HOUSE BILL No. 1079

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-20.6.

Synopsis: Age 65 and over property tax credit. Permits Marion County to adopt an ordinance to establish a geographic territory in which a property owner may qualify for the age 65 and over property tax credit at a higher adjusted gross income than the statutory amount. Permits local income taxes to be used to offset property tax losses by taxing units because of the higher income limit.

Effective: July 1, 2018.

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January 3, 2018, read first time and referred to Committee on Ways and Means.

Introduced

Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1079

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

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

SECTION 1. IC 6-1.1-20.6-8.5, AS AMENDED BY P.L.113-2010, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 8.5. (a) This section applies to an individual who:

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

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

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

(4) had:

(A) in the case of an individual who filed a single return, adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding:

(i) thirty thousand dollars ($30,000); or

(ii) the amount established by ordinance under section 8.6 of this chapter; or

(B) in the case of an individual who filed a joint income tax return with the individual's spouse, combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding:

(i) forty thousand dollars ($40,000); **or**

(ii) the amount established by ordinance under section 8.6 of this chapter;

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

(b) This section does not apply if the gross assessed value of the homestead on the assessment date for which property taxes are imposed is at least one hundred sixty thousand dollars ($160,000).

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

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

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

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

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

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

(2) the result of:

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

(B) one and two hundredths (1.02).

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

(e) Applications for a credit under this section shall be filed in the manner provided for an application for a deduction under

IC 6-1.1-12-9. However, an individual who remains eligible for the credit in the following year is not required to file a statement to apply for the credit in the following year. An individual who receives a credit under this section in a particular year and who becomes ineligible for the credit in the following year shall notify the auditor of the county in which the homestead is located of the individual's ineligibility not later than sixty (60) days after the individual becomes ineligible.

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

SECTION 2. IC 6-1.1-20.6-8.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: **Sec. 8.6. (a) This section applies to a county containing a consolidated city.**

(b) The county fiscal body may adopt an ordinance to establish a geographic territory in which a property owner may qualify for the credit provided by section 8.5 of this chapter at a higher adjusted gross income (as defined in Section 62 of the Internal Revenue Code) than the amounts set forth in section 8.5(a)(4)(A)(i) and 8.5(a)(4)(B)(i) of this chapter.

(c) The county fiscal body shall set forth the following in the ordinance:

(1) A description of the geographic territory in sufficient detail so that the parcels within the territory can be identified.

(2) The adjusted gross income amounts that are to be used under section 8.5(a)(4)(A) and 8.5(a)(4)(B).

(3) A determination of whether certified shares of local income tax under IC 6-3.6-6 shall be used to offset the property tax losses to taxing units because more credits were claimed under section 8.5 of this chapter as a result of increasing the adjusted gross income amounts.

(4) The year the ordinance will take effect, which may not be earlier than the year immediately following the year the ordinance is adopted.