

# HOUSE BILL No. 1381

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1.

**Synopsis:** Property tax deductions and credits. Makes the following property tax changes for assessment dates occurring after December 31, 2024: (1) Increases the assessed value cap from \$240,000 to \$350,000 that applies to an individual's eligibility for the: (A) over 65 property tax deduction; and (B) over 65 circuit breaker credit; without altering the requirement in current law that any subsequent increases in assessed value are not considered unless the increase is attributable to substantial renovation or new improvements to the property. (2) Eliminates the assessed value cap that applies to the property tax deduction for a veteran who: (A) has a total disability; or (B) is at least 62 years of age and has at least a 10% disability.

**Effective:** July 1, 2024.

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## Judy, Cherry, Heine, DeLaney

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January 11, 2024, read first time and referred to Committee on Ways and Means.

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Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

## HOUSE BILL No. 1381

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 6-1.1-12-9, AS AMENDED BY P.L.239-2023,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2024]: Sec. 9. (a) An individual may obtain a deduction from  
4 the assessed value of the individual's real property, or mobile home or  
5 manufactured home which is not assessed as real property, if:  
6 (1) the individual is at least sixty-five (65) years of age on or  
7 before December 31 of the calendar year preceding the year in  
8 which the deduction is claimed;  
9 (2) for assessment dates before January 1, 2020, the combined  
10 adjusted gross income (as defined in Section 62 of the Internal  
11 Revenue Code) of:  
12 (A) the individual and the individual's spouse; or  
13 (B) the individual and all other individuals with whom:  
14 (i) the individual shares ownership; or  
15 (ii) the individual is purchasing the property under a  
16 contract;  
17 as joint tenants or tenants in common;



1 for the calendar year preceding the year in which the deduction is  
2 claimed did not exceed twenty-five thousand dollars (\$25,000);  
3 (3) for assessment dates after December 31, 2019:

4 (A) the individual had, in the case of an individual who filed  
5 a single return, adjusted gross income (as defined in Section  
6 62 of the Internal Revenue Code) not exceeding thirty  
7 thousand dollars (\$30,000), and beginning for the January 1,  
8 2023, assessment date, and each assessment date thereafter,  
9 adjusted annually by an amount equal to the percentage cost  
10 of living increase applied for Social Security benefits for the  
11 immediately preceding calendar year;

12 (B) the individual had, in the case of an individual who filed  
13 a joint income tax return with the individual's spouse,  
14 combined adjusted gross income (as defined in Section 62 of  
15 the Internal Revenue Code) not exceeding forty thousand  
16 dollars (\$40,000), and beginning for the January 1, 2023,  
17 assessment date, and each assessment date thereafter, adjusted  
18 annually by an amount equal to the percentage cost of living  
19 increase applied for Social Security benefits for the  
20 immediately preceding calendar year; or

21 (C) the combined adjusted gross income (as defined in Section  
22 62 of the Internal Revenue Code) of the individual and all  
23 other individuals with whom:

24 (i) the individual shares ownership; or

25 (ii) the individual is purchasing the property under a  
26 contract;

27 as joint tenants or tenants in common did not exceed forty  
28 thousand dollars (\$40,000), and beginning for the January 1,  
29 2023, assessment date, and each assessment date thereafter,  
30 adjusted annually by an amount equal to the percentage cost  
31 of living increase applied for Social Security benefits for the  
32 immediately preceding calendar year;

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

35 (4) the individual has owned the real property, mobile home, or  
36 manufactured home for at least one (1) year before claiming the  
37 deduction; or the individual has been buying the real property,  
38 mobile home, or manufactured home under a contract that  
39 provides that the individual is to pay the property taxes on the real  
40 property, mobile home, or manufactured home for at least one (1)  
41 year before claiming the deduction, and the contract or a  
42 memorandum of the contract is recorded in the county recorder's



- 1 office;
- 2 (5) for assessment dates:
- 3 (A) before January 1, 2020, the individual and any individuals
- 4 covered by subdivision (2)(B) reside on the real property,
- 5 mobile home, or manufactured home; or
- 6 (B) after December 31, 2019, the individual and any
- 7 individuals covered by subdivision (3)(C) reside on the real
- 8 property, mobile home, or manufactured home;
- 9 (6) except as provided in subsection (i), the assessed value of the
- 10 real property, mobile home, or manufactured home does not
- 11 exceed ~~two three hundred forty~~ **forty fifty** thousand dollars ~~(\$240,000)~~;
- 12 **(\$350,000)**;
- 13 (7) the individual receives no other property tax deduction for the
- 14 year in which the deduction is claimed, except the deductions
- 15 provided by sections 37, (for assessment dates after February 28,
- 16 2008) 37.5, and 38 of this chapter; and
- 17 (8) the person:
- 18 (A) owns the real property, mobile home, or manufactured
- 19 home; or
- 20 (B) is buying the real property, mobile home, or manufactured
- 21 home under contract;
- 22 on the date the statement required by section 10.1 of this chapter
- 23 is filed.
- 24 For purposes of applying the annual cost of living increases described
- 25 in subdivision (3)(A) through (3)(C), the annual percentage increase is
- 26 applied to the adjusted amount of income from the immediately
- 27 preceding year.
- 28 (b) Except as provided in subsection (h), in the case of real property,
- 29 an individual's deduction under this section equals the lesser of:
- 30 (1) one-half (1/2) of the assessed value of the real property; or
- 31 (2) fourteen thousand dollars (\$14,000).
- 32 (c) Except as provided in subsection (h) and section 40.5 of this
- 33 chapter, in the case of a mobile home that is not assessed as real
- 34 property or a manufactured home which is not assessed as real
- 35 property, an individual's deduction under this section equals the lesser
- 36 of:
- 37 (1) one-half (1/2) of the assessed value of the mobile home or
- 38 manufactured home; or
- 39 (2) fourteen thousand dollars (\$14,000).
- 40 (d) An individual may not be denied the deduction provided under
- 41 this section because the individual is absent from the real property,
- 42 mobile home, or manufactured home while in a nursing home or



1 hospital.

2 (e) For purposes of this section, if real property, a mobile home, or  
3 a manufactured home is owned by:

4 (1) tenants by the entirety;

5 (2) joint tenants; or

6 (3) tenants in common;

7 only one (1) deduction may be allowed. However, the age requirement  
8 is satisfied if any one (1) of the tenants is at least sixty-five (65) years  
9 of age.

10 (f) A surviving spouse is entitled to the deduction provided by this  
11 section if:

12 (1) the surviving spouse is at least sixty (60) years of age on or  
13 before December 31 of the calendar year preceding the year in  
14 which the deduction is claimed;

15 (2) the surviving spouse's deceased husband or wife was at least  
16 sixty-five (65) years of age at the time of a death;

17 (3) the surviving spouse has not remarried; and

18 (4) the surviving spouse satisfies the requirements prescribed in  
19 subsection (a)(2) through (a)(8).

20 (g) An individual who has sold real property to another person  
21 under a contract that provides that the contract buyer is to pay the  
22 property taxes on the real property may not claim the deduction  
23 provided under this section against that real property.

24 (h) In the case of tenants covered by subsection (a)(2)(B) or  
25 (a)(3)(C), if all of the tenants are not at least sixty-five (65) years of  
26 age, the deduction allowed under this section shall be reduced by an  
27 amount equal to the deduction multiplied by a fraction. The numerator  
28 of the fraction is the number of tenants who are not at least sixty-five  
29 (65) years of age, and the denominator is the total number of tenants.

30 (i) For purposes of determining the assessed value of the real  
31 property, mobile home, or manufactured home under subsection (a)(6)  
32 for an individual who has received a deduction under this section in a  
33 previous year, increases in assessed value that occur after the later of:

34 (1) December 31, 2019; or

35 (2) the first year that the individual has received the deduction;  
36 are not considered unless the increase in assessed value is attributable  
37 to substantial renovation or new improvements. Where there is an  
38 increase in assessed value for purposes of the deduction under this  
39 section, the assessor shall provide a report to the county auditor  
40 describing the substantial renovation or new improvements, if any, that  
41 were made to the property prior to the increase in assessed value.

42 SECTION 2. IC 6-1.1-12-14, AS AMENDED BY P.L.174-2022,



1 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 2 JULY 1, 2024]: Sec. 14. (a) Except as provided in ~~subsection (c) and~~  
 3 ~~except as provided in~~ section 40.5 of this chapter, an individual may  
 4 have the sum of fourteen thousand dollars (\$14,000) deducted from the  
 5 assessed value of the real property, mobile home not assessed as real  
 6 property, or manufactured home not assessed as real property that the  
 7 individual owns (or the real property, mobile home not assessed as real  
 8 property, or manufactured home not assessed as real property that the  
 9 individual is buying under a contract that provides that the individual  
 10 is to pay property taxes on the real property, mobile home, or  
 11 manufactured home if the contract or a memorandum of the contract is  
 12 recorded in the county recorder's office) if:

13 (1) the individual served in the military or naval forces of the  
 14 United States for at least ninety (90) days;

15 (2) the individual received an honorable discharge;

16 (3) the individual either:

17 (A) has a total disability; or

18 (B) is at least sixty-two (62) years old and has a disability of at  
 19 least ten percent (10%);

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

21 (A) a pension certificate or an award of compensation issued  
 22 by the United States Department of Veterans Affairs; or

23 (B) a certificate of eligibility issued to the individual by the  
 24 Indiana department of veterans' affairs after the Indiana  
 25 department of veterans' affairs has determined that the  
 26 individual's disability qualifies the individual to receive a  
 27 deduction under this section; and

28 (5) the individual:

29 (A) owns the real property, mobile home, or manufactured  
 30 home; or

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

33 on the date the statement required by section 15 of this chapter is  
 34 filed.

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

38 (1) the individual satisfied the requirements of subsection (a)(1)  
 39 through (a)(4) at the time of death; or

40 (2) the individual:

41 (A) was killed in action;

42 (B) died while serving on active duty in the military or naval



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

9 (e) Except as provided in subsection (f), no one is entitled to the  
 10 deduction provided by this section if the assessed value of the  
 11 individual's Indiana real property, Indiana mobile home not assessed as  
 12 real property, and Indiana manufactured home not assessed as real  
 13 property, as shown by the tax duplicate, exceeds the assessed value  
 14 limit specified in subsection (d):

15 (d) Except as provided in subsection (f), for the:  
 16 (1) January 1, 2017, January 1, 2018, and January 1, 2019;  
 17 assessment dates, the assessed value limit for purposes of  
 18 subsection (e) is one hundred seventy-five thousand dollars  
 19 (\$175,000); and  
 20 (2) January 1, 2020, assessment date and for each assessment date  
 21 thereafter, the assessed value limit for purposes of subsection (e)  
 22 is two hundred thousand dollars (\$200,000):

23 (e) (c) 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 previous year, increases in assessed value that occur after the later of:

34 (1) December 31, 2019; or  
 35 (2) the first year that the individual has received the deduction;  
 36 are not considered unless the increase in assessed value is attributable  
 37 to substantial renovation or new improvements. Where there is an  
 38 increase in assessed value for purposes of the deduction under this  
 39 section, the assessor shall provide a report to the county auditor  
 40 describing the substantial renovation or new improvements, if any, that  
 41 were made to the property prior to the increase in assessed value.

42 SECTION 3. IC 6-1.1-20.6-8.5, AS AMENDED BY P.L.239-2023,



1 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2024]: Sec. 8.5. (a) This section applies to an individual who:

3 (1) qualified for a standard deduction granted under  
4 IC 6-1.1-12-37 for the individual's homestead property in the  
5 immediately preceding calendar year (or was married at the time  
6 of death to a deceased spouse who qualified for a standard  
7 deduction granted under IC 6-1.1-12-37 for the individual's  
8 homestead property in the immediately preceding calendar year);  
9 (2) qualifies for a standard deduction granted under  
10 IC 6-1.1-12-37 for the same homestead property in the current  
11 calendar year;

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

15 (4) had:

16 (A) in the case of an individual who filed a single return,  
17 adjusted gross income (as defined in Section 62 of the Internal  
18 Revenue Code) not exceeding thirty thousand dollars  
19 (\$30,000), and beginning for the January 1, 2023, assessment  
20 date, and each assessment date thereafter, adjusted annually by  
21 an amount equal to the percentage cost of living increase  
22 applied for Social Security benefits for the immediately  
23 preceding calendar year; or

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

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

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

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

41 (1) for an individual who received a credit under this section  
42 before January 1, 2020, the gross assessed value of the homestead





1 on the assessment date for which property taxes are imposed is at  
 2 least two hundred thousand dollars (\$200,000);

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

7 (3) for an individual who initially applies for a credit under this  
 8 section after December 31, 2022, **and before January 1, 2025**,  
 9 the assessed value of the individual's Indiana real property is at  
 10 least two hundred forty thousand dollars (\$240,000); **or**

11 **(4) for an individual who initially applies for a credit under**  
 12 **this section after December 31, 2024, the assessed value of the**  
 13 **individual's Indiana real property is at least three hundred**  
 14 **fifty thousand dollars (\$350,000).**

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

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

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

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

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

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

27 (2) the result of:

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

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

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

38 (e) Applications for a credit under this section shall be filed in the  
 39 manner provided for an application for a deduction under  
 40 IC 6-1.1-12-9. However, an individual who remains eligible for the  
 41 credit in the following year is not required to file a statement to apply  
 42 for the credit in the following year. An individual who receives a credit



1 under this section in a particular year and who becomes ineligible for  
 2 the credit in the following year shall notify the auditor of the county in  
 3 which the homestead is located of the individual's ineligibility not later  
 4 than sixty (60) days after the individual becomes ineligible.

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

9 (g) For purposes of determining the:

10 (1) assessed value of the homestead on the assessment date for  
 11 which property taxes are imposed under subsection (b)(1); **or**

12 (2) assessed value of the individual's Indiana real property under  
 13 subsection (b)(2), **(b)(3)**, or **(b)(4)**;

14 ~~(3) assessed value of the individual's Indiana real property under~~  
 15 ~~subsection (b)(3);~~

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

25 SECTION 4. [EFFECTIVE JULY 1, 2024] **(a) IC 6-1.1-12-9,**  
 26 **IC 6-1.1-12-14, and IC 6-1.1-20.6-8.5, all as amended by this act,**  
 27 **apply to assessment dates occurring after December 31, 2024.**

28 **(b) This SECTION expires July 1, 2027.**

