, the balance of a
8 nonreverting fund, and expenditures from a reverting fund may not be
9 considered in establishing the budget of the office of the county auditor
10 or in setting property tax levies that will be used in any part to fund the
11 office of the county auditor.

12 SECTION 9. IC 6-1.1-49-6, AS ADDED BY P.L.95-2023,
13 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]: Sec. 6. (a) A qualified individual who desires to
15 claim the credit under this chapter must apply for the credit by filing a
16 certified statement on forms prescribed by the department of local
17 government finance with the county auditor. However, a qualified
18 individual who remains eligible for the credit in the following year is
19 not required to file a statement to apply for the credit in the following
20 year.

21 (b) An individual who has a credit provided under this chapter
22 applied to the individual's property tax liability in a particular calendar
23 year may not also have a credit under IC 6-1.1-20.6-8.5 (**before its**
24 **expiration) or IC 6-1.1-20.6-8.6 applied to the individual's property**
25 **tax liability in the same calendar year.**

26 (c) Not more than one (1) credit may be claimed under this chapter
27 with respect to a particular homestead by any qualified individual.

28 SECTION 10. [EFFECTIVE UPON PASSAGE] (a)
29 **IC 6-1.1-20.6-3, IC 6-1.1-20.6-8, IC 6-1.1-20.6-8.5, IC 6-1.1-36-17,**
30 **and IC 6-1.1-49-6, all as amended by this act, apply to property**
31 **taxes first due and payable after December 31, 2025.**

32 (b) **IC 6-1.1-20.6-8.6, as added by this act, applies to property**
33 **taxes first due and payable after December 31, 2025.**

34 (c) **This SECTION expires December 31, 2029.**

35 SECTION 11. **An emergency is declared for this act.**

