

HOUSE BILL No. 1203

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Veteran property tax matters. Provides a property tax exemption for: (1) a surviving spouse of an individual killed while serving in the armed forces of the United States; or (2) an individual who served in the armed forces and has been rated by the United States Department of Veterans Affairs as individually unemployable. Removes, beginning with the January 1, 2022, assessment date, the property value limitation on the property tax exemption for disabled veterans.

Effective: July 1, 2020.

Cherry

January 13, 2020, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

HOUSE BILL No. 1203

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 6-1.1-10-49 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2020]: **Sec. 49. For the January 1, 2022, assessment date and**
4 **each assessment date thereafter, a homestead is exempt from**
5 **property taxation if the homestead is owned by:**
6 **(1) an individual who is the surviving spouse of an individual**
7 **who:**
8 **(A) served in the armed forces of the United States; and**
9 **(B) died of wounds received in action or was killed in**
10 **action; or**
11 **(2) an individual who:**
12 **(A) served in the armed forces of the United States; and**
13 **(B) has been rated by the United States Department of**
14 **Veterans Affairs as individually unemployable.**
15 SECTION 2. IC 6-1.1-12-14, AS AMENDED BY P.L.114-2019,
16 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2020]: Sec. 14. (a) Except as provided in subsection (c) and



1 except as provided in section 40.5 of this chapter, an individual may
 2 have the sum of fourteen thousand dollars (\$14,000) deducted from the
 3 assessed value of the real property, mobile home not assessed as real
 4 property, or manufactured home not assessed as real property that the
 5 individual owns (or the real property, mobile home not assessed as real
 6 property, or manufactured home not assessed as real property that the
 7 individual is buying under a contract that provides that the individual
 8 is to pay property taxes on the real property, mobile home, or
 9 manufactured home if the contract or a memorandum of the contract is
 10 recorded in the county recorder's office) if:

- 11 (1) the individual served in the military or naval forces of the
 12 United States for at least ninety (90) days;
 13 (2) the individual received an honorable discharge;
 14 (3) the individual either:
 15 (A) has a total disability; or
 16 (B) is at least sixty-two (62) years old and has a disability of at
 17 least ten percent (10%);
 18 (4) the individual's disability is evidenced by:
 19 (A) a pension certificate or an award of compensation issued
 20 by the United States Department of Veterans Affairs; or
 21 (B) a certificate of eligibility issued to the individual by the
 22 Indiana department of veterans' affairs after the Indiana
 23 department of veterans' affairs has determined that the
 24 individual's disability qualifies the individual to receive a
 25 deduction under this section; and
 26 (5) the individual:
 27 (A) owns the real property, mobile home, or manufactured
 28 home; or
 29 (B) is buying the real property, mobile home, or manufactured
 30 home under contract;
 31 on the date the statement required by section 15 of this chapter is
 32 filed.

33 (b) Except as provided in subsections (c) and (d), the surviving
 34 spouse of an individual may receive the deduction provided by this
 35 section if:

- 36 (1) the individual satisfied the requirements of subsection (a)(1)
 37 through (a)(4) at the time of death; or
 38 (2) the individual:
 39 (A) was killed in action;
 40 (B) died while serving on active duty in the military or naval
 41 forces of the United States; or
 42 (C) died while performing inactive duty training in the military



1 or naval forces of the United States; and
2 the surviving spouse satisfies the requirement of subsection (a)(5) at
3 the time the deduction statement is filed. The surviving spouse is
4 entitled to the deduction regardless of whether the property for which
5 the deduction is claimed was owned by the deceased veteran or the
6 surviving spouse before the deceased veteran's death.

7 (c) Except as provided in subsection (f), **for assessment dates**
8 **before January 1, 2022**, no one is entitled to the deduction provided
9 by this section if the assessed value of the individual's Indiana real
10 property, Indiana mobile home not assessed as real property, and
11 Indiana manufactured home not assessed as real property, as shown by
12 the tax duplicate, exceeds the assessed value limit specified in
13 subsection (d).

14 (d) Except as provided in subsection (f), for the:

15 (1) January 1, 2017, January 1, 2018, and January 1, 2019,
16 assessment dates, the assessed value limit for purposes of
17 subsection (c) is one hundred seventy-five thousand dollars
18 (\$175,000); and

19 (2) January 1, 2020, **and January 1, 2021, assessment dates,**
20 **assessment date and for each assessment date thereafter,** the
21 assessed value limit for purposes of subsection (c) is two hundred
22 thousand dollars (\$200,000).

23 (e) An individual who has sold real property, a mobile home not
24 assessed as real property, or a manufactured home not assessed as real
25 property to another person under a contract that provides that the
26 contract buyer is to pay the property taxes on the real property, mobile
27 home, or manufactured home may not claim the deduction provided
28 under this section against that real property, mobile home, or
29 manufactured home.

30 (f) For purposes of determining the assessed value of the real
31 property, mobile home, or manufactured home under subsection (d) for
32 an individual who has received a deduction under this section in a
33 particular year, increases in assessed value due solely to an annual
34 adjustment of the assessed value under IC 6-1.1-4-4.5 that occur after
35 the later of:

36 (1) December 31, 2019; or

37 (2) the first year that the individual has received the deduction;
38 are not considered.

