

# HOUSE BILL No. 1126

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-10; IC 6-1.1-12.

**Synopsis:** Property tax benefits for veterans. Specifies that a county fiscal body may adopt an ordinance to authorize a total or partial property tax exemption for any of the following: (1) A homestead in the county that is owned by: (A) an individual (or surviving spouse of an individual) who served in the armed forces of the United States or in the national guard and was killed in action or died while on active duty; or (B) an individual who is receiving dependency indemnity compensation. (2) A homestead in the county that is owned by a disabled veteran, if the homestead was conveyed without charge to the owner by a tax exempt organization. (3) A homestead owned by a veteran who served during periods specified by the county fiscal body. Specifies that a county fiscal body may adopt an ordinance to do either of the following: (1) Eliminate or increase the assessed value cap on the property tax deduction for disabled veterans in the county. (2) Provide that the property tax standard deduction applies in the county to a homestead owned by a veteran serving out of state, even if that property is leased to another person.

**Effective:** Upon passage.

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January 7, 2016, read first time and referred to Committee on Ways and Means.

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Second Regular Session of the 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.

# HOUSE BILL No. 1126

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 6-1.1-10-47 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: **Sec. 47. (a) A county fiscal body may adopt an**  
4 **ordinance to authorize a total or partial exemption under this**  
5 **section in the county. An exemption authorized under this section**  
6 **applies beginning with the assessment date in the year following**  
7 **the year in which the county fiscal body adopts the ordinance**  
8 **authorizing the exemption.**  
9 (b) A county fiscal body may repeal an ordinance adopted under  
10 this section. If a county fiscal body repeals an ordinance adopted  
11 under this section, the exemption under this section no longer  
12 applies in the county, beginning with the assessment date in the  
13 year following the year in which the county fiscal body repeals the  
14 ordinance.  
15 (c) This subsection applies for an assessment date for which the  
16 exemption under this section applies in a county. Subject to  
17 subsection (d), a homestead in the county is exempt from property



1 taxation if the homestead is owned by any of the following:

2 (1) The surviving spouse of an individual who:

3 (A) was an Indiana resident at the time of the individual's  
4 death;

5 (B) served in the armed forces of the United States or in  
6 the national guard; and

7 (C) was killed in action or died while on active duty.

8 (2) An individual who is receiving dependency indemnity  
9 compensation under 38 U.S.C. 1315 for another individual  
10 who was an Indiana resident at the time of that individual's  
11 death.

12 (d) A county fiscal body shall specify in an ordinance adopted  
13 under subsection (a) whether the exemption provided under the  
14 ordinance is a total exemption or a partial exemption. If the  
15 exemption is a partial exemption, the county fiscal body shall  
16 specify the percentage of the assessed value of the homestead that  
17 is exempted.

18 SECTION 2. IC 6-1.1-10-48 IS ADDED TO THE INDIANA CODE  
19 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
20 UPON PASSAGE]: Sec. 48. (a) A county fiscal body may adopt an  
21 ordinance to authorize a partial or total exemption under this  
22 section in the county. An exemption authorized under this section  
23 applies beginning with the assessment date in the year following  
24 the year in which the county fiscal body adopts the ordinance  
25 authorizing the exemption.

26 (b) A county fiscal body may repeal an ordinance adopted under  
27 this section. If a county fiscal body repeals an ordinance adopted  
28 under this section, the exemption under this section no longer  
29 applies in the county, beginning with the assessment date in the  
30 year following the year in which the county fiscal body repeals the  
31 ordinance.

32 (c) This subsection applies for an assessment date for which the  
33 exemption under this section applies in a county. Subject to  
34 subsection (d), tangible property in the county is exempt from  
35 property taxation if:

36 (1) the tangible property is a homestead;

37 (2) the tangible property is owned by an individual who is a  
38 partially or totally disabled veteran or the spouse of an  
39 individual who is a partially or totally disabled veteran; and

40 (3) the tangible property was conveyed without charge to the  
41 owner described in subdivision (2) by an organization that is  
42 exempt from income taxation under the federal Internal



1           **Revenue Code.**

2           **(d) A county fiscal body shall specify in an ordinance adopted**  
 3 **under subsection (a) whether the exemption provided under the**  
 4 **ordinance is a total exemption or a partial exemption. If the**  
 5 **exemption is a partial exemption, the county fiscal body shall**  
 6 **specify the percentage of the assessed value of the homestead that**  
 7 **is exempted.**

8           SECTION 3. IC 6-1.1-10-49 IS ADDED TO THE INDIANA CODE  
 9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 10 UPON PASSAGE]: **Sec. 49. (a) A county fiscal body may adopt an**  
 11 **ordinance to authorize a total or partial exemption under this**  
 12 **section in the county for homesteads owned by veterans who served**  
 13 **during periods specified by the county fiscal body. An exemption**  
 14 **authorized under this section applies beginning with the assessment**  
 15 **date in the year following the year in which the county fiscal body**  
 16 **adopts the ordinance authorizing the exemption.**

17           **(b) A county fiscal body may repeal an ordinance adopted under**  
 18 **this section. If a county fiscal body repeals an ordinance adopted**  
 19 **under this section, the exemption under this section no longer**  
 20 **applies in the county, beginning with the assessment date in the**  
 21 **year following the year in which the county fiscal body repeals the**  
 22 **ordinance.**

23           **(c) This subsection applies for an assessment date for which the**  
 24 **exemption under this section applies in a county. Subject to**  
 25 **subsection (d), a homestead in the county is exempt from property**  
 26 **taxation if the homestead is owned by:**

27           **(1) an individual who served in an active or reserve**  
 28 **component of the armed forces of the United States or in the**  
 29 **national guard during a period specified by the county fiscal**  
 30 **body; or**

31           **(2) the surviving spouse of an individual who:**

32           **(A) is described in subdivision (1); and**

33           **(B) was an Indiana resident at the time of the individual's**  
 34 **death.**

35           **(d) A county fiscal body shall specify in an ordinance adopted**  
 36 **under subsection (a) the following:**

37           **(1) Whether the exemption provided under the ordinance is a**  
 38 **total exemption or a partial exemption. If the exemption is a**  
 39 **partial exemption, the county fiscal body shall specify the**  
 40 **percentage of the assessed value of the homestead that is**  
 41 **exempted.**

42           **(2) One (1) or more periods of service in an active or reserve**



1           **component of the armed forces of the United States or in the**  
 2           **national guard, specified by beginning dates and ending dates,**  
 3           **during which an individual's service must have occurred in**  
 4           **order for the individual or the individual's surviving spouse**  
 5           **to be eligible for the exemption provided under this section.**

6           **(3) The minimum duration of an individual's service during**  
 7           **a period specified in subdivision (2) that must have occurred**  
 8           **in order for the individual or the individual's surviving spouse**  
 9           **to be eligible for the exemption provided under this section.**

10          SECTION 4. IC 6-1.1-12-14, AS AMENDED BY P.L.293-2013(ts),  
 11          SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12          UPON PASSAGE]: Sec. 14. (a) Except as provided in subsection (c)  
 13          and except as provided in section 40.5 of this chapter, an individual  
 14          may have the sum of twelve thousand four hundred eighty dollars  
 15          (\$12,480) deducted from the assessed value of the tangible property  
 16          that the individual owns (or the real property, mobile home not  
 17          assessed as real property, or manufactured home not assessed as real  
 18          property that the individual is buying under a contract that provides  
 19          that the individual is to pay property taxes on the real property, mobile  
 20          home, or manufactured home if the contract or a memorandum of the  
 21          contract is recorded in the county recorder's office) if:

- 22           (1) the individual served in the military or naval forces of the  
 23           United States for at least ninety (90) days;  
 24           (2) the individual received an honorable discharge;  
 25           (3) the individual either:  
 26                (A) has a total disability; or  
 27                (B) is at least sixty-two (62) years old and has a disability of at  
 28                least ten percent (10%);  
 29           (4) the individual's disability is evidenced by:  
 30                (A) a pension certificate or an award of compensation issued  
 31                by the United States Department of Veterans Affairs; or  
 32                (B) a certificate of eligibility issued to the individual by the  
 33                Indiana department of veterans' affairs after the Indiana  
 34                department of veterans' affairs has determined that the  
 35                individual's disability qualifies the individual to receive a  
 36                deduction under this section; and  
 37           (5) the individual:  
 38                (A) owns the real property, mobile home, or manufactured  
 39                home; or  
 40                (B) is buying the real property, mobile home, or manufactured  
 41                home under contract;

42          on the date the statement required by section 15 of this chapter is



1 filed.

2 (b) Except as provided in subsection (c), the surviving spouse of an  
 3 individual may receive the deduction provided by this section if the  
 4 individual satisfied the requirements of subsection (a)(1) through (a)(4)  
 5 at the time of death and the surviving spouse satisfies the requirement  
 6 of subsection (a)(5) at the time the deduction statement is filed. The  
 7 surviving spouse is entitled to the deduction regardless of whether the  
 8 property for which the deduction is claimed was owned by the  
 9 deceased veteran or the surviving spouse before the deceased veteran's  
 10 death.

11 (c) **Except as provided in section 14.3 of this chapter**, no one is  
 12 entitled to the deduction provided by this section if the assessed value  
 13 of the individual's tangible property, as shown by the tax duplicate,  
 14 exceeds one hundred forty-three thousand one hundred sixty dollars  
 15 (\$143,160).

16 (d) An individual who has sold real property, a mobile home not  
 17 assessed as real property, or a manufactured home not assessed as real  
 18 property to another person under a contract that provides that the  
 19 contract buyer is to pay the property taxes on the real property, mobile  
 20 home, or manufactured home may not claim the deduction provided  
 21 under this section against that real property, mobile home, or  
 22 manufactured home.

23 SECTION 5. IC 6-1.1-12-14.3 IS ADDED TO THE INDIANA  
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 25 [EFFECTIVE UPON PASSAGE]: **Sec. 14.3. (a) A county fiscal body**  
 26 **may adopt an ordinance to do either of the following for purposes**  
 27 **of determining an individual's eligibility for a deduction under**  
 28 **section 14 of this chapter for the individual's tangible property**  
 29 **within the county:**

30 (1) **Provide that the one hundred forty-three thousand one**  
 31 **hundred sixty dollar (\$143,160) limit in section 14(c) of this**  
 32 **chapter does not apply for purposes of determining whether**  
 33 **an individual is eligible for a deduction under section 14 of**  
 34 **this chapter.**

35 (2) **Provide that a higher limit (expressed as a dollar amount)**  
 36 **on the assessed valuation of the individual's tangible property**  
 37 **applies for purposes of determining whether an individual is**  
 38 **eligible for a deduction under section 14 of this chapter,**  
 39 **instead of the one hundred forty-three thousand one hundred**  
 40 **sixty dollar (\$143,160) limit specified in section 14(c) of this**  
 41 **chapter.**

42 (b) **An ordinance adopted under this section applies to the**



1 **determinations of eligibility for the deduction under section 14 of**  
 2 **this chapter beginning with the assessment date in the year**  
 3 **following the year in which the county fiscal body adopts the**  
 4 **ordinance.**

5 **(c) A county fiscal body may repeal an ordinance adopted under**  
 6 **this section. If a county fiscal body repeals an ordinance adopted**  
 7 **under this section, the provisions in the ordinance no longer apply**  
 8 **in the county, beginning with the assessment date in the year**  
 9 **following the year in which the county fiscal body repeals the**  
 10 **ordinance.**

11 SECTION 6. IC 6-1.1-12-37, AS AMENDED BY P.L.148-2015,  
 12 SECTION 7, AS AMENDED BY P.L.207-2015, SECTION 1, AND  
 13 AS AMENDED BY P.L.245-2015, SECTION 6, IS CORRECTED  
 14 AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
 15 PASSAGE]: Sec. 37. (a) The following definitions apply throughout  
 16 this section:

17 (1) "Dwelling" means any of the following:

18 (A) Residential real property improvements that an individual  
 19 uses as the individual's residence, including a house or garage.

20 (B) A mobile home that is not assessed as real property that an  
 21 individual uses as the individual's residence.

22 (C) A manufactured home that is not assessed as real property  
 23 that an individual uses as the individual's residence.

24 (2) "Homestead" means an individual's principal place of  
 25 residence:

26 (A) that is located in Indiana;

27 (B) that:

28 (i) the individual owns;

29 (ii) the individual is buying under a contract; recorded in the  
 30 county recorder's office, that provides that the individual is  
 31 to pay the property taxes on the residence, *and that obligates*  
 32 *the owner to convey title to the individual upon completion*  
 33 *of all of the individual's contract obligations;*

34 (iii) the individual is entitled to occupy as a  
 35 tenant-stockholder (as defined in 26 U.S.C. 216) of a  
 36 cooperative housing corporation (as defined in 26 U.S.C.  
 37 216); or

38 (iv) is a residence described in section 17.9 of this chapter  
 39 that is owned by a trust if the individual is an individual  
 40 described in section 17.9 of this chapter; and

41 (C) that consists of a dwelling and the real estate, not  
 42 exceeding one (1) acre, that immediately surrounds that



1 dwelling.  
 2 Except as provided in subsection (k), the term does not include  
 3 property owned by a corporation, partnership, limited liability  
 4 company, or other entity not described in this subdivision.

5 (b) Each year a homestead is eligible for a standard deduction from  
 6 the assessed value of the homestead for an assessment date. Except as  
 7 provided in subsection (p), the deduction provided by this section  
 8 applies to property taxes first due and payable for an assessment date  
 9 only if an individual has an interest in the homestead described in  
 10 subsection (a)(2)(B) on:

- 11 (1) the assessment date; or  
 12 (2) any date in the same year after an assessment date that a  
 13 statement is filed under subsection (e) or section 44 of this  
 14 chapter, if the property consists of real property.

15 *If more than one (1) individual or entity qualifies property as a*  
 16 *homestead under subsection (a)(2)(B) for an assessment date, only one*  
 17 *(1) standard deduction from the assessed value of the homestead may*  
 18 *be applied for the assessment date. Subject to subsection (c), the*  
 19 *auditor of the county shall record and make the deduction for the*  
 20 *individual or entity qualifying for the deduction.*

21 (c) Except as provided in section 40.5 of this chapter, the total  
 22 amount of the deduction that a person may receive under this section  
 23 for a particular year is the lesser of:

- 24 (1) sixty percent (60%) of the assessed value of the real property,  
 25 mobile home not assessed as real property, or manufactured home  
 26 not assessed as real property; or  
 27 (2) forty-five thousand dollars (\$45,000).

28 (d) A person who has sold real property, a mobile home not assessed  
 29 as real property, or a manufactured home not assessed as real property  
 30 to another person under a contract that provides that the contract buyer  
 31 is to pay the property taxes on the real property, mobile home, or  
 32 manufactured home may not claim the deduction provided under this  
 33 section with respect to that real property, mobile home, or  
 34 manufactured home.

35 (e) Except as provided in sections 17.8 and 44 of this chapter and  
 36 subject to section 45 of this chapter, an individual who desires to claim  
 37 the deduction provided by this section must file a certified statement in  
 38 duplicate, on forms prescribed by the department of local government  
 39 finance, with the auditor of the county in which the homestead is  
 40 located. The statement must include:

- 41 (1) the parcel number or key number of the property and the name  
 42 of the city, town, or township in which the property is located;





1 (2) the name of any other location in which the applicant or the  
 2 applicant's spouse owns, is buying, or has a beneficial interest in  
 3 residential real property;

4 (3) the names of:

5 (A) the applicant and the applicant's spouse (if any):

6 (i) as the names appear in the records of the United States  
 7 Social Security Administration for the purposes of the  
 8 issuance of a Social Security card and Social Security  
 9 number; or

10 (ii) that they use as their legal names when they sign their  
 11 names on legal documents;

12 if the applicant is an individual; or

13 (B) each individual who qualifies property as a homestead  
 14 under subsection (a)(2)(B) and the individual's spouse (if any):

15 (i) as the names appear in the records of the United States  
 16 Social Security Administration for the purposes of the  
 17 issuance of a Social Security card and Social Security  
 18 number; or

19 (ii) that they use as their legal names when they sign their  
 20 names on legal documents;

21 if the applicant is not an individual; and

22 (4) either:

23 (A) the last five (5) digits of the applicant's Social Security  
 24 number and the last five (5) digits of the Social Security  
 25 number of the applicant's spouse (if any); or

26 (B) if the applicant or the applicant's spouse (if any) does not  
 27 have a Social Security number, any of the following for that  
 28 individual:

29 (i) The last five (5) digits of the individual's driver's license  
 30 number.

31 (ii) The last five (5) digits of the individual's state  
 32 identification card number.

33 (iii) If the individual does not have a driver's license or a  
 34 state identification card, the last five (5) digits of a control  
 35 number that is on a document issued to the individual by the  
 36 *federal* United States government and determined by the  
 37 *department of local government finance to be acceptable.*

38 If a form or statement provided to the county auditor under this section,  
 39 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or  
 40 part or all of the Social Security number of a party or other number  
 41 described in subdivision (4)(B) of a party, the telephone number and  
 42 the Social Security number or other number described in subdivision



1 (4)(B) included are confidential. The statement may be filed in person  
 2 or by mail. If the statement is mailed, the mailing must be postmarked  
 3 on or before the last day for filing. The statement applies for that first  
 4 year and any succeeding year for which the deduction is allowed. With  
 5 respect to real property, the statement must be completed and dated in  
 6 the calendar year for which the person desires to obtain the deduction  
 7 and filed with the county auditor on or before January 5 of the  
 8 immediately succeeding calendar year. With respect to a mobile home  
 9 that is not assessed as real property, the person must file the statement  
 10 during the twelve (12) months before March 31 of the year for which  
 11 the person desires to obtain the deduction.

12 (f) If an individual who is receiving the deduction provided by this  
 13 section or who otherwise qualifies property for a deduction under this  
 14 section:

15 (1) changes the use of the individual's property so that part or all  
 16 of the property no longer qualifies for the deduction under this  
 17 section; or

18 (2) is no longer eligible for a deduction under this section on  
 19 another parcel of property because:

20 (A) the individual would otherwise receive the benefit of more  
 21 than one (1) deduction under this chapter; or

22 (B) the individual maintains the individual's principal place of  
 23 residence with another individual who receives a deduction  
 24 under this section;

25 the individual must file a certified statement with the auditor of the  
 26 county, notifying the auditor of the change of use, not more than sixty  
 27 (60) days after the date of that change. An individual who fails to file  
 28 the statement required by this subsection is liable for any additional  
 29 taxes that would have been due on the property if the individual had  
 30 filed the statement as required by this subsection plus a civil penalty  
 31 equal to ten percent (10%) of the additional taxes due. The civil penalty  
 32 imposed under this subsection is in addition to any interest and  
 33 penalties for a delinquent payment that might otherwise be due. One  
 34 percent (1%) of the total civil penalty collected under this subsection  
 35 shall be transferred by the county to the department of local  
 36 government finance for use by the department in establishing and  
 37 maintaining the homestead property data base under subsection (i) and,  
 38 to the extent there is money remaining, for any other purposes of the  
 39 department. This amount becomes part of the property tax liability for  
 40 purposes of this article.

41 (g) The department of local government finance *shall may* adopt  
 42 rules or guidelines concerning the application for a deduction under



- 1 this section.
- 2 (h) This subsection does not apply to property in the first year for  
 3 which a deduction is claimed under this section if the sole reason that  
 4 a deduction is claimed on other property is that the individual or  
 5 married couple maintained a principal residence at the other property  
 6 on ~~March~~ *the assessment date* in the same year in which an  
 7 application for a deduction is filed under this section or, if the  
 8 application is for a homestead that is assessed as personal property, on  
 9 ~~March~~ *the assessment date* in the immediately preceding year and the  
 10 individual or married couple is moving the individual's or married  
 11 couple's principal residence to the property that is the subject of the  
 12 application. Except as provided in subsection (n), the county auditor  
 13 may not grant an individual or a married couple a deduction under this  
 14 section if:
- 15 (1) the individual or married couple, for the same year, claims the  
 16 deduction on two (2) or more different applications for the  
 17 deduction; and
- 18 (2) the applications claim the deduction for different property.
- 19 (i) The department of local government finance shall provide secure  
 20 access to county auditors to a homestead property data base that  
 21 includes access to the homestead owner's name and the numbers  
 22 required from the homestead owner under subsection (e)(4) for the sole  
 23 purpose of verifying whether an owner is wrongly claiming a deduction  
 24 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, ~~or~~  
 25 **IC 6-3.5 (before January 1, 2017), or IC 6-3.6-5 (after December 31,**  
 26 **2016).**
- 27 (j) A county auditor may require an individual to provide evidence  
 28 proving that the individual's residence is the individual's principal place  
 29 of residence as claimed in the certified statement filed under subsection  
 30 (e). The county auditor may limit the evidence that an individual is  
 31 required to submit to a state income tax return, a valid driver's license,  
 32 or a valid voter registration card showing that the residence for which  
 33 the deduction is claimed is the individual's principal place of residence.  
 34 The department of local government finance shall work with county  
 35 auditors to develop procedures to determine whether a property owner  
 36 that is claiming a standard deduction or homestead credit is not eligible  
 37 for the standard deduction or homestead credit because the property  
 38 owner's principal place of residence is outside Indiana.
- 39 (k) As used in this section, "homestead" includes property that  
 40 satisfies each of the following requirements:
- 41 (1) The property is located in Indiana and consists of a dwelling  
 42 and the real estate, not exceeding one (1) acre, that immediately



- 1 surrounds that dwelling.
- 2 (2) The property is the principal place of residence of an  
3 individual.
- 4 (3) The property is owned by an entity that is not described in  
5 subsection (a)(2)(B).
- 6 (4) The individual residing on the property is a shareholder,  
7 partner, or member of the entity that owns the property.
- 8 (5) The property was eligible for the standard deduction under  
9 this section on March 1, 2009.
- 10 (l) If a county auditor terminates a deduction for property described  
11 in subsection (k) with respect to property taxes that are:
- 12 (1) imposed for an assessment date in 2009; and  
13 (2) first due and payable in 2010;
- 14 on the grounds that the property is not owned by an entity described in  
15 subsection (a)(2)(B), the county auditor shall reinstate the deduction if  
16 the taxpayer provides proof that the property is eligible for the  
17 deduction in accordance with subsection (k) and that the individual  
18 residing on the property is not claiming the deduction for any other  
19 property.
- 20 (m) For assessment dates after 2009, the term "homestead" includes:
- 21 (1) a deck or patio;  
22 (2) a gazebo; or  
23 (3) another residential yard structure, as defined in rules *that may*  
24 *be* adopted by the department of local government finance (other  
25 than a swimming pool);
- 26 that is assessed as real property and attached to the dwelling.
- 27 (n) A county auditor shall grant an individual a deduction under this  
28 section regardless of whether the individual and the individual's spouse  
29 claim a deduction on two (2) different applications and each  
30 application claims a deduction for different property if the property  
31 owned by the individual's spouse is located outside Indiana and the  
32 individual files an affidavit with the county auditor containing the  
33 following information:
- 34 (1) The names of the county and state in which the individual's  
35 spouse claims a deduction substantially similar to the deduction  
36 allowed by this section.
- 37 (2) A statement made under penalty of perjury that the following  
38 are true:
- 39 (A) That the individual and the individual's spouse maintain  
40 separate principal places of residence.
- 41 (B) That neither the individual nor the individual's spouse has  
42 an ownership interest in the other's principal place of



- 1 residence.
- 2 (C) That neither the individual nor the individual's spouse has,
- 3 for that same year, claimed a standard or substantially similar
- 4 deduction for any property other than the property maintained
- 5 as a principal place of residence by the respective individuals.
- 6 A county auditor may require an individual or an individual's spouse to
- 7 provide evidence of the accuracy of the information contained in an
- 8 affidavit submitted under this subsection. The evidence required of the
- 9 individual or the individual's spouse may include state income tax
- 10 returns, excise tax payment information, property tax payment
- 11 information, driver license information, and voter registration
- 12 information.
- 13 (o) If:
- 14 (1) a property owner files a statement under subsection (e) to
- 15 claim the deduction provided by this section for a particular
- 16 property; and
- 17 (2) the county auditor receiving the filed statement determines
- 18 that the property owner's property is not eligible for the deduction;
- 19 the county auditor shall inform the property owner of the county
- 20 auditor's determination in writing. If a property owner's property is not
- 21 eligible for the deduction because the county auditor has determined
- 22 that the property is not the property owner's principal place of
- 23 residence, the property owner may appeal the county auditor's
- 24 determination to the county property tax assessment board of appeals
- 25 as provided in IC 6-1.1-15. The county auditor shall inform the
- 26 property owner of the owner's right to appeal to the county property tax
- 27 assessment board of appeals when the county auditor informs the
- 28 property owner of the county auditor's determination under this
- 29 subsection.
- 30 (p) An individual is entitled to the deduction under this section for
- 31 a homestead for a particular assessment date if:
- 32 (1) either:
- 33 (A) the individual's interest in the homestead as described in
- 34 subsection (a)(2)(B) is conveyed to the individual after the
- 35 assessment date, but within the calendar year in which the
- 36 assessment date occurs; or
- 37 (B) the individual contracts to purchase the homestead after
- 38 the assessment date, but within the calendar year in which the
- 39 assessment date occurs;
- 40 (2) on the assessment date:
- 41 (A) the property on which the homestead is currently located
- 42 was vacant land; or



- 1 (B) the construction of the dwelling that constitutes the  
 2 homestead was not completed;  
 3 (3) either:  
 4 (A) the individual files the certified statement required by  
 5 subsection (e) on or before December 31 of the calendar year  
 6 in which the assessment date occurs to claim the deduction  
 7 under this section; or  
 8 (B) a sales disclosure form that meets the requirements of  
 9 section 44 of this chapter is submitted to the county assessor  
 10 on or before December 31 of the calendar year for the  
 11 individual's purchase of the homestead; and  
 12 (4) the individual files with the county auditor on or before  
 13 December 31 of the calendar year in which the assessment date  
 14 occurs a statement that:  
 15 (A) lists any other property for which the individual would  
 16 otherwise receive a deduction under this section for the  
 17 assessment date; *and*  
 18 (B) *cancel*s the deduction described in clause (A) for that  
 19 property.  
 20 An individual who satisfies the requirements of subdivisions (1)  
 21 through (4) is entitled to the deduction under this section for the  
 22 homestead for the assessment date, even if on the assessment date the  
 23 property on which the homestead is currently located was vacant land  
 24 or the construction of the dwelling that constitutes the homestead was  
 25 not completed. The county auditor shall apply the deduction for the  
 26 assessment date and for the assessment date in any later year in which  
 27 the homestead remains eligible for the deduction. A homestead that  
 28 qualifies for the deduction under this section as provided in this  
 29 subsection is considered a homestead for purposes of section 37.5 of  
 30 this chapter and IC 6-1.1-20.6. *The county auditor shall cancel the*  
 31 *deduction under this section for any property that is located in the*  
 32 *county and is listed on the statement filed by the individual under*  
 33 *subdivision (4). If the property listed on the statement filed under*  
 34 *subdivision (4) is located in another county, the county auditor who*  
 35 *receives the statement shall forward the statement to the county*  
 36 *auditor of that other county, and the county auditor of that other*  
 37 *county shall cancel the deduction under this section for that property.*  
 38 (q) This subsection applies to an application for the deduction  
 39 provided by this section that is filed for an assessment date occurring  
 40 after December 31, 2013. Notwithstanding any other provision of this  
 41 section, an individual buying a mobile home that is not assessed as real  
 42 property or a manufactured home that is not assessed as real property



1 under a contract providing that the individual is to pay the property  
 2 taxes on the mobile home or manufactured home is not entitled to the  
 3 deduction provided by this section unless the parties to the contract  
 4 comply with IC 9-17-6-17.

5 (r) This subsection:

6 (1) applies to an application for the deduction provided by this  
 7 section that is filed for an assessment date occurring after  
 8 December 31, 2013; and

9 (2) does not apply to an individual described in subsection (q).

10 The owner of a mobile home that is not assessed as real property or a  
 11 manufactured home that is not assessed as real property must attach a  
 12 copy of the owner's title to the mobile home or manufactured home to  
 13 the application for the deduction provided by this section.

14 (s) For assessment dates after 2013, the term "homestead" includes  
 15 property that is owned by an individual who:

16 (1) is serving on active duty in any branch of the armed forces of  
 17 the United States;

18 (2) was ordered to transfer to a location outside Indiana; and

19 (3) was otherwise eligible, without regard to this subsection, for  
 20 the deduction under this section for the property for the  
 21 assessment date immediately preceding the transfer date specified  
 22 in the order described in subdivision (2).

23 For property to qualify under this subsection for the deduction provided  
 24 by this section, the individual described in subdivisions (1) through (3)  
 25 must submit to the county auditor a copy of the individual's transfer  
 26 orders or other information sufficient to show that the individual was  
 27 ordered to transfer to a location outside Indiana. The property continues  
 28 to qualify for the deduction provided by this section until the individual  
 29 ceases to be on active duty, the property is sold, or the individual's  
 30 ownership interest is otherwise terminated, whichever occurs first.  
 31 Notwithstanding subsection (a)(2), the property remains a homestead  
 32 regardless of whether the property continues to be the individual's  
 33 principal place of residence after the individual transfers to a location  
 34 outside Indiana. However, **except as provided in section 37.3 of this**  
 35 **chapter**, the property ceases to qualify as a homestead under this  
 36 subsection if the property is leased while the individual is away from  
 37 Indiana. Property that qualifies as a homestead under this subsection  
 38 shall also be construed as a homestead for purposes of section 37.5 of  
 39 this chapter.

40 SECTION 7. IC 6-1.1-12-37.3 IS ADDED TO THE INDIANA  
 41 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 42 [EFFECTIVE UPON PASSAGE]: **Sec. 37.3. (a) A county fiscal body**



1 may adopt an ordinance specifying that the provision in section  
2 37(s) of this chapter providing that property ceases to qualify as a  
3 homestead under section 37(s) of this chapter if the property is  
4 leased does not apply to a homestead in the county if that  
5 homestead is owned by an individual who:

6 (1) is described in section 37(s) of this chapter; and

7 (2) resided in the homestead at any time during the ten (10)  
8 years preceding the assessment date.

9 (b) An ordinance adopted under this section applies to the  
10 determinations of eligibility for the deduction under section 37(s)  
11 of this chapter beginning with the assessment date in the year  
12 following the year in which the county fiscal body adopts the  
13 ordinance.

14 (c) A county fiscal body may repeal an ordinance adopted under  
15 this section. If a county fiscal body repeals an ordinance adopted  
16 under this section, the provisions in the ordinance no longer apply  
17 in the county, beginning with the assessment date in the year  
18 following the year in which the county fiscal body repeals the  
19 ordinance.

20 SECTION 8. An emergency is declared for this act.

