

HOUSE BILL No. 1402

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-1-14-14; IC 5-16-9-3; IC 6-1.1; IC 6-3-2-27.5; IC 6-3.5; IC 6-3.6; IC 6-6; IC 6-9-10.5-8; IC 8-9.5-8-17; IC 8-18-22-6; IC 8-22-3.5-9; IC 12-20-25; IC 36-1-8-5.1; IC 36-4-14; IC 36-7; IC 36-7.5-4-2.5; IC 36-8-19-7.5; IC 36-8-19-8.

Synopsis: Local government finance. Phases in a total exemption for business personal property that is placed in service after January 1, 2025. Specifies that the exemption does not apply to business personal property that is placed in service on or before January 1, 2025. Increases the acquisition cost threshold for the business personal property tax exemption from \$80,000 to \$200,000 over six years. Provides that the 30% minimum valuation limitation does not apply to business personal property placed in service after January 1, 2025. Phases down the minimum valuation percentage from 30% to zero for business personal property placed in service on or before January 1, 2025. Phases down the homestead standard deduction over five years to zero beginning for taxes due and payable in 2031. Phases in an increase in the supplemental homestead deduction over five years to 2/3 of the assessed value (AV) of the homestead. Provides an AV deduction for all property that is subject to the 2% circuit breaker credit for excessive property taxes for assessment dates beginning in 2025. Provides that the amount of the AV deduction is increased over a five year period from a 7% AV deduction for taxes due and payable in 2026 to a 1/3 AV deduction for taxes due and payable in 2031, and each taxable year thereafter. Expires certain property tax deductions allowed
(Continued next page)

Effective: Upon passage; January 1, 2025 (retroactive); July 1, 2025; January 1, 2026; June 30, 2026; July 1, 2026; January 1, 2027.

Thompson, Clere

January 13, 2025, read first time and referred to Committee on Ways and Means.



in current law, and instead allows a credit against local property taxes in certain instances. Increases, beginning in 2027, the maximum local income tax (LIT) expenditure rate for all counties to 2.9%. Authorizes a city or town to impose a municipal LIT rate beginning in 2027 not to exceed 1.2%. Provides four rate categories within the county's total expenditure rate that a county may adopt: (1) up to a 1.2% rate for county general purpose revenue; (2) up to a 0.4% rate for fire protection and emergency medical services; (3) up to a 0.2% rate for nonmunicipal civil taxing unit general purpose revenue; and (4) up to 1.2% for certain cities and towns that are not eligible to adopt a municipal LIT rate. Defines "nonmunicipal civil taxing units". Eliminates the imposition of the LIT on individuals who maintain a principal place of business or employment in a county with a LIT but do not reside in the county. Eliminates provisions that provide for a distribution of LIT expenditure rate revenue to schools and civil taxing units in counties that imposed a rate under the prior county adjusted gross income tax (CAGIT). Expires the authority to impose a property tax relief rate under the LIT and repeals the levy freeze rate. Provides that an ordinance adopted to impose a LIT property tax relief rate shall expire December 31, 2026. Provides that, in order to continue to impose an expenditure tax rate after 2026, each county must adopt a new ordinance in 2026 (on or before October 1, 2026) to impose the rate. Provides that, for counties that fail to adopt an ordinance to renew an existing expenditure tax rate in 2026, the expenditure tax rate for the county in 2027 shall be the minimum tax rate necessary for existing debt service. Specifies that this does not prevent the county from renewing, imposing, or modifying an expenditure tax rate in subsequent years. Eliminates local income tax councils beginning July 1, 2026, and instead provides that the county fiscal body is the adopting body in all counties for purposes of the county LIT, and the city or town fiscal body is the adopting body in the case of a municipal LIT. Requires the budget agency to determine the difference between the balance in a county's local income tax trust account as of December 31, 2025, minus the county's certified distribution amount for 2027, and beginning in 2027, make five consecutive special distributions to counties over a five year period equal to 20% of that amount each year. Establishes the local income tax holding account within the state general fund for purposes of local income tax distributions. Provides that the budget agency shall administer the account. Requires the budget agency to maintain an accounting for each county imposing a local income tax based on annual returns filed by or for county taxpayers (same as current law). Requires undistributed amounts so accounted to be held for purposes of the local income tax holding account beginning after December 31, 2026. (Under current law, undistributed amounts are required to be held in reserve separate from the state general fund.) Requires the budget agency to present each December to the budget committee a report of the following: (1) An estimate of the monthly certified distribution amounts for the immediately succeeding calendar year. (2) A description of the method used to determine the monthly estimates. (3) The balance in the local income tax holding account, including an accounting of the undistributed amounts held for purposes of the account. Beginning in 2027, requires the budget agency to make monthly transfers to the local income tax holding account of the amount determined for the month in its report to the budget committee. Repeals a provision that requires the budget agency to adjust the certified distribution of a county for the succeeding year following a tax rate change. Makes technical corrections. Makes a continuous appropriation.



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. 1402



A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 5-1-14-14, AS AMENDED BY P.L.197-2016,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 14. (a) Notwithstanding any other law, a
4 municipality may sell the municipality's interest in any notes payable
5 to the municipality at a negotiated sale.
6 (b) A county or municipality may establish a revolving fund from
7 grants, the revenue received by the county or municipality under
8 IC 6-3.6-9 and allocated for economic development purposes, ~~under~~
9 ~~IC 6-3.6-9~~; the proceeds of the sale of notes, or the proceeds of bonds
10 issued under this section and IC 36-9-32. The county or municipality
11 may loan the money in the revolving fund to any borrower if the county
12 or municipal fiscal body finds that the loan will be used by the
13 borrower for one (1) or more of the following economic development
14 purposes:
15 (1) Promoting significant opportunities for the gainful



- 1 employment of the county's or municipality's residents.
- 2 (2) Attracting a major new business enterprise to the county or
- 3 municipality.
- 4 (3) Retaining or expanding a significant business enterprise in the
- 5 county or municipality.
- 6 (c) Activities that may be undertaken by the borrower in carrying
- 7 out an economic development purpose include expenditures for any of
- 8 the following:
- 9 (1) Acquisition of land.
- 10 (2) Acquisition of property interests.
- 11 (3) Site improvements.
- 12 (4) Infrastructure improvements.
- 13 (5) Buildings.
- 14 (6) Structures.
- 15 (7) Rehabilitation, renovation, or enlargement of buildings or
- 16 structures.
- 17 (8) Machinery.
- 18 (9) Equipment.
- 19 (10) Furnishings.
- 20 (d) Local governmental entities may borrow under subsection (b) if
- 21 the local governmental entity's jurisdiction includes the geographic area
- 22 within the boundaries of the county or municipality that established the
- 23 revolving fund. Notwithstanding any other law, the following
- 24 provisions apply to the borrowing:
- 25 (1) The county or municipality that established the revolving fund
- 26 and the local governmental entity borrower may each authorize
- 27 the loan from the revolving fund and the issuance of notes
- 28 evidencing the loan by resolution. In each case, the resolution
- 29 shall be adopted by the body with control over fiscal matters.
- 30 (2) A resolution adopted under subdivision (1) must approve:
- 31 (A) the term of the loan;
- 32 (B) the interest rate;
- 33 (C) the form of the note or notes;
- 34 (D) the medium of payment;
- 35 (E) the place and manner of payment;
- 36 (F) the manner of execution of the note or notes;
- 37 (G) the terms of redemption;
- 38 (H) the funds or sources of funds from which the note or notes
- 39 are payable, which may be any funds and sources of funds
- 40 available to the borrower; and
- 41 (I) any other provisions not inconsistent with this section.
- 42 (3) The notes and the authorization, issuance, sale, and delivery



1 of the notes are not subject to any general statute concerning
 2 obligations issued by the local governmental entity borrower. This
 3 section contains full and complete authority for the making of the
 4 loan, the authorization, issuance, sale, and delivery of the notes,
 5 and the repayment of the loan by the borrower, and no law,
 6 procedure, proceedings, publications, notices, consents,
 7 approvals, orders, or acts by any officer, department, agency, or
 8 instrument of the state or of any political subdivision is required
 9 to make the loan, issue the notes, or repay the loan except as
 10 prescribed in this section.

11 (4) The notes issued by a local governmental entity borrower are
 12 exempt from taxation for all purposes and are exempt from any
 13 security registration requirements provided for in Indiana statutes.

14 (5) Notes issued by a local governmental entity borrower under
 15 this section are obligations for all purposes of this chapter.

16 (e) A municipality may issue bonds under IC 36-9-32-7(b) through
 17 IC 36-9-32-7(j) for the economic development purposes listed in
 18 subsection (c) and may repay the indebtedness solely from revenues
 19 derived from the repayment of any notes, including notes evidencing
 20 loans made under subsection (b).

21 (f) To the extent a revolving fund under subsection (b) is funded
 22 from:

23 (1) revenues received by the county under IC 6-3.6-9 and
 24 allocated for economic development purposes; ~~under~~
 25 ~~IC 6-3.6-6-9~~; or

26 (2) repayments of principal and interest on loans from the
 27 revolving fund that were funded with revenues described in
 28 subdivision (1);

29 money in the revolving fund may at any time be transferred in whole
 30 or in part to the unit's economic development income tax fund, as
 31 determined by ordinance of the unit's fiscal body.

32 (g) The general assembly finds that counties and municipalities in
 33 Indiana have a need to foster economic development and industrial and
 34 commercial growth. The general assembly finds that it is necessary and
 35 proper to provide an alternative method for municipalities to foster the
 36 following:

37 (1) Economic development.

38 (2) Industrial and commercial growth.

39 (3) Employment opportunities.

40 (4) Diversification of industry and commerce.

41 It is declared that the fostering of economic development under this
 42 section for the benefit of the general public, including industrial and



1 commercial enterprises, is a public purpose.

2 SECTION 2. IC 5-16-9-3, AS AMENDED BY P.L.197-2016,
3 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2026]: Sec. 3. (a) If a public agency has no parking facility
5 under its jurisdiction or control available to private persons who desire
6 to conduct business with the public agency, the public agency shall
7 direct the local authority having jurisdiction over the portion of the
8 streets which are adjacent to the facilities of the public agency to
9 reserve parking spaces for the use of persons with physical disabilities.

10 (b) If a retail shopping mall is constructed in whole or in part with
11 revenue derived from a local income tax imposed under IC 6-3.6-6 and
12 allocated for economic development purposes, ~~under IC 6-3.6-6-9~~; the
13 local authority having jurisdiction over the portion of the streets
14 adjacent to the retail shopping mall shall reserve parking spaces for the
15 use of persons with physical disabilities.

16 SECTION 3. IC 6-1.1-2-11 IS ADDED TO THE INDIANA CODE
17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
18 UPON PASSAGE]: Sec. 11. (a) **As used in this section, "tax
19 increment financing allocation area" means any area authorized
20 by statute in which ad valorem property taxes are allocated,
21 including the following:**

22 (1) IC 6-1.1-39 (economic development districts).

23 (2) IC 8-22-3.5 (airport development zones).

24 (3) IC 36-7-14 (redevelopment of areas needing
25 redevelopment generally).

26 (4) IC 36-7-15.1 (redevelopment of areas in Marion County).

27 (5) IC 36-7-30 (reuse of federal military bases).

28 (6) IC 36-7-30.5 (development of multicounty federal military
29 bases).

30 (7) IC 36-7-32 (certified technology parks).

31 (8) IC 36-7-32.5 (innovation development districts).

32 (9) IC 36-7.5-4.5 (rail transit development districts).

33 (b) The department of local government finance shall, in each
34 year beginning after December 31, 2025, and ending before
35 January 1, 2032, adjust the base assessed value of each tax
36 increment financing allocation area to neutralize the effect of the
37 changing tax rates resulting year to year from the business
38 personal property tax exemption under IC 6-1.1-10.4, the
39 homestead deduction under IC 6-1.1-12-37(c)(2) and
40 IC 6-1.1-12-37.5(c), and the deduction for eligible property under
41 IC 6-1.1-12-47. It is the intent of the general assembly that an
42 increase in revenue from a change in tax rates resulting from these



1 **statutes accrue only to the base assessed value and not to the tax**
 2 **increment financing allocation area. However, in the case of a**
 3 **decrease in revenue from a change in tax rates resulting from these**
 4 **statutes, the department of local government finance may**
 5 **neutralize the change under this subsection in a positive manner**
 6 **with regard to the tax increment financing allocation area to**
 7 **protect the ability to pay bonds based on incremental revenue, if**
 8 **the tax increment financing allocation area demonstrates to the**
 9 **department that an adjustment is needed before the department**
 10 **calculates a positive neutralization adjustment.**

11 SECTION 4. IC 6-1.1-3-7.2, AS AMENDED BY P.L.137-2022,
 12 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 7.2. (a) This section
 14 applies to assessment dates occurring after December 31, 2015.

15 (b) As used in this section, "affiliate" means an entity that
 16 effectively controls or is controlled by a taxpayer or is associated with
 17 a taxpayer under common ownership or control, whether by
 18 shareholdings or other means.

19 (c) As used in this section, "business personal property" means
 20 personal property that:

21 (1) is otherwise subject to assessment and taxation under this
 22 article;

23 (2) is used in a trade or business or otherwise held, used, or
 24 consumed in connection with the production of income; and

25 (3) was:

26 (A) acquired by the taxpayer in an arms length transaction
 27 from an entity that is not an affiliate of the taxpayer, if the
 28 personal property has been previously used in Indiana before
 29 being placed in service in the county; or

30 (B) acquired in any manner, if the personal property has never
 31 been previously used in Indiana before being placed in service
 32 in the county.

33 The term does not include mobile homes assessed under IC 6-1.1-7,
 34 personal property held as an investment, or personal property that is
 35 assessed under IC 6-1.1-8 and is owned by a public utility subject to
 36 regulation by the Indiana utility regulatory commission. However, the
 37 term does include the personal property of a telephone company or a
 38 communications service provider if that personal property meets the
 39 requirements of subdivisions (1) through (3), regardless of whether that
 40 personal property is assessed under IC 6-1.1-8 and regardless of
 41 whether the telephone company or communications service provider is
 42 subject to regulation by the Indiana utility regulatory commission.



1 (d) Notwithstanding section 7 of this chapter, if the acquisition cost
2 of a taxpayer's total business personal property in a county is less than:

3 (1) eighty thousand dollars (\$80,000) for ~~that assessment date,~~
4 **assessment dates before 2025;**

5 (2) **one hundred thousand dollars (\$100,000) for the 2025**
6 **assessment date;**

7 (3) **one hundred twenty thousand dollars (\$120,000) for the**
8 **2026 assessment date;**

9 (4) **one hundred forty thousand dollars (\$140,000) for the**
10 **2027 assessment date;**

11 (5) **one hundred sixty thousand dollars (\$160,000) for the 2028**
12 **assessment date;**

13 (6) **one hundred eighty thousand dollars (\$180,000) for the**
14 **2029 assessment date; or**

15 (7) **two hundred thousand dollars (\$200,000) for the 2030**
16 **assessment date, and each assessment date thereafter;**

17 the taxpayer's business personal property in the county for that
18 assessment date is exempt from taxation.

19 (e) Subject to subsection (f), a taxpayer that is eligible for the
20 exemption under this section for an assessment date shall include the
21 following information on the taxpayer's personal property tax return:

22 (1) A declaration that the taxpayer's business personal property in
23 the county is exempt from property taxation.

24 (2) Whether the taxpayer's business personal property within the
25 county is in one (1) location or multiple locations.

26 (3) An address for the location of the property.

27 If the business personal property is in multiple locations within a
28 county, the taxpayer shall provide an address for the location where the
29 sum of acquisition costs for business personal property is greatest. If
30 two (2) or more addresses contain the greatest equivalent sum of
31 acquisition costs for business personal property within a given county,
32 the taxpayer shall choose only one (1) address to list on the return.

33 (f) Beginning after December 31, 2022, a taxpayer that has included
34 the information required under subsection (e) on the taxpayer's
35 personal property tax return to claim the exemption under this section
36 is not required to file a personal property return for the taxpayer's
37 business personal property for an assessment date that occurs after the
38 assessment date for which the information is first provided under
39 subsection (e), unless or until the taxpayer no longer qualifies for the
40 exemption under subsection (d) for a subsequent assessment date.

41 SECTION 5. IC 6-1.1-3-22, AS AMENDED BY P.L.159-2020,
42 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 22. (a) Except to the
 2 extent that it conflicts with a statute and subject to subsection (f), 50
 3 IAC 4.2 (as in effect January 1, 2001), which was formerly
 4 incorporated by reference into this section, is reinstated as a rule.

5 (b) Tangible personal property within the scope of 50 IAC 4.2 (as
 6 in effect January 1, 2001) shall be assessed on the assessment dates in
 7 calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as
 8 in effect January 1, 2001).

9 (c) The publisher of the Indiana Administrative Code shall publish
 10 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative
 11 Code.

12 (d) 50 IAC 4.3 and any other rule to the extent that it conflicts with
 13 this section is void.

14 (e) A reference in 50 IAC 4.2 to a governmental entity that has been
 15 terminated or a statute that has been repealed or amended shall be
 16 treated as a reference to its successor.

17 (f) The department of local government finance may not amend or
 18 repeal the following (all as in effect January 1, 2001):

- 19 (1) 50 IAC 4.2-4-3(f).
- 20 (2) 50 IAC 4.2-4-7.
- 21 (3) 50 IAC 4.2-4-9.
- 22 (4) 50 IAC 4.2-5-7.
- 23 (5) 50 IAC 4.2-5-13.
- 24 (6) 50 IAC 4.2-6-1.
- 25 (7) 50 IAC 4.2-6-2.
- 26 (8) 50 IAC 4.2-8-9.

27 However, the department of local government finance may amend
 28 these rules to conform with statutory changes.

29 (g) Notwithstanding any other provision of this section, 50
 30 IAC 4.2-4-6(c) is void effective July 1, 2015. The publisher of the
 31 Indiana Administrative Code and the Indiana Register shall remove this
 32 provision from the Indiana Administrative Code.

33 **(h) Notwithstanding any other provision of this section, the**
 34 **department of local government finance may adopt rules amending**
 35 **50 IAC 4.2 to reflect the enactment of section 29 of this chapter and**
 36 **the enactment of the exemption for business personal property**
 37 **placed in service after January 1, 2025, under IC 6-1.1-10.4.**

38 SECTION 6. IC 6-1.1-3-23, AS AMENDED BY P.L.220-2011,
 39 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 23. (a) In
 41 enacting this section, the general assembly finds the following:

- 42 (1) The economy of northern Indiana has historically been heavily



- 1 dependent upon:
- 2 (A) the domestic steel industry, particularly the integrated steel
3 mill business, which produces steel from basic raw materials
4 through blast furnace and related operations; and
5 (B) the oil refining and petrochemical industry.
- 6 (2) Northern Indiana is the only area of Indiana with integrated
7 steelmaking facilities.
- 8 (3) During the last thirty (30) years, the domestic steel industry
9 has experienced significant financial difficulties. More than
10 one-half (1/2) of the integrated steel mills in the United States
11 were shut down or deintegrated, with the remainder requiring
12 significant investment and the addition of new processes to make
13 the facilities economically competitive with newer foreign and
14 domestic steelmaking facilities and processes.
- 15 (4) The United States needs to protect the capacity of the oil
16 refining and petrochemical industry. No oil refineries have been
17 built in the United States since 1976.
- 18 (5) Given the economic conditions affecting older integrated
19 steelmaking facilities, integrated steel mills claimed abnormal
20 obsolescence in reporting the assessed value of equipment located
21 at the integrated steelmaking facilities that began operations
22 before 1970, thereby reporting the equipment's assessed value at
23 far below thirty percent (30%) of the equipment's total cost (far
24 below the "thirty percent (30%) floor" value generally applicable
25 to equipment exhibiting only normal obsolescence under the
26 current department of local government finance rules).
- 27 (6) Current law existing before January 1, 2003, obligates the
28 taxpayers making abnormal obsolescence claims to pay personal
29 property taxes based only on, and permits communities to
30 determine property tax budgets and rates based only on, the
31 reported personal property assessed values until the personal
32 property appeals are resolved. Consequently, as a result of
33 abnormal obsolescence claims, the property tax base of
34 communities in northern Indiana is severely reduced for an
35 indeterminate period (if not permanently). The prospect of future
36 appeals and their attendant problems on an ongoing basis must be
37 addressed.
- 38 (7) A new, optional method for valuing the equipment of
39 integrated steel mills and entities that are at least fifty percent
40 (50%) owned by an affiliate of an integrated steel mill ("related
41 entities") and the oil refining and petrochemical industry in
42 northern Indiana is needed. That optional method:



- 1 (A) recognizes the loss of value and difficulty in valuing
 2 equipment at integrated steelmaking facilities and facilities of
 3 the oil refining and petrochemical industry that commenced
 4 operations decades ago and at the facilities of related entities;
 5 (B) recognizes that depreciable personal property used in
 6 integrated steelmaking and in oil refinery or petrochemical
 7 operations and by related entities is affected by different
 8 economic and market forces than depreciable personal
 9 property used in other industries and certain other segments of
 10 the steel industry and therefore experiences different amounts
 11 of obsolescence and depreciation; and
 12 (C) can be used to simply and efficiently arrive at a value
 13 commensurate with that property's age, use, obsolescence, and
 14 market circumstances instead of the current method and its
 15 potentially contentious and lengthy appeals. Such an optional
 16 method would benefit the communities where these older
 17 facilities are located.
- 18 (8) Such an optional method would be to authorize a fifth pool in
 19 the depreciation schedule for valuing the equipment of integrated
 20 steel mills, related entities, and the oil refining and petrochemical
 21 industry that reflects all adjustments to the value of that
 22 equipment for depreciation and obsolescence, including abnormal
 23 obsolescence, which precludes any taxpayer electing such a
 24 method from taking any other obsolescence adjustment for the
 25 equipment, and which applies only at the election of the taxpayer.
- 26 (9) The purpose for authorizing the Pool 5 method is to provide
 27 a more simplified and efficient method for valuing the equipment
 28 of integrated steel mills and the oil refining and petrochemical
 29 industry that recognizes the loss of value and unusual problems
 30 associated with the valuation of the equipment or facilities that
 31 began operations before 1970 in those industries in northern
 32 Indiana, as well as for valuing the equipment of related entities,
 33 to stabilize local property tax revenue by eliminating the need for
 34 abnormal obsolescence claims, and to encourage those industries
 35 to continue to invest in northern Indiana, thereby contributing to
 36 the economic life and well-being of communities in northern
 37 Indiana, the residents of northern Indiana, and Indiana generally.
- 38 (10) The specific circumstances described in this section do not
 39 exist throughout the rest of Indiana.
- 40 (b) For purposes of this section:
 41 (1) "adjusted cost" refers to the adjusted cost established in 50
 42 IAC 4.2-4-4 (as in effect on January 1, 2003);



- 1 (2) "depreciable personal property" has the meaning set forth in
- 2 50 IAC 4.2-4-1 (as in effect on January 1, 2003);
- 3 (3) "integrated steel mill" means a person, including a subsidiary
- 4 of a corporation, that produces steel by processing iron ore and
- 5 other raw materials in a blast furnace in Indiana;
- 6 (4) "oil refinery/petrochemical company" means a person that
- 7 produces a variety of petroleum products by processing an annual
- 8 average of at least one hundred thousand (100,000) barrels of
- 9 crude oil per day;
- 10 (5) "permanently retired depreciable personal property" has the
- 11 meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1,
- 12 2003);
- 13 (6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in
- 14 effect on January 1, 2003);
- 15 (7) "special integrated steel mill or oil refinery/petrochemical
- 16 equipment" means depreciable personal property, other than
- 17 special tools and permanently retired depreciable personal
- 18 property:
- 19 (A) that:
- 20 (i) is owned, leased, or used by an integrated steel mill or an
- 21 entity that is at least fifty percent (50%) owned by an
- 22 affiliate of an integrated steel mill; and
- 23 (ii) falls within Asset Class 33.4 as set forth in IRS Rev.
- 24 Proc. 87-56, 1987-2, C.B. 647; or
- 25 (B) that:
- 26 (i) is owned, leased, or used as an integrated part of an oil
- 27 refinery/petrochemical company or its affiliate; and
- 28 (ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS
- 29 Rev. Proc. 87-56, 1987-2, C.B. 647;
- 30 (8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as
- 31 in effect on January 1, 2003); and
- 32 (9) "year of acquisition" refers to the year of acquisition
- 33 determined under 50 IAC 4.2-4-6 (as in effect on January 1,
- 34 2003).
- 35 (c) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50
- 36 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the
- 37 taxpayer's special integrated steel mill or oil refinery/petrochemical
- 38 equipment by multiplying the adjusted cost of that equipment by the
- 39 percentage set forth in the following table:
- 40

Year of Acquisition	Percentage
1	40%
2	56%
- 41
- 42



1	3	42%
2	4	32%
3	5	24%
4	6	18%
5	7	15%
6	8 and older	10%

7 (d) The department of local government finance shall designate the
8 table under subsection (c) as "Pool No. 5" on the business personal
9 property tax return.

10 (e) The percentage factors in the table under subsection (c)
11 automatically reflect all adjustments for depreciation and obsolescence,
12 including abnormal obsolescence, for special integrated steel mill or oil
13 refinery/petrochemical equipment. The equipment is entitled to all
14 exemptions, credits, and deductions for which it qualifies.

15 (f) The minimum valuation limitations under ~~50 IAC 4.2-4-9~~
16 **section 29 of this chapter** do not apply to special integrated steel mill
17 or oil refinery/petrochemical equipment valued under this section. The
18 value of the equipment is not included in the calculation of that
19 minimum valuation limitation for the taxpayer's other assessable
20 depreciable personal property in the taxing district.

21 (g) An election to value special integrated steel mill or oil
22 refinery/petrochemical equipment under this section:

- 23 (1) must be made by reporting the equipment under this section
- 24 on a business personal property tax return;
- 25 (2) applies to all of the taxpayer's special integrated steel mill or
- 26 oil refinery/petrochemical equipment located in the state (whether
- 27 owned or leased, or used as an integrated part of the equipment);
- 28 and
- 29 (3) is binding on the taxpayer for the assessment date for which
- 30 the election is made.

31 The department of local government finance shall prescribe the forms
32 to make the election beginning with the March 1, 2003, assessment
33 date. Any special integrated steel mill or oil refinery/petrochemical
34 equipment acquired by a taxpayer that has made an election under this
35 section is valued under this section.

36 (h) If fifty percent (50%) or more of the adjusted cost of a taxpayer's
37 property that would, notwithstanding this section, be reported in a pool
38 other than Pool No. 5 is attributable to special integrated steel mill or
39 oil refinery/petrochemical equipment, the taxpayer may elect to
40 calculate the true tax value of all of that property as special integrated
41 steel mill or oil refinery/petrochemical equipment. The true tax value
42 of property for which an election is made under this subsection is



1 calculated under subsections (c) through (g).

2 SECTION 7. IC 6-1.1-3-23.5, AS AMENDED BY P.L.236-2023,
3 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2025 (RETROACTIVE)]; Sec. 23.5. (a) For purposes of
5 this section:

6 (1) "adjusted cost" has the meaning set forth in section 23(b)(1)
7 of this chapter;

8 (2) "depreciable personal property" has the meaning set forth in
9 section 23(b)(2) of this chapter;

10 (3) "mini-mill" means a person, including a subsidiary of a
11 corporation, that produces steel using an electric arc furnace in
12 Indiana;

13 (4) "permanently retired depreciable personal property" has the
14 meaning set forth in section 23(b)(5) of this chapter;

15 (5) "pool" has the meaning set forth in section 23(b)(6) of this
16 chapter;

17 (6) "mini-mill equipment" means depreciable personal property,
18 other than special tools and permanently retired depreciable
19 personal property, that is owned, leased, or used by a mini-mill or
20 an entity that is at least fifty percent (50%) owned by an affiliate
21 of a mini-mill in the production of steel;

22 (7) "special tools" has the meaning set forth in section 23(b)(8) of
23 this chapter; and

24 (8) "year of acquisition" for purposes of applying the table in
25 section 23(c) of this chapter, has the meaning set forth in section
26 23(b)(9) of this chapter.

27 (b) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50
28 IAC 4.2-4-7, beginning with the January 1, 2023, assessment date, a
29 taxpayer may elect to calculate the true tax value of the taxpayer's
30 mini-mill equipment by multiplying the adjusted cost of that equipment
31 by the applicable percentage set forth in the table designated as "Pool
32 No. 5" under section 23(c) and 23(d) of this chapter.

33 (c) The percentage factors in the table under section 23(c) of this
34 chapter automatically reflect all adjustments for depreciation and
35 obsolescence, including abnormal obsolescence, for mini-mill
36 equipment. The equipment is entitled to all exemptions, credits, and
37 deductions for which it qualifies.

38 (d) The minimum valuation limitations under ~~50 IAC 4.2-4-9~~
39 **section 29 of this chapter** do not apply to mini-mill equipment valued
40 under this section. The value of the equipment is not included in the
41 calculation of that minimum valuation limitation for the taxpayer's
42 other assessable depreciable personal property in the taxing district.



- 1 (e) An election to value mini-mill equipment under this section:
- 2 (1) must be made by reporting the equipment under this section
- 3 on a business personal property tax return;
- 4 (2) applies to all of the taxpayer's mini-mill equipment located in
- 5 the state (whether owned or leased, or used as an integrated part
- 6 of the equipment); and
- 7 (3) is binding on the taxpayer for the assessment date for which
- 8 the election is made.

9 The department of local government finance shall prescribe the forms
 10 to make the election beginning with the January 1, 2023, assessment
 11 date. Any mini-mill equipment acquired by a taxpayer that has made
 12 an election under this section is valued under this section.

13 (f) If fifty percent (50%) or more of the adjusted cost of a taxpayer's
 14 property that would, notwithstanding this section, be reported in a pool
 15 other than "Pool No. 5" (as designated under section 23 of this chapter)
 16 is attributable to mini-mill equipment, the taxpayer may elect to
 17 calculate the true tax value of all of that property as mini-mill
 18 equipment. The true tax value of property for which an election is made
 19 under this subsection is calculated under subsections (b) through (e).

20 SECTION 8. IC 6-1.1-3-25, AS ADDED BY P.L.238-2017,
 21 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 25. (a) As used in this
 23 section, "district" refers to an entrepreneur and enterprise district
 24 designated under IC 5-28-15.5.

25 (b) Notwithstanding section 22(b) of this chapter and
 26 IC 6-1.1-8-44(b), assessable depreciable personal property that:

- 27 (1) is located in a district;
- 28 (2) is placed in service in the district by the owner of the property
- 29 after the designation of the district under IC 5-28-15.5; and
- 30 (3) is used within the district by one (1) or more employees who
- 31 perform the majority of their service within the district;

32 is not subject to the valuation limitations in ~~50 IAC 4.2-4-9~~ **section 29**
 33 **of this chapter** or ~~50 IAC 5.1-6-9~~ **IC 6-1.1-8-45.**

34 SECTION 9. IC 6-1.1-3-29 IS ADDED TO THE INDIANA CODE
 35 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 29. (a) This subsection**
 37 **applies only to a taxpayer's assessable depreciable personal**
 38 **property that is placed in service on or before January 1, 2025.**
 39 **Except as provided in subsections (b) and (c), the total valuation of**
 40 **a taxpayer's assessable depreciable personal property in a single**
 41 **taxing district may not be less than the following percentage of the**
 42 **adjusted cost of all the taxpayer's assessable depreciable personal**



1 **property in the taxing district:**

2 **(1) Thirty percent (30%) for assessment dates before January**
3 **1, 2026.**

4 **(2) Twenty-five percent (25%) for an assessment date after**
5 **December 31, 2025, and before January 1, 2027.**

6 **(3) Twenty percent (20%) for an assessment date after**
7 **December 31, 2026, and before January 1, 2028.**

8 **(4) Fifteen percent (15%) for an assessment date after**
9 **December 31, 2027, and before January 1, 2029.**

10 **(5) Ten percent (10%) for an assessment date after December**
11 **31, 2028, and before January 1, 2030.**

12 **(6) Five percent (5%) for an assessment date after December**
13 **31, 2029, and before January 1, 2031.**

14 **(7) Zero percent (0%) for an assessment date after December**
15 **31, 2030.**

16 **(b) The limitation set forth in subsection (a) is to be applied**
17 **before any special adjustment for abnormal obsolescence. The**
18 **limitation does not apply to equipment not placed in service,**
19 **special tooling, and permanently retired depreciable personal**
20 **property.**

21 **(c) Depreciable personal property that is placed in service after**
22 **January 1, 2025, is not subject to the minimum valuation limitation**
23 **under this section.**

24 SECTION 10. IC 6-1.1-8-44, AS AMENDED BY P.L.38-2021,
25 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 44. (a) Except to the
27 extent that it conflicts with a statute and subject to subsection (f), 50
28 IAC 5.1 (as in effect January 1, 2001), which was formerly
29 incorporated by reference into this section, is reinstated as a rule.

30 (b) Tangible personal property within the scope of 50 IAC 5.1 (as
31 in effect January 1, 2001) shall be assessed on the assessment dates in
32 calendar years 2003 and thereafter in conformity with 50 IAC 5.1 (as
33 in effect January 1, 2001).

34 (c) The publisher of the Indiana Administrative Code shall publish
35 50 IAC 5.1 (as in effect January 1, 2001) in the Indiana Administrative
36 Code.

37 (d) 50 IAC 5.2 and any other rule to the extent that it conflicts with
38 this section is void.

39 (e) A reference in 50 IAC 5.1 to a governmental entity that has been
40 terminated or a statute that has been repealed or amended shall be
41 treated as a reference to its successor.

42 (f) The department of local government finance may not amend or



1 repeal the following (all as in effect January 1, 2001):

- 2 (1) 50 IAC 5.1-6-6.
- 3 (2) 50 IAC 5.1-6-7.
- 4 (3) 50 IAC 5.1-6-8.
- 5 (4) 50 IAC 5.1-6-9.
- 6 (5) 50 IAC 5.1-8-1.
- 7 (6) 50 IAC 5.1-9-1.
- 8 (7) 50 IAC 5.1-9-2.

9 However, the department of local government finance may amend
10 these rules to reflect statutory changes.

11 **(g) Notwithstanding any other provision of this section, the**
12 **department of local government finance may adopt rules amending**
13 **50 IAC 5.1 to reflect the enactment of section 45 of this chapter and**
14 **the enactment of the exemption for business personal property**
15 **placed in service after January 1, 2025, under IC 6-1.1-10.4.**

16 SECTION 11. IC 6-1.1-8-45 IS ADDED TO THE INDIANA CODE
17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
18 JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 45. (a) This subsection**
19 **applies only to a taxpayer's assessable depreciable personal**
20 **property that is placed in service on or before January 1, 2025.**
21 **Except as provided in subsections (b) and (c), the total valuation of**
22 **a taxpayer's assessable depreciable personal property in a single**
23 **taxing district may not be less than the following percentage of the**
24 **adjusted cost of all the taxpayer's assessable depreciable personal**
25 **property in the taxing district:**

- 26 (1) **Thirty percent (30%) for assessment dates before January**
27 **1, 2026.**
- 28 (2) **Twenty-five percent (25%) for an assessment date after**
29 **December 31, 2025, and before January 1, 2027.**
- 30 (3) **Twenty percent (20%) for an assessment date after**
31 **December 31, 2026, and before January 1, 2028.**
- 32 (4) **Fifteen percent (15%) for an assessment date after**
33 **December 31, 2027, and before January 1, 2029.**
- 34 (5) **Ten percent (10%) for an assessment date after December**
35 **31, 2028, and before January 1, 2030.**
- 36 (6) **Five percent (5%) for an assessment date after December**
37 **31, 2029, and before January 1, 2031.**
- 38 (7) **Zero percent (0%) for an assessment date after December**
39 **31, 2030.**

40 **(b) The limitation set forth in subsection (a) is to be applied**
41 **before any special adjustment for abnormal obsolescence. The**
42 **limitation does not apply to equipment not placed in service,**



1 special tooling, and permanently retired depreciable personal
2 property.

3 (c) **Depreciable personal property that is placed in service after**
4 **January 1, 2025, is not subject to the minimum valuation limitation**
5 **under this section.**

6 SECTION 12. IC 6-1.1-10.3-2 IS REPEALED [EFFECTIVE JULY
7 1, 2026]. ~~Sec. 2. As used in this chapter, "local income tax council"~~
8 ~~refers to the local income tax council established by IC 6-3.6-3-1 for a~~
9 ~~county.~~

10 SECTION 13. IC 6-1.1-10.3-3, AS AMENDED BY P.L.197-2016,
11 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2026]: Sec. 3. As used in this chapter, "exemption ordinance"
13 refers to an ordinance adopted under section 5 of this chapter by a local
14 income tax council **(before July 1, 2026) or by a county adopting**
15 **body specified in IC 6-3.6-3-1(a) (after June 30, 2026).**

16 SECTION 14. IC 6-1.1-10.3-5, AS AMENDED BY P.L.197-2016,
17 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2026]: Sec. 5. (a) **A local income tax council county adopting**
19 **body specified in IC 6-3.6-3-1(a)** may adopt an exemption ordinance
20 that exempts new personal property located in the county from property
21 taxation as provided in section 6 of this chapter.

22 (b) For purposes of adopting an exemption ordinance under this
23 chapter, a local income tax council is comprised of the same members
24 as the local income tax council that is established by IC 6-3.6-3-1 for
25 the county, regardless of whether a local income tax is in effect in the
26 county and regardless of how the local income tax in effect in the
27 county is allocated. Except as provided in this chapter, the local income
28 tax council **county adopting body** shall use the same procedures that
29 apply to **county adopting bodies** under IC 6-3.6-3 when acting under
30 this chapter.

31 (c) Before adopting an exemption ordinance under this section, a
32 ~~local income tax council~~ **county adopting body** must conduct a public
33 hearing on the proposed exemption ordinance. The ~~local income tax~~
34 ~~council~~ **county adopting body** must publish notice of the public
35 hearing in accordance with IC 5-3-1.

36 (d) The ~~local income tax council~~ **county adopting body** shall
37 provide a certified copy of an adopted exemption ordinance to the
38 department of local government finance and the county auditor.

39 SECTION 15. IC 6-1.1-10.3-7, AS AMENDED BY P.L.197-2016,
40 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2026]: Sec. 7. A ~~local income tax council~~ **county adopting**
42 **body specified in IC 6-3.6-3-1(a)** may repeal or amend an exemption



1 ordinance. However, if a ~~local income tax council~~ **county adopting**
 2 **body** repeals or amends an exemption ordinance, any new personal
 3 property that was exempt under the exemption ordinance on the date
 4 the new personal property was placed into service by a taxpayer
 5 remains exempt from property taxation, regardless of whether or not
 6 the ownership of the new personal property changes after the date the
 7 exemption ordinance is amended or repealed.

8 SECTION 16. IC 6-1.1-10.4 IS ADDED TO THE INDIANA CODE
 9 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 10 JANUARY 1, 2025 (RETROACTIVE)]:

11 **Chapter 10.4. Business Personal Property Exemption**

12 **Sec. 1. This chapter applies only to business personal property**
 13 **placed in service after January 1, 2025.**

14 **Sec. 2. As used in this chapter, "business personal property"**
 15 **means personal property that:**

- 16 (1) is otherwise subject to assessment and taxation under this
- 17 article; and
- 18 (2) is used in a trade or business or otherwise held, used, or
- 19 consumed in connection with the production of income.

20 **The term does not include personal property held as an investment.**

21 **Sec. 3. For assessments made in 2026 through 2029, business**
 22 **personal property is partially exempt from taxation as set forth in**
 23 **this section. The amount of the exemption is equal to:**

- 24 (1) twenty percent (20%) of the taxpayer's assessed value for
- 25 assessments made in 2026 for property taxes first due and
- 26 payable in 2027;
- 27 (2) forty percent (40%) of the taxpayer's assessed value for
- 28 assessments made in 2027 for property taxes first due and
- 29 payable in 2028;
- 30 (3) sixty percent (60%) of the taxpayer's assessed value for
- 31 assessments made in 2028 for property taxes first due and
- 32 payable in 2029; and
- 33 (4) eighty percent (80%) of the taxpayer's assessed value for
- 34 assessments made in 2029 for property taxes first due and
- 35 payable in 2030;

36 **after the application of any deductions or other exemptions that**
 37 **may apply to the taxpayer's business personal property under this**
 38 **article. The partial exemption under this section shall be applied by**
 39 **the taxpayer on the taxpayer's personal property tax return as**
 40 **prescribed by the department of local government finance.**

41 **Sec. 4. For assessments made in 2030, and for assessments made**
 42 **in each taxable year thereafter, business personal property is**



1 **totally exempt from property taxation. A taxpayer is not required**
 2 **to file a personal property return for the taxpayer's business**
 3 **personal property for the assessment dates set forth in this section.**

4 SECTION 17. IC 6-1.1-12-0.7, AS AMENDED BY P.L.99-2007,
 5 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2025]: Sec. 0.7. Any individual who is sixty-five (65) years of
 7 age, is blind, or has a disability (within the meaning of section 11 of
 8 this chapter, **before its expiration**) may appoint an individual eighteen
 9 (18) years of age or older to act on the individual's behalf for purposes
 10 of filing property tax deduction statements for any deductions provided
 11 by this chapter. If a statement is filed by an appointee, the appointee's
 12 name, address, and telephone number must be included in the
 13 statement.

14 SECTION 18. IC 6-1.1-12-9, AS AMENDED BY P.L.239-2023,
 15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 9. (a) An individual may
 17 obtain a deduction from the assessed value of the individual's real
 18 property, or mobile home or manufactured home which is not assessed
 19 as real property, if:

20 (1) the individual is at least sixty-five (65) years of age on or
 21 before December 31 of the calendar year preceding the year in
 22 which the deduction is claimed;

23 (2) for assessment dates before January 1, 2020, the combined
 24 adjusted gross income (as defined in Section 62 of the Internal
 25 Revenue Code) of:

26 (A) the individual and the individual's spouse; or

27 (B) the individual and all other individuals with whom:

28 (i) the individual shares ownership; or

29 (ii) the individual is purchasing the property under a
 30 contract;

31 as joint tenants or tenants in common;

32 for the calendar year preceding the year in which the deduction is
 33 claimed did not exceed twenty-five thousand dollars (\$25,000);

34 (3) for assessment dates after December 31, 2019:

35 (A) the individual had, in the case of an individual who filed
 36 a single return, adjusted gross income (as defined in Section
 37 62 of the Internal Revenue Code) not exceeding thirty
 38 thousand dollars (\$30,000), and beginning for the January 1,
 39 2023, assessment date, and each assessment date thereafter,
 40 adjusted annually by an amount equal to the percentage cost
 41 of living increase applied for Social Security benefits for the
 42 immediately preceding calendar year;



- 1 (B) the individual had, in the case of an individual who filed
 2 a joint income tax return with the individual's spouse,
 3 combined adjusted gross income (as defined in Section 62 of
 4 the Internal Revenue Code) not exceeding forty thousand
 5 dollars (\$40,000), and beginning for the January 1, 2023,
 6 assessment date, and each assessment date thereafter, adjusted
 7 annually by an amount equal to the percentage cost of living
 8 increase applied for Social Security benefits for the
 9 immediately preceding calendar year; or
 10 (C) the combined adjusted gross income (as defined in Section
 11 62 of the Internal Revenue Code) of the individual and all
 12 other individuals with whom:
 13 (i) the individual shares ownership; or
 14 (ii) the individual is purchasing the property under a
 15 contract;
 16 as joint tenants or tenants in common did not exceed forty
 17 thousand dollars (\$40,000), and beginning for the January 1,
 18 2023, assessment date, and each assessment date thereafter,
 19 adjusted annually by an amount equal to the percentage cost
 20 of living increase applied for Social Security benefits for the
 21 immediately preceding calendar year;
 22 for the calendar year preceding by two (2) years the calendar year
 23 in which the property taxes are first due and payable;
 24 (4) the individual has owned the real property, mobile home, or
 25 manufactured home for at least one (1) year before claiming the
 26 deduction; or the individual has been buying the real property,
 27 mobile home, or manufactured home under a contract that
 28 provides that the individual is to pay the property taxes on the real
 29 property, mobile home, or manufactured home for at least one (1)
 30 year before claiming the deduction, and the contract or a
 31 memorandum of the contract is recorded in the county recorder's
 32 office;
 33 (5) for assessment dates:
 34 (A) before January 1, 2020, the individual and any individuals
 35 covered by subdivision (2)(B) reside on the real property,
 36 mobile home, or manufactured home; or
 37 (B) after December 31, 2019, the individual and any
 38 individuals covered by subdivision (3)(C) reside on the real
 39 property, mobile home, or manufactured home;
 40 (6) except as provided in subsection (i), the assessed value of the
 41 real property, mobile home, or manufactured home does not
 42 exceed two hundred forty thousand dollars (\$240,000);



1 (7) the individual receives no other property tax deduction for the
 2 year in which the deduction is claimed, except the deductions
 3 provided by sections 37, (for assessment dates after February 28,
 4 2008) 37.5, and 38 of this chapter; and

5 (8) the person:

6 (A) owns the real property, mobile home, or manufactured
 7 home; or

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

10 on the date the statement required by section 10.1 of this chapter
 11 is filed.

12 For purposes of applying the annual cost of living increases described
 13 in subdivision (3)(A) through (3)(C), the annual percentage increase is
 14 applied to the adjusted amount of income from the immediately
 15 preceding year.

16 (b) Except as provided in subsection (h), in the case of real property,
 17 an individual's deduction under this section equals the lesser of:

18 (1) one-half (1/2) of the assessed value of the real property; or

19 (2) fourteen thousand dollars (\$14,000).

20 (c) Except as provided in subsection (h) and section 40.5 of this
 21 chapter, in the case of a mobile home that is not assessed as real
 22 property or a manufactured home which is not assessed as real
 23 property, an individual's deduction under this section equals the lesser
 24 of:

25 (1) one-half (1/2) of the assessed value of the mobile home or
 26 manufactured home; or

27 (2) fourteen thousand dollars (\$14,000).

28 (d) An individual may not be denied the deduction provided under
 29 this section because the individual is absent from the real property,
 30 mobile home, or manufactured home while in a nursing home or
 31 hospital.

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

34 (1) tenants by the entirety;

35 (2) joint tenants; or

36 (3) tenants in common;

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

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

42 (1) the surviving spouse is at least sixty (60) years of age on or



1 before December 31 of the calendar year preceding the year in
2 which the deduction is claimed;

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

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

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

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

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

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

22 (1) December 31, 2019; or

23 (2) the first year that the individual has received the deduction;
24 are not considered unless the increase in assessed value is attributable
25 to substantial renovation or new improvements. Where there is an
26 increase in assessed value for purposes of the deduction under this
27 section, the assessor shall provide a report to the county auditor
28 describing the substantial renovation or new improvements, if any, that
29 were made to the property prior to the increase in assessed value.

30 **(j) This section applies only to property taxes imposed for an**
31 **assessment date before January 1, 2025.**

32 **(k) This section expires January 1, 2027.**

33 SECTION 19. IC 6-1.1-12-10.1, AS AMENDED BY P.L.136-2024,
34 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 10.1. (a) Except as
36 provided in section 17.8 of this chapter and subject to section 45 of this
37 chapter, an individual who desires to claim the deduction provided by
38 section 9 of this chapter must file a sworn statement, on forms
39 prescribed by the department of local government finance, with the
40 auditor of the county in which the real property, mobile home, or
41 manufactured home is located. To obtain the deduction for a desired
42 calendar year in which property taxes are first due and payable, the



1 statement must be completed, dated, and filed with the county auditor
 2 on or before January 15 of the calendar year in which the property taxes
 3 are first due and payable. The statement may be filed in person or by
 4 mail. If mailed, the mailing must be postmarked on or before the last
 5 day for filing.

6 (b) The statement referred to in subsection (a) shall be in affidavit
 7 form or require verification under penalties of perjury. The statement
 8 must be filed in duplicate if the applicant owns, or is buying under a
 9 contract, real property, a mobile home, or a manufactured home subject
 10 to assessment in more than one (1) county or in more than one (1)
 11 taxing district in the same county. The statement shall contain:

12 (1) the source and exact amount of gross income received by the
 13 individual and the individual's spouse during the preceding
 14 calendar year;

15 (2) the description and assessed value of the real property, mobile
 16 home, or manufactured home;

17 (3) the individual's full name and complete residence address;

18 (4) the record number and page where the contract or
 19 memorandum of the contract is recorded if the individual is
 20 buying the real property, mobile home, or manufactured home on
 21 contract; and

22 (5) any additional information which the department of local
 23 government finance may require.

24 (c) In order to substantiate the deduction statement, the applicant
 25 shall submit for inspection by the county auditor a copy of the
 26 applicant's and a copy of the applicant's spouse's income tax returns
 27 that were originally due in the calendar year immediately preceding the
 28 desired calendar year in which the property taxes are first due and
 29 payable and for which the applicant and the applicant's spouse desire
 30 to claim the deduction. If either was not required to file an income tax
 31 return, the applicant shall subscribe to that fact in the deduction
 32 statement.

33 **(d) This section applies only to property taxes imposed for an**
 34 **assessment date before January 1, 2025.**

35 **(e) This section expires January 1, 2027.**

36 SECTION 20. IC 6-1.1-12-11, AS AMENDED BY P.L.148-2015,
 37 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 11. (a) Except as
 39 provided in section 40.5 of this chapter, an individual may have the
 40 sum of twelve thousand four hundred eighty dollars (\$12,480) deducted
 41 from the assessed value of real property, mobile home not assessed as
 42 real property, or manufactured home not assessed as real property that



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

- 6 (1) the individual is blind or the individual has a disability;
 7 (2) the real property, mobile home, or manufactured home is
 8 principally used and occupied by the individual as the individual's
 9 residence;
 10 (3) the individual's taxable gross income for the calendar year
 11 preceding the year in which the deduction is claimed did not
 12 exceed seventeen thousand dollars (\$17,000); and
 13 (4) the individual:
 14 (A) owns the real property, mobile home, or manufactured
 15 home; or
 16 (B) is buying the real property, mobile home, or manufactured
 17 home under contract;
 18 on the date the statement required by section 12 of this chapter is
 19 filed.

20 (b) For purposes of this section, taxable gross income does not
 21 include income which is not taxed under the federal income tax laws.

22 (c) For purposes of this section, "blind" has the same meaning as the
 23 definition contained in IC 12-7-2-21(1).

24 (d) For purposes of this section, "individual with a disability" means
 25 a person unable to engage in any substantial gainful activity by reason
 26 of a medically determinable physical or mental impairment which:

- 27 (1) can be expected to result in death; or
 28 (2) has lasted or can be expected to last for a continuous period of
 29 not less than twelve (12) months.

30 (e) An individual with a disability filing a claim under this section
 31 shall submit proof of the disability. Proof that a claimant is eligible to
 32 receive disability benefits under the federal Social Security Act (42
 33 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of
 34 this section.

35 (f) An individual with a disability not covered under the federal
 36 Social Security Act shall be examined by a physician and the
 37 individual's status as an individual with a disability determined by
 38 using the same standards as used by the Social Security Administration.
 39 The costs of this examination shall be borne by the claimant.

40 (g) An individual who has sold real property, a mobile home not
 41 assessed as real property, or a manufactured home not assessed as real
 42 property to another person under a contract that provides that the



1 contract buyer is to pay the property taxes on the real property, mobile
 2 home, or manufactured home may not claim the deduction provided
 3 under this section against that real property, mobile home, or
 4 manufactured home.

5 **(h) This section applies only to property taxes imposed for an**
 6 **assessment date before January 1, 2025.**

7 **(i) This section expires January 1, 2027.**

8 SECTION 21. IC 6-1.1-12-12, AS AMENDED BY P.L.136-2024,
 9 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 12. (a) Except as
 11 provided in section 17.8 of this chapter and subject to section 45 of this
 12 chapter, a person who desires to claim the deduction provided in
 13 section 11 of this chapter must file an application, on forms prescribed
 14 by the department of local government finance, with the auditor of the
 15 county in which the real property, mobile home not assessed as real
 16 property, or manufactured home not assessed as real property is
 17 located. To obtain the deduction for a desired calendar year in which
 18 property taxes are first due and payable, the application must be
 19 completed, dated, and filed with the county auditor on or before
 20 January 15 of the calendar year in which the property taxes are first due
 21 and payable. The application may be filed in person or by mail. If
 22 mailed, the mailing must be postmarked on or before the last day for
 23 filing.

24 (b) Proof of blindness may be supported by:

- 25 (1) the records of the division of family resources or the division
- 26 of disability and rehabilitative services; or
- 27 (2) the written statement of a physician who is licensed by this
- 28 state and skilled in the diseases of the eye or of a licensed
- 29 optometrist.

30 (c) The application required by this section must contain the record
 31 number and page where the contract or memorandum of the contract
 32 is recorded if the individual is buying the real property, mobile home,
 33 or manufactured home on a contract that provides that the individual
 34 is to pay property taxes on the real property, mobile home, or
 35 manufactured home.

36 **(d) This section applies only to property taxes imposed for an**
 37 **assessment date before January 1, 2025.**

38 **(e) This section expires January 1, 2027.**

39 SECTION 22. IC 6-1.1-12-13, AS AMENDED BY
 40 P.L.293-2013(ts), SECTION 1, IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]:
 42 Sec. 13. (a) Except as provided in section 40.5 of this chapter, an



1 individual may have twenty-four thousand nine hundred sixty dollars
 2 (\$24,960) deducted from the assessed value of the taxable tangible
 3 property that the individual owns, or real property, a mobile home not
 4 assessed as real property, or a manufactured home not assessed as real
 5 property that the individual is buying under a contract that provides
 6 that the individual is to pay property taxes on the real property, mobile
 7 home, or manufactured home, if the contract or a memorandum of the
 8 contract is recorded in the county recorder's office and if:

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

11 (2) the individual received an honorable discharge;

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

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

15 (A) a pension certificate, an award of compensation, or a
 16 disability compensation check issued by the United States
 17 Department of Veterans Affairs; or

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

23 (5) the individual:

24 (A) owns the real property, mobile home, or manufactured
 25 home; or

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

28 on the date the statement required by section 15 of this chapter is
 29 filed.

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

38 (c) One who receives the deduction provided by this section may not
 39 receive the deduction provided by section 16 of this chapter. However,
 40 the individual may receive any other property tax deduction which the
 41 individual is entitled to by law.

42 (d) An individual who has sold real property, a mobile home not



1 assessed as real property, or a manufactured home not assessed as real
 2 property to another person under a contract that provides that the
 3 contract buyer is to pay the property taxes on the real property, mobile
 4 home, or manufactured home may not claim the deduction provided
 5 under this section against that real property, mobile home, or
 6 manufactured home.

7 **(e) This section applies only to property taxes imposed for an**
 8 **assessment date before January 1, 2025.**

9 **(f) This section expires January 1, 2027.**

10 SECTION 23. IC 6-1.1-12-14, AS AMENDED BY P.L.136-2024,
 11 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 14. (a) Except as
 13 provided in subsection (c) and except as provided in section 40.5 of
 14 this chapter, an individual may have the sum of fourteen thousand
 15 dollars (\$14,000) deducted from the assessed value of the real property,
 16 mobile home not assessed as real property, or manufactured home not
 17 assessed as real property that the individual owns (or the real property,
 18 mobile home not assessed as real property, or manufactured home not
 19 assessed as real property that the individual is buying under a contract
 20 that provides that the individual is to pay property taxes on the real
 21 property, mobile home, or manufactured home if the contract or a
 22 memorandum of the contract is recorded in the county recorder's office)
 23 if:

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



- 1 home under contract;
 2 on the date the statement required by section 15 of this chapter is
 3 filed.
- 4 (b) Except as provided in subsections (c) and (d), the surviving
 5 spouse of an individual may receive the deduction provided by this
 6 section if:
- 7 (1) the individual satisfied the requirements of subsection (a)(1)
 8 through (a)(4) at the time of death; or
 9 (2) the individual:
- 10 (A) was killed in action;
 11 (B) died while serving on active duty in the military or naval
 12 forces of the United States; or
 13 (C) died while performing inactive duty training in the military
 14 or naval forces of the United States; and
- 15 the surviving spouse satisfies the requirement of subsection (a)(5) at
 16 the time the deduction statement is filed. The surviving spouse is
 17 entitled to the deduction regardless of whether the property for which
 18 the deduction is claimed was owned by the deceased veteran or the
 19 surviving spouse before the deceased veteran's death.
- 20 (c) Except as provided in subsection (f), no one is entitled to the
 21 deduction provided by this section if the assessed value of the
 22 individual's Indiana real property, Indiana mobile home not assessed as
 23 real property, and Indiana manufactured home not assessed as real
 24 property, as shown by the tax duplicate, exceeds the assessed value
 25 limit specified in subsection (d).
- 26 (d) Except as provided in subsection (f), for the:
- 27 (1) January 1, 2017, January 1, 2018, and January 1, 2019,
 28 assessment dates, the assessed value limit for purposes of
 29 subsection (c) is one hundred seventy-five thousand dollars
 30 (\$175,000);
 31 (2) January 1, 2020, January 1, 2021, January 1, 2022, and
 32 January 1, 2023, assessment dates, the assessed value limit for
 33 purposes of subsection (c) is two hundred thousand dollars
 34 (\$200,000); and
 35 (3) January 1, 2024, assessment date and for each assessment date
 36 thereafter, the assessed value limit for purposes of subsection (c)
 37 is two hundred forty thousand dollars (\$240,000).
- 38 (e) 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 (f) For purposes of determining the assessed value of the real
4 property, mobile home, or manufactured home under subsection (d) for
5 an individual who has received a deduction under this section in a
6 previous year, increases in assessed value that occur after the later of:

7 (1) December 31, 2019; or

8 (2) the first year that the individual has received the deduction;
9 are not considered unless the increase in assessed value is attributable
10 to substantial renovation or new improvements. Where there is an
11 increase in assessed value for purposes of the deduction under this
12 section, the assessor shall provide a report to the county auditor
13 describing the substantial renovation or new improvements, if any, that
14 were made to the property prior to the increase in assessed value.

15 **(g) This section applies only to property taxes imposed for an**
16 **assessment date before January 1, 2025.**

17 **(h) This section expires January 1, 2027.**

18 SECTION 24. IC 6-1.1-12-14.5, AS ADDED BY P.L.100-2016,
19 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 14.5. (a) As used in this
21 section, "homestead" has the meaning set forth in ~~IC 6-1.1-12-37.~~
22 **section 37 of this chapter.**

23 (b) An individual may claim a deduction from the assessed value of
24 the individual's homestead if:

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

27 (2) the individual received an honorable discharge;

28 (3) the individual has a disability of at least fifty percent (50%);

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 homestead was conveyed without charge to the individual
38 who is the owner of the homestead by an organization that is
39 exempt from income taxation under the federal Internal Revenue
40 Code.

41 (c) If an individual is entitled to a deduction from assessed value
42 under subsection (b) for the individual's homestead, the amount of the



1 deduction is determined as follows:

2 (1) If the individual is totally disabled, the deduction is equal to
3 one hundred percent (100%) of the assessed value of the
4 homestead.

5 (2) If the individual has a disability of at least ninety percent
6 (90%) but the individual is not totally disabled, the deduction is
7 equal to ninety percent (90%) of the assessed value of the
8 homestead.

9 (3) If the individual has a disability of at least eighty percent
10 (80%) but less than ninety percent (90%), the deduction is equal
11 to eighty percent (80%) of the assessed value of the homestead.

12 (4) If the individual has a disability of at least seventy percent
13 (70%) but less than eighty percent (80%), the deduction is equal
14 to seventy percent (70%) of the assessed value of the homestead.

15 (5) If the individual has a disability of at least sixty percent (60%)
16 but less than seventy percent (70%), the deduction is equal to
17 sixty percent (60%) of the assessed value of the homestead.

18 (6) If the individual has a disability of at least fifty percent (50%)
19 but less than sixty percent (60%), the deduction is equal to fifty
20 percent (50%) of the assessed value of the homestead.

21 (d) An individual who claims a deduction under this section for an
22 assessment date may not also claim a deduction under section 13 or 14
23 of this chapter (**before their expiration**) for that same assessment date.

24 (e) An individual who desires to claim the deduction under this
25 section must claim the deduction in the manner specified by the
26 department of local government finance.

27 SECTION 25. IC 6-1.1-12-15, AS AMENDED BY P.L.136-2024,
28 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 15. (a) Except as
30 provided in section 17.8 of this chapter and subject to section 45 of this
31 chapter, an individual who desires to claim the deduction provided by
32 section 13 or 14 of this chapter must file a statement with the auditor
33 of the county in which the individual resides. To obtain the deduction
34 for a desired calendar year in which property taxes are first due and
35 payable, the statement must be completed, dated, and filed with the
36 county auditor on or before January 15 of the calendar year in which
37 the property taxes are first due and payable. The statement may be filed
38 in person or by mail. If mailed, the mailing must be postmarked on or
39 before the last day for filing. The statement shall contain a sworn
40 declaration that the individual is entitled to the deduction.

41 (b) In addition to the statement, the individual shall submit to the
42 county auditor for the auditor's inspection:



1 (1) a pension certificate, an award of compensation, or a disability
 2 compensation check issued by the United States Department of
 3 Veterans Affairs if the individual claims the deduction provided
 4 by section 13 of this chapter;

5 (2) a pension certificate or an award of compensation issued by
 6 the United States Department of Veterans Affairs if the individual
 7 claims the deduction provided by section 14 of this chapter; or

8 (3) the appropriate certificate of eligibility issued to the individual
 9 by the Indiana department of veterans' affairs if the individual
 10 claims the deduction provided by section 13 or 14 of this chapter.

11 (c) If the individual claiming the deduction is under guardianship,
 12 the guardian shall file the statement required by this section. If a
 13 deceased veteran's surviving spouse is claiming the deduction, the
 14 surviving spouse shall provide the documentation necessary to
 15 establish that at the time of death the deceased veteran satisfied the
 16 requirements of section 13(a)(1) through 13(a)(4) of this chapter,
 17 section 14(a)(1) through 14(a)(4) of this chapter, or section 14(b)(2) of
 18 this chapter, whichever applies.

19 (d) If the individual claiming a deduction under section 13 or 14 of
 20 this chapter is buying real property, a mobile home not assessed as real
 21 property, or a manufactured home not assessed as real property under
 22 a contract that provides that the individual is to pay property taxes for
 23 the real estate, mobile home, or manufactured home, the statement
 24 required by this section must contain the record number and page
 25 where the contract or memorandum of the contract is recorded.

26 **(e) This section applies only to property taxes imposed for an**
 27 **assessment date before January 1, 2025.**

28 **(f) This section expires January 1, 2027.**

29 SECTION 26. IC 6-1.1-12-16, AS AMENDED BY P.L.1-2009,
 30 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 16. (a) Except as
 32 provided in section 40.5 of this chapter, a surviving spouse may have
 33 the sum of eighteen thousand seven hundred twenty dollars (\$18,720)
 34 deducted from the assessed value of ~~his or her~~ **the surviving spouse's**
 35 tangible property, or real property, mobile home not assessed as real
 36 property, or manufactured home not assessed as real property that the
 37 surviving spouse is buying under a contract that provides that the
 38 surviving spouse is to pay property taxes on the real property, mobile
 39 home, or manufactured home, if the contract or a memorandum of the
 40 contract is recorded in the county recorder's office, and if:

41 (1) the deceased spouse served in the military or naval forces of
 42 the United States before November 12, 1918;



- 1 (2) the deceased spouse received an honorable discharge; and
 2 (3) the surviving spouse:
 3 (A) owns the real property, mobile home, or manufactured
 4 home; or
 5 (B) is buying the real property, mobile home, or manufactured
 6 home under contract;
 7 on the date the statement required by section 17 of this chapter is
 8 filed.
 9 (b) A surviving spouse who receives the deduction provided by this
 10 section may not receive the deduction provided by section 13 of this
 11 chapter. However, ~~he or she~~ **the surviving spouse** may receive any
 12 other deduction which ~~he or she~~ **the surviving spouse** is entitled to by
 13 law.
 14 (c) An individual who has sold real property, a mobile home not
 15 assessed as real property, or a manufactured home not assessed as real
 16 property to another person under a contract that provides that the
 17 contract buyer is to pay the property taxes on the real property, mobile
 18 home, or manufactured home may not claim the deduction provided
 19 under this section against that real property, mobile home, or
 20 manufactured home.
 21 **(d) This section applies only to property taxes imposed for an**
 22 **assessment date before January 1, 2025.**
 23 **(e) This section expires January 1, 2027.**
 24 SECTION 27. IC 6-1.1-12-17, AS AMENDED BY P.L.136-2024,
 25 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17. **(a)** Except as
 27 provided in section 17.8 of this chapter and subject to section 45 of this
 28 chapter, a surviving spouse who desires to claim the deduction
 29 provided by section 16 of this chapter must file a statement with the
 30 auditor of the county in which the surviving spouse resides. To obtain
 31 the deduction for a desired calendar year in which property taxes are
 32 first due and payable, the statement must be completed, dated, and filed
 33 with the county auditor on or before January 15 of the calendar year in
 34 which the property taxes are first due and payable. The statement may
 35 be filed in person or by mail. If mailed, the mailing must be postmarked
 36 on or before the last day for filing. The statement shall contain:
 37 (1) a sworn statement that the surviving spouse is entitled to the
 38 deduction; and
 39 (2) the record number and page where the contract or
 40 memorandum of the contract is recorded, if the individual is
 41 buying the real property on a contract that provides that the
 42 individual is to pay property taxes on the real property.



1 In addition to the statement, the surviving spouse shall submit to the
 2 county auditor for the auditor's inspection a letter or certificate from the
 3 United States Department of Veterans Affairs establishing the service
 4 of the deceased spouse in the military or naval forces of the United
 5 States before November 12, 1918.

6 **(b) This section applies only to property taxes imposed for an**
 7 **assessment date before January 1, 2025.**

8 **(c) This section expires January 1, 2027.**

9 SECTION 28. IC 6-1.1-12-17.8, AS AMENDED BY THE
 10 TECHNICAL CORRECTIONS BILL OF THE 2025 GENERAL
 11 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17.8. (a) An individual
 13 who receives a deduction provided under section 9 **(before its**
 14 **expiration), 11 (before its expiration), 13 (before its expiration), 14**
 15 **(before its expiration), 16 (before its expiration), 17.4 (before its**
 16 **expiration), or 37 of this chapter in a particular year and who remains**
 17 **eligible for the deduction in the following year is not required to file a**
 18 **statement to apply for the deduction in the following year. However, for**
 19 **purposes of a deduction under section 37 of this chapter, the county**
 20 **auditor may, in the county auditor's discretion, terminate the deduction**
 21 **for assessment dates after January 15, 2012, if the individual does not**
 22 **comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January**
 23 **1, 2015), as determined by the county auditor, before January 1, 2013.**
 24 **Before the county auditor terminates the deduction because the**
 25 **taxpayer claiming the deduction did not comply with the requirement**
 26 **in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,**
 27 **2013, the county auditor shall mail notice of the proposed termination**
 28 **of the deduction to:**

29 (1) the last known address of each person liable for any property
 30 taxes or special assessment, as shown on the tax duplicate or
 31 special assessment records; or

32 (2) the last known address of the most recent owner shown in the
 33 transfer book.

34 (b) An individual who receives a deduction provided under section
 35 9 **(before its expiration), 11 (before its expiration), 13 (before its**
 36 **expiration), 14 (before its expiration), 16 (before its expiration), or**
 37 **17.4 (before its expiration) of this chapter in a particular year and who**
 38 **becomes ineligible for the deduction in the following year shall notify**
 39 **the auditor of the county in which the real property, mobile home, or**
 40 **manufactured home for which the individual claims the deduction is**
 41 **located of the individual's ineligibility in the year in which the**
 42 **individual becomes ineligible. An individual who becomes ineligible**



1 for a deduction under section 37 of this chapter shall notify the county
2 auditor of the county in which the property is located in conformity
3 with section 37 of this chapter.

4 (c) The auditor of each county shall, in a particular year, apply a
5 deduction provided under section 9 (**before its expiration**), 11 (**before**
6 **its expiration**), 13 (**before its expiration**), 14 (**before its expiration**),
7 16 (**before its expiration**), 17.4 (before its expiration), or 37 of this
8 chapter to each individual who received the deduction in the preceding
9 year unless the auditor determines that the individual is no longer
10 eligible for the deduction.

11 (d) An individual who receives a deduction provided under section
12 9 (**before its expiration**), 11 (**before its expiration**), 13 (**before its**
13 **expiration**), 14 (**before its expiration**), 16 (**before its expiration**),
14 17.4 (before its expiration), or 37 of this chapter for property that is
15 jointly held with another owner in a particular year and remains eligible
16 for the deduction in the following year is not required to file a
17 statement to reapply for the deduction following the removal of the
18 joint owner if:

19 (1) the individual is the sole owner of the property following the
20 death of the individual's spouse; or

21 (2) the individual is the sole owner of the property following the
22 death of a joint owner who was not the individual's spouse.

23 If a county auditor terminates a deduction under section 9 of this
24 chapter (**before its expiration**), a deduction under section 37 of this
25 chapter, or a credit under IC 6-1.1-20.6-8.5 after June 30, 2017, and
26 before May 1, 2019, because the taxpayer claiming the deduction or
27 credit did not comply with a requirement added to this subsection by
28 P.L.255-2017 to reapply for the deduction or credit, the county auditor
29 shall reinstate the deduction or credit if the taxpayer provides proof that
30 the taxpayer is eligible for the deduction or credit and is not claiming
31 the deduction or credit for any other property.

32 (e) A trust entitled to a deduction under section 9 (**before its**
33 **expiration**), 11 (**before its expiration**), 13 (**before its expiration**), 14
34 (**before its expiration**), 16 (**before its expiration**), 17.4 (before its
35 expiration), or 37 of this chapter for real property owned by the trust
36 and occupied by an individual in accordance with section 17.9 of this
37 chapter (**before its expiration**) is not required to file a statement to
38 apply for the deduction, if:

39 (1) the individual who occupies the real property receives a
40 deduction provided under section 9 (**before its expiration**), 11
41 (**before its expiration**), 13 (**before its expiration**), 14 (**before its**
42 **expiration**), 16 (**before its expiration**), 17.4 (before its



1 expiration), or 37 of this chapter in a particular year; and
 2 (2) the trust remains eligible for the deduction in the following
 3 year.

4 However, for purposes of a deduction under section 37 of this chapter,
 5 the individuals that qualify the trust for a deduction must comply with
 6 the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015)
 7 before January 1, 2013.

8 (f) A cooperative housing corporation (as defined in 26 U.S.C. 216)
 9 that is entitled to a deduction under section 37 of this chapter in the
 10 immediately preceding calendar year for a homestead (as defined in
 11 section 37 of this chapter) is not required to file a statement to apply for
 12 the deduction for the current calendar year if the cooperative housing
 13 corporation remains eligible for the deduction for the current calendar
 14 year. However, the county auditor may, in the county auditor's
 15 discretion, terminate the deduction for assessment dates after January
 16 15, 2012, if the individual does not comply with the requirement in
 17 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the
 18 county auditor, before January 1, 2013. Before the county auditor
 19 terminates a deduction because the taxpayer claiming the deduction did
 20 not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired
 21 January 1, 2015) before January 1, 2013, the county auditor shall mail
 22 notice of the proposed termination of the deduction to:

23 (1) the last known address of each person liable for any property
 24 taxes or special assessment, as shown on the tax duplicate or
 25 special assessment records; or

26 (2) the last known address of the most recent owner shown in the
 27 transfer book.

28 (g) An individual who:

29 (1) was eligible for a homestead credit under IC 6-1.1-20.9
 30 (repealed) for property taxes imposed for the March 1, 2007, or
 31 January 15, 2008, assessment date; or

32 (2) would have been eligible for a homestead credit under
 33 IC 6-1.1-20.9 (repealed) for property taxes imposed for the March
 34 1, 2008, or January 15, 2009, assessment date if IC 6-1.1-20.9 had
 35 not been repealed;

36 is not required to file a statement to apply for a deduction under section
 37 37 of this chapter if the individual remains eligible for the deduction in
 38 the current year. An individual who filed for a homestead credit under
 39 IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if
 40 the property is real property), or after January 1, 2008 (if the property
 41 is personal property), shall be treated as an individual who has filed for
 42 a deduction under section 37 of this chapter. However, the county



1 auditor may, in the county auditor's discretion, terminate the deduction
 2 for assessment dates after January 15, 2012, if the individual does not
 3 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
 4 1, 2015), as determined by the county auditor, before January 1, 2013.
 5 Before the county auditor terminates the deduction because the
 6 taxpayer claiming the deduction did not comply with the requirement
 7 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,
 8 2013, the county auditor shall mail notice of the proposed termination
 9 of the deduction to the last known address of each person liable for any
 10 property taxes or special assessment, as shown on the tax duplicate or
 11 special assessment records, or to the last known address of the most
 12 recent owner shown in the transfer book.

13 (h) If a county auditor terminates a deduction because the taxpayer
 14 claiming the deduction did not comply with the requirement in
 15 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013,
 16 the county auditor shall reinstate the deduction if the taxpayer provides
 17 proof that the taxpayer is eligible for the deduction and is not claiming
 18 the deduction for any other property.

19 (i) A taxpayer described in section ~~37(q)~~ 37(r) of this chapter is not
 20 required to file a statement to apply for the deduction provided by
 21 section 37 of this chapter if the property owned by the taxpayer remains
 22 eligible for the deduction for that calendar year.

23 SECTION 29. IC 6-1.1-12-17.9, AS AMENDED BY P.L.190-2016,
 24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17.9. (a) A trust is
 26 entitled to a deduction under section 9 (**before its expiration**), 11
 27 (**before its expiration**), 13 (**before its expiration**), 14 (**before its**
 28 **expiration**), 16 (**before its expiration**), or 17.4 (before its expiration)
 29 of this chapter for real property owned by the trust and occupied by an
 30 individual if the county auditor determines that the individual:

31 (1) upon verification in the body of the deed or otherwise, has
 32 either:

33 (A) a beneficial interest in the trust; or

34 (B) the right to occupy the real property rent free under the
 35 terms of a qualified personal residence trust created by the
 36 individual under United States Treasury Regulation
 37 25.2702-5(c)(2); and

38 (2) otherwise qualifies for the deduction.

39 (b) **This section applies only to property taxes imposed for an**
 40 **assessment date before January 1, 2025.**

41 (c) **This section expires January 1, 2027.**

42 SECTION 30. IC 6-1.1-12-18, AS AMENDED BY P.L.181-2016,



1 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 18. (a) This section
3 applies only to:

- 4 (1) rehabilitation of residential real property that occurs before
5 January 2, 2017; and
6 (2) **property taxes imposed for an assessment date before**
7 **January 1, 2025.**

8 (b) If the assessed value of residential real property described in
9 subsection (e) is increased because it has been rehabilitated, the owner
10 may have deducted from the assessed value of the property an amount
11 not to exceed the lesser of:

- 12 (1) the total increase in assessed value resulting from the
13 rehabilitation (excluding an increase in assessed value that occurs
14 after January 1, 2017); or
15 (2) eighteen thousand seven hundred twenty dollars (\$18,720) per
16 rehabilitated dwelling unit.

17 The owner is entitled to this deduction annually for a five (5) year
18 period, or if subsection (f) applies, the period established under
19 subsection (f).

20 (c) For purposes of this section, the term "rehabilitation" means
21 significant repairs, replacements, or improvements to an existing
22 structure which are intended to increase the livability, utility, safety, or
23 value of the property under rules adopted by the department of local
24 government finance.

25 (d) For the purposes of this section, the term "owner" or "property
26 owner" includes any person who has the legal obligation, or has
27 otherwise assumed the obligation, to pay the real property taxes on the
28 rehabilitated property.

29 (e) The deduction provided by this section applies only:

30 (1) for the rehabilitation of residential real property which is
31 located within this state and which is described in one (1) of the
32 following classifications:

33 (A) A single family dwelling if before rehabilitation the
34 assessed value (excluding any exemptions or deductions) of
35 the improvements does not exceed thirty-seven thousand four
36 hundred forty dollars (\$37,440).

37 (B) A two (2) family dwelling if before rehabilitation the
38 assessed value (excluding exemptions or deductions) of the
39 improvements does not exceed forty-nine thousand nine
40 hundred twenty dollars (\$49,920).

41 (C) A dwelling with more than two (2) family units if before
42 rehabilitation the assessed value (excluding any exemptions or



1 deductions) of the improvements does not exceed eighteen
 2 thousand seven hundred twenty dollars (\$18,720) per dwelling
 3 unit; and
 4 (2) if the property owner:
 5 (A) owns the residential real property; or
 6 (B) is buying the residential real property under contract;
 7 on the assessment date of the year in which an application must
 8 be filed under section 20 of this chapter.
 9 (f) A county, city, or town fiscal body may adopt an ordinance to
 10 establish a deduction period that is longer than five (5) years but not to
 11 exceed fifteen (15) years for any rehabilitated property covered by this
 12 section that has also been determined to be abandoned or vacant for
 13 purposes of IC 6-1.1-24.

14 (g) This section expires January 1, ~~2033~~ **2027**.
 15 SECTION 31. IC 6-1.1-12-21 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]:
 17 Sec. 21. When real property is reassessed because it has been
 18 rehabilitated, the assessing official who, or the county property tax
 19 assessment board of appeals which, makes the reassessment shall give
 20 the owner notice of the property tax deductions provided by sections 18
 21 and 22 of this chapter **(before their expiration)**. The official or county
 22 property tax assessment board of appeals shall attach the notice to the
 23 reassessment notice required by IC 6-1.1-4-22.

24 SECTION 32. IC 6-1.1-12-26, AS AMENDED BY P.L.113-2010,
 25 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 26. (a) The owner of real
 27 property, or a mobile home which is not assessed as real property,
 28 which is equipped with a solar energy heating or cooling system may
 29 have deducted annually from the assessed value of the real property or
 30 mobile home an amount which is equal to the out-of-pocket
 31 expenditures by the owner (or a previous owner) of the real property or
 32 mobile home for:

33 (1) the components; and
 34 (2) the labor involved in installing the components;
 35 that are unique to the system and that are needed to collect, store, or
 36 distribute solar energy.

37 (b) The tangible property to which subsection (a) applies includes
 38 a solar thermal air system and any solar energy heating or cooling
 39 system used for:

40 (1) domestic hot water or space heat, or both, including pool
 41 heating; or
 42 (2) preheating for an industrial process.



1 (c) Subsection (a) does not apply to tangible property that would not
2 be subject to assessment and taxation under this article if this section
3 did not apply.

4 (d) For purposes of subsection (a), proof of out-of-pocket
5 expenditures may be demonstrated by invoices or other evidence of a
6 purchase and installation, as determined under rules or guidelines
7 prescribed by the department of local government finance.

8 **(e) This section applies only to property taxes imposed for an**
9 **assessment date before January 1, 2025.**

10 **(f) This section expires January 1, 2027.**

11 SECTION 33. IC 6-1.1-12-26.1, AS ADDED BY P.L.137-2012,
12 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 26.1. (a) This section
14 applies only to a solar power device that is installed after December 31,
15 2011.

16 (b) This section does not apply to a solar power device that is owned
17 or operated by a person that provides electricity at wholesale or retail
18 for consideration other than a person that:

19 (1) participates in a net metering or feed-in-tariff program offered
20 by an electric utility with respect to the solar power device; or

21 (2) is the owner or host of the solar power device site and a person
22 consumes on the site the equivalent amount of electricity that is
23 generated by the solar power device on an annual basis even if the
24 electricity is sold to a public utility, including a solar power
25 device directly serving a public utility's business operations site.

26 (c) For purposes of this section, "solar power device" means a
27 device, such as a solar thermal, a photovoltaic, or other solar energy
28 system, that is designed to use the radiant light or heat from the sun to
29 produce electricity.

30 (d) The owner of real property equipped with a solar power device
31 that is assessed as a real property improvement may have deducted
32 annually from the assessed value of the real property an amount equal
33 to:

34 (1) the assessed value of the real property with the solar power
35 device included; minus

36 (2) the assessed value of the real property without the solar power
37 device.

38 (e) The owner of a solar power device that is assessed as:

39 (1) distributable property under IC 6-1.1-8; or

40 (2) personal property;

41 may have deducted annually the assessed value of the solar power
42 device.



1 **(f) This section applies only to property taxes imposed for an**
 2 **assessment date before January 1, 2025.**

3 **(g) This section expires January 1, 2027.**

4 SECTION 34. IC 6-1.1-12-27.1, AS AMENDED BY P.L.136-2024,
 5 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 27.1. **(a)** Except as
 7 provided in sections 36 and 44 of this chapter and subject to section 45
 8 of this chapter, a person who desires to claim the deduction provided
 9 by section 26 or 26.1 of this chapter must file a certified statement in
 10 duplicate, on forms prescribed by the department of local government
 11 finance, with the auditor of the county in which the real property,
 12 mobile home, manufactured home, or solar power device is subject to
 13 assessment. To obtain the deduction for a desired calendar year in
 14 which property taxes are first due and payable, the person must
 15 complete, date, and file the certified statement with the county auditor
 16 on or before January 15 of the calendar year in which the property taxes
 17 are first due and payable. The person must:

18 (1) own the real property, mobile home, or manufactured home or
 19 own the solar power device;

20 (2) be buying the real property, mobile home, manufactured
 21 home, or solar power device under contract; or

22 (3) be leasing the real property from the real property owner and
 23 be subject to assessment and property taxation with respect to the
 24 solar power device;

25 on the date the statement is filed under this section. The statement may
 26 be filed in person or by mail. If mailed, the mailing must be postmarked
 27 on or before the last day for filing. On verification of the statement by
 28 the assessor of the township in which the real property, mobile home,
 29 manufactured home, or solar power device is subject to assessment, or
 30 the county assessor if there is no township assessor for the township,
 31 the county auditor shall allow the deduction.

32 **(b) This section applies only to property taxes imposed for an**
 33 **assessment date before January 1, 2025.**

34 **(c) This section expires January 1, 2027.**

35 SECTION 35. IC 6-1.1-12-28.5, AS AMENDED BY P.L.146-2008,
 36 SECTION 112, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 28.5. (a)
 38 For purposes of this section:

39 (1) "Hazardous waste" has the meaning set forth in
 40 IC 13-11-2-99(a) and includes a waste determined to be a
 41 hazardous waste under IC 13-22-2-3(b).

42 (2) "Resource recovery system" means tangible property directly



1 used to dispose of solid waste or hazardous waste by converting
2 it into energy or other useful products.

3 (3) "Solid waste" has the meaning set forth in IC 13-11-2-205(a)
4 but does not include dead animals or any animal solid or
5 semisolid wastes.

6 (b) Except as provided in this section, the owner of a resource
7 recovery system is entitled to an annual deduction in an amount equal
8 to ninety-five percent (95%) of the assessed value of the system if:

9 (1) the system was certified by the department of environmental
10 management for the 1993 assessment year or a prior assessment
11 year; and

12 (2) the owner filed a timely application for the deduction for the
13 1993 assessment year.

14 For purposes of this section, a system includes tangible property that
15 replaced tangible property in the system after the certification by the
16 department of environmental management.

17 (c) The owner of a resource recovery system that is directly used to
18 dispose of hazardous waste is not entitled to the deduction provided by
19 this section for a particular assessment year if during that assessment
20 year the owner:

21 (1) is convicted of any violation under IC 13-7-13-3 (repealed),
22 IC 13-7-13-4 (repealed), or a criminal statute under IC 13; or

23 (2) is subject to an order or a consent decree with respect to
24 property located in Indiana based upon a violation of a federal or
25 state rule, regulation, or statute governing the treatment, storage,
26 or disposal of hazardous wastes that had a major or moderate
27 potential for harm.

28 (d) The certification of a resource recovery system by the
29 department of environmental management for the 1993 assessment
30 year or a prior assessment year is valid through the 1997 assessment
31 year so long as the property is used as a resource recovery system. If
32 the property is no longer used for the purpose for which the property
33 was used when the property was certified, the owner of the property
34 shall notify the county auditor. However, the deduction from the
35 assessed value of the system is:

36 (1) ninety-five percent (95%) for the 1994 assessment year;

37 (2) ninety percent (90%) for the 1995 assessment year;

38 (3) seventy-five percent (75%) for the 1996 assessment year; and

39 (4) sixty percent (60%) for the 1997 assessment year.

40 Notwithstanding this section as it existed before 1995, for the 1994
41 assessment year, the portion of any tangible property comprising a
42 resource recovery system that was assessed and first deducted for the



1 1994 assessment year may not be deducted for property taxes first due
2 and payable in 1995 or later.

3 (e) In order to qualify for a deduction under this section, the person
4 who desires to claim the deduction must file an application with the
5 county auditor after February 28 and before May 16 of the current
6 assessment year. An application must be filed in each year for which
7 the person desires to obtain the deduction. The application may be filed
8 in person or by mail. If mailed, the mailing must be postmarked on or
9 before the last day for filing. If the application is not filed before the
10 applicable deadline under this subsection, the deduction is waived. The
11 application must be filed on a form prescribed by the department of
12 local government finance. The application for a resource recovery
13 system deduction must include:

14 (1) a certification by the department of environmental
15 management for the 1993 assessment year or a prior assessment
16 year as described in subsection (d); or

17 (2) the certification by the department of environmental
18 management for the 1993 assessment year as described in
19 subsection (g).

20 Beginning with the 1995 assessment year a person must also file an
21 itemized list of all property on which a deduction is claimed. The list
22 must include the date of purchase of the property and the cost to
23 acquire the property.

24 (f) Before July 1, 1995, the department of environmental
25 management shall transfer all the applications, records, or other
26 material the department has with respect to resource recovery system
27 deductions under this section for the 1993 and 1994 assessment years.
28 The township assessor, or the county assessor if there is no township
29 assessor for the township, shall verify each deduction application filed
30 under this section and the county auditor shall determine the deduction.
31 The county auditor shall send to the department of local government
32 finance a copy of each deduction application. The county auditor shall
33 notify the county property tax assessment board of appeals of all
34 deductions allowed under this section. A denial of a deduction claimed
35 under this subsection may be appealed as provided in IC 6-1.1-15. The
36 appeal is limited to a review of a determination made by the township
37 assessor, the county assessor, or the county auditor.

38 (g) Notwithstanding subsection (d), the certification for the 1993
39 assessment year of a resource recovery system in regard to which a
40 political subdivision is liable for the payment of the property taxes
41 remains valid at the ninety-five percent (95%) deduction level allowed
42 before 1994 as long as the political subdivision remains liable for the



1 payment of the property taxes on the system.

2 **(h) This section applies only to property taxes imposed for an**
 3 **assessment date before January 1, 2025.**

4 **(i) This section expires January 1, 2027.**

5 SECTION 36. IC 6-1.1-12-29, AS AMENDED BY P.L.46-2011,
 6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 29. (a) This section does
 8 not apply to a wind power device that is owned or operated by:

9 (1) a public utility (as defined in IC 8-1-2-1(a)); or

10 (2) another entity that provides electricity at wholesale or retail
 11 for consideration, other than a person who participates in a net
 12 metering program offered by an electric utility.

13 This subsection shall be interpreted to clarify and not to change the
 14 general assembly's intent with respect to this section.

15 (b) For purposes of this section, "wind power device" means a
 16 device, such as a windmill or a wind turbine, that is designed to utilize
 17 the kinetic energy of moving air to provide mechanical energy or to
 18 produce electricity.

19 (c) The owner of real property, or a mobile home that is not assessed
 20 as real property, that is equipped with a wind power device is entitled
 21 to an annual property tax deduction. The amount of the deduction
 22 equals the remainder of (1) the assessed value of the real property or
 23 mobile home with the wind power device included, minus (2) the
 24 assessed value of the real property or mobile home without the wind
 25 power device.

26 **(d) This section applies only to property taxes imposed for an**
 27 **assessment date before January 1, 2025.**

28 **(e) This section expires January 1, 2027.**

29 SECTION 37. IC 6-1.1-12-30, AS AMENDED BY P.L.136-2024,
 30 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 30. **(a)** Except as
 32 provided in sections 36 and 44 of this chapter and subject to section 45
 33 of this chapter, a person who desires to claim the deduction provided
 34 by section 29 of this chapter must file a certified statement in duplicate,
 35 on forms prescribed by the department of local government finance,
 36 with the auditor of the county in which the real property or mobile
 37 home is subject to assessment. To obtain the deduction for a desired
 38 calendar year in which property taxes are first due and payable, the
 39 person must complete, date, and file the statement with the county
 40 auditor on or before January 15 of the calendar year in which the
 41 property taxes are first due and payable. The person must:

42 (1) own the real property, mobile home, or manufactured home;



1 or
 2 (2) be buying the real property, mobile home, or manufactured
 3 home under contract;
 4 on the date the statement is filed under this section. On verification of
 5 the statement by the assessor of the township in which the real property
 6 or mobile home is subject to assessment, or the county assessor if there
 7 is no township assessor for the township, the county auditor shall allow
 8 the deduction.
 9 **(b) This section applies only to property taxes imposed for an**
 10 **assessment date before January 1, 2025.**
 11 **(c) This section expires January 1, 2027.**
 12 SECTION 38. IC 6-1.1-12-33, AS AMENDED BY P.L.144-2008,
 13 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 33. (a) For purposes of
 15 this section "hydroelectric power device" means a device which is
 16 installed after December 31, 1981, and is designed to utilize the kinetic
 17 power of moving water to provide mechanical energy or to produce
 18 electricity.
 19 (b) The owner of real property, or a mobile home that is not assessed
 20 as real property, that is equipped with a hydroelectric power device is
 21 annually entitled to a property tax deduction. The amount of the
 22 deduction equals the remainder of:
 23 (1) the assessed value of the real property or mobile home with
 24 the hydroelectric power device; minus
 25 (2) the assessed value of the real property or mobile home without
 26 the hydroelectric power device.
 27 (c) The deduction provided by this section applies only if the
 28 property owner:
 29 (1) owns the real property or mobile home; or
 30 (2) is buying the real property or mobile home under contract;
 31 on the date the statement is filed under section 35.5 of this chapter.
 32 **(d) This section applies only to property taxes imposed for an**
 33 **assessment date before January 1, 2025.**
 34 **(e) This section expires January 1, 2027.**
 35 SECTION 39. IC 6-1.1-12-34, AS AMENDED BY P.L.144-2008,
 36 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 34. (a) For purposes of
 38 this section, "geothermal energy heating or cooling device" means a
 39 device that is installed after December 31, 1981, and is designed to
 40 utilize the natural heat from the earth to provide hot water, produce
 41 electricity, or generate heating or cooling.
 42 (b) The owner of real property, or a mobile home that is not assessed



1 as real property, that is equipped with a geothermal energy heating or
 2 cooling device is annually entitled to a property tax deduction. The
 3 amount of the deduction equals the remainder of: (1) the assessed value
 4 of the real property or mobile home with the geothermal heating or
 5 cooling device; minus (2) the assessed value of the real property or
 6 mobile home without the geothermal heating or cooling device.

7 (c) The deduction provided by this section applies only if the
 8 property owner:

9 (1) owns the real property or mobile home; or

10 (2) is buying the real property or mobile home under contract;
 11 on the date the statement is filed under section 35.5 of this chapter.

12 **(d) This section applies only to property taxes imposed for an**
 13 **assessment date before January 1, 2025.**

14 **(e) This section expires January 1, 2027.**

15 SECTION 40. IC 6-1.1-12-35.5, AS AMENDED BY P.L.136-2024,
 16 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 35.5. (a) Except as
 18 provided in section 36 or 44 of this chapter and subject to section 45 of
 19 this chapter, a person who desires to claim the deduction provided by
 20 section 33 **(before its expiration)** or 34 **(before its expiration)** of this
 21 chapter must file a certified statement in duplicate, on forms prescribed
 22 by the department of local government finance and proof of
 23 certification under subsection (b) with the auditor of the county in
 24 which the property for which the deduction is claimed is subject to
 25 assessment. To obtain the deduction for a desired calendar year in
 26 which property taxes are first due and payable, the person must
 27 complete, date, and file the certified statement with the county auditor
 28 on or before January 15 of the calendar year in which the property taxes
 29 are first due and payable. The statement may be filed in person or by
 30 mail. If mailed, the mailing must be postmarked on or before the last
 31 day for filing. On verification of the statement by the assessor of the
 32 township in which the property for which the deduction is claimed is
 33 subject to assessment, or the county assessor if there is no township
 34 assessor for the township, the county auditor shall allow the deduction.

35 (b) The department of environmental management, upon application
 36 by a property owner, shall determine whether a system or device
 37 qualifies for a deduction provided by section 33 **(before its expiration)**
 38 or 34 **(before its expiration)** of this chapter. If the department
 39 determines that a system or device qualifies for a deduction, it shall
 40 certify the system or device and provide proof of the certification to the
 41 property owner. The department shall prescribe the form and manner
 42 of the certification process required by this subsection.



1 (c) If the department of environmental management receives an
 2 application for certification, the department shall determine whether
 3 the system or device qualifies for a deduction. If the department fails
 4 to make a determination under this subsection before December 31 of
 5 the year in which the application is received, the system or device is
 6 considered certified.

7 (d) A denial of a deduction claimed under section 33 (**before its**
 8 **expiration**) or 34 (**before its expiration**) of this chapter may be
 9 appealed as provided in IC 6-1.1-15. The appeal is limited to a review
 10 of a determination made by the township assessor county property tax
 11 assessment board of appeals, or department of local government
 12 finance.

13 (e) Notwithstanding any other law, if there is a change in ownership
 14 of real property, or a mobile home that is not assessed as real property:

15 (1) that is equipped with a geothermal energy heating or cooling
 16 device; and

17 (2) whose previous owner received a property tax deduction under
 18 section 34 of this chapter (**before its expiration**) for the
 19 geothermal energy heating or cooling device prior to the change
 20 in ownership;

21 the new owner shall be eligible for the property tax deduction following
 22 the change in ownership and, in subsequent taxable years, shall not be
 23 required to obtain a determination of qualification from the department
 24 of environmental management under subsection (b) and shall not be
 25 required to file a certified statement of qualification with the county
 26 auditor under subsection (a) to remain eligible for the property tax
 27 deduction.

28 **(f) This section applies only to property taxes imposed for an**
 29 **assessment date before January 1, 2025.**

30 **(g) This section expires January 1, 2027.**

31 SECTION 41. IC 6-1.1-12-36, AS AMENDED BY P.L.214-2019,
 32 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 36. (a) A person who
 34 receives a deduction provided under section 26 (**before its expiration**),
 35 29 (**before its expiration**), 33 (**before its expiration**), 34 (**before its**
 36 **expiration**), or 38 of this chapter (**before its expiration**) for a
 37 particular year and who remains eligible for the deduction for the
 38 following year is not required to file a statement to apply for the
 39 deduction for the following year.

40 (b) A person who receives a deduction provided under section 26
 41 (**before its expiration**), 29 (**before its expiration**), 33 (**before its**
 42 **expiration**), 34 (**before its expiration**), or 38 of this chapter (**before**



1 **its expiration**) for a particular year and who becomes ineligible for the
 2 deduction for the following year shall notify the auditor of the county
 3 in which the real property or mobile home for which the person
 4 received the deduction is located of the person's ineligibility before
 5 March 31 of the year for which the person becomes ineligible.

6 (c) The auditor of each county shall, in a particular year, apply a
 7 deduction provided under section 26 **(before its expiration)**, 29
 8 **(before its expiration)**, 33 **(before its expiration)**, 34 **(before its**
 9 **expiration)**, or 38 of this chapter **(before its expiration)** to each
 10 person who received the deduction in the preceding year unless the
 11 auditor determines that the person is no longer eligible for the
 12 deduction.

13 **(d) This section applies only to property taxes imposed for an**
 14 **assessment date before January 1, 2025.**

15 **(e) This section expires January 1, 2027.**

16 SECTION 42. IC 6-1.1-12-37, AS AMENDED BY P.L.156-2024,
 17 SECTION 11, AND AS AMENDED BY P.L.136-2024, SECTION 14,
 18 AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL
 19 OF THE 2025 GENERAL ASSEMBLY, IS CORRECTED AND
 20 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
 21 2025 (RETROACTIVE)]: Sec. 37. (a) The following definitions apply
 22 throughout this section:

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

24 (A) Residential real property improvements that an individual
 25 uses as the individual's residence, limited to a single house and
 26 a single garage, regardless of whether the single garage is
 27 attached to the single house or detached from the single house.

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

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

32 (2) "Homestead" means an individual's principal place of
 33 residence:

34 (A) that is located in Indiana;

35 (B) that:

36 (i) the individual owns;

37 (ii) the individual is buying under a contract recorded in the
 38 county recorder's office, or evidenced by a memorandum of
 39 contract recorded in the county recorder's office under
 40 IC 36-2-11-20, that provides that the individual is to pay the
 41 property taxes on the residence, and that obligates the owner
 42 to convey title to the individual upon completion of all of the



- 1 individual's contract obligations;
- 2 (iii) the individual is entitled to occupy as a
- 3 tenant-stockholder (as defined in 26 U.S.C. 216) of a
- 4 cooperative housing corporation (as defined in 26 U.S.C.
- 5 216); or
- 6 (iv) is a residence described in section 17.9 of this chapter
- 7 **(before its expiration)** that is owned by a trust if the
- 8 individual is an individual described in section 17.9 of this
- 9 chapter **(before its expiration)**; and
- 10 (C) that consists of a dwelling and includes up to one (1) acre
- 11 of land immediately surrounding that dwelling, and any of the
- 12 following improvements:
- 13 (i) Any number of decks, patios, gazebos, or pools.
- 14 (ii) One (1) additional building that is not part of the
- 15 dwelling if the building is predominantly used for a
- 16 residential purpose and is not used as an investment property
- 17 or as a rental property.
- 18 (iii) One (1) additional residential yard structure other than
- 19 a deck, patio, gazebo, or pool.
- 20 Except as provided in subsection ~~(q)~~ (r), the term does not
- 21 include property owned by a corporation, partnership, limited
- 22 liability company, or other entity not described in this
- 23 subdivision.
- 24 (b) Each year a homestead is eligible for a standard deduction from
- 25 the assessed value of the homestead for an assessment date. Except as
- 26 provided in subsection ~~(m)~~ (n), the deduction provided by this section
- 27 applies to property taxes first due and payable for an assessment date
- 28 only if an individual has an interest in the homestead described in
- 29 subsection (a)(2)(B) on:
- 30 (1) the assessment date; or
- 31 (2) any date in the same year after an assessment date that a
- 32 statement is filed under subsection (e) or section 44 of this
- 33 chapter, if the property consists of real property.
- 34 If more than one (1) individual or entity qualifies property as a
- 35 homestead under subsection (a)(2)(B) for an assessment date, only one
- 36 (1) standard deduction from the assessed value of the homestead may
- 37 be applied for the assessment date. Subject to subsection (c), the
- 38 auditor of the county shall record and make the deduction for the
- 39 individual or entity qualifying for the deduction.
- 40 (c) Except as provided in section 40.5 of this chapter, the total
- 41 amount of the deduction that a person may receive under this section
- 42 for a particular year is: ~~the lesser of:~~



- 1 (1) **for assessment dates before January 1, 2025, the lesser of:**
 2 (A) sixty percent (60%) of the assessed value of the real
 3 property, mobile home not assessed as real property, or
 4 manufactured home not assessed as real property; or
 5 (B) **forty-eight thousand dollars (\$48,000); or**
 6 (2) **for assessment dates:**
 7 (A) ~~before January 1, 2023, forty-five thousand dollars~~
 8 ~~(\$45,000); or~~
 9 (B) ~~after December 31, 2022, forty-eight thousand dollars~~
 10 ~~(\$48,000).~~
 11 (2) **for assessment dates after December 31, 2024:**
 12 (A) **in 2025, forty-eight thousand dollars (\$48,000);**
 13 (B) **in 2026, forty thousand dollars (\$40,000);**
 14 (C) **in 2027, thirty thousand dollars (\$30,000);**
 15 (D) **in 2028, twenty thousand dollars (\$20,000); and**
 16 (E) **in 2029, ten thousand dollars (\$10,000).**

17 **Beginning with the 2030 assessment date, and each assessment date**
 18 **thereafter, the deduction amount under this section is zero (0).**
 19 **Application of the phase down under this section for assessment**
 20 **dates after December 31, 2024, with regard to mobile homes that**
 21 **are not assessed as real property and manufactured homes not**
 22 **assessed as real property shall be construed and applied in the**
 23 **same manner in terms of timing and consistent with its application**
 24 **for real property.**

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

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

- 38 (1) the parcel number or key number of the property and the name
 39 of the city, town, or township in which the property is located;
 40 (2) the name of any other location in which the applicant or the
 41 applicant's spouse owns, is buying, or has a beneficial interest in
 42 residential real property;



- 1 (3) the names of:
 2 (A) the applicant and the applicant's spouse (if any):
 3 (i) as the names appear in the records of the United States
 4 Social Security Administration for the purposes of the
 5 issuance of a Social Security card and Social Security
 6 number; or
 7 (ii) that they use as their legal names when they sign their
 8 names on legal documents;
 9 if the applicant is an individual; or
 10 (B) each individual who qualifies property as a homestead
 11 under subsection (a)(2)(B) and the individual's spouse (if any):
 12 (i) as the names appear in the records of the United States
 13 Social Security Administration for the purposes of the
 14 issuance of a Social Security card and Social Security
 15 number; or
 16 (ii) that they use as their legal names when they sign their
 17 names on legal documents;
 18 if the applicant is not an individual; and
 19 (4) either:
 20 (A) the last five (5) digits of the applicant's Social Security
 21 number and the last five (5) digits of the Social Security
 22 number of the applicant's spouse (if any); or
 23 (B) if the applicant or the applicant's spouse (if any) does not
 24 have a Social Security number, any of the following for that
 25 individual:
 26 (i) The last five (5) digits of the individual's driver's license
 27 number.
 28 (ii) The last five (5) digits of the individual's state
 29 identification card number.
 30 (iii) The last five (5) digits of a preparer tax identification
 31 number that is obtained by the individual through the
 32 Internal Revenue Service of the United States.
 33 (iv) If the individual does not have a driver's license, a state
 34 identification card, or an Internal Revenue Service preparer
 35 tax identification number, the last five (5) digits of a control
 36 number that is on a document issued to the individual by the
 37 United States government.
 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. ~~To~~
 5 ~~obtain the deduction for a desired calendar year in which property~~
 6 ~~taxes are first due and payable, the statement must be completed and~~
 7 ~~dated in the immediately preceding calendar year and filed with the~~
 8 ~~county auditor on or before January 5 of the calendar year in which~~
 9 ~~the property taxes are first due and payable.~~

10 (f) To obtain the deduction for a desired calendar year under this
 11 section in which property taxes are first due and payable, the
 12 individual desiring to claim the deduction must do the following as
 13 applicable:

14 (1) Complete, date, and file the certified statement described in
 15 subsection (e) on or before January 15 of the calendar year in
 16 which the property taxes are first due and payable.

17 (2) Satisfy any recording requirements on or before January 15
 18 of the calendar year in which the property taxes are first due and
 19 payable for a homestead described in subsection (a)(2).

20 ~~(f)~~ (g) Except as provided in subsection ~~(f)~~, (l), if a person who is
 21 receiving, or seeks to receive, the deduction provided by this section in
 22 the person's name:

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

26 (2) is not eligible for a deduction under this section because the
 27 person is already receiving:

28 (A) a deduction under this section in the person's name as an
 29 individual or a spouse; or

30 (B) a deduction under the law of another state that is
 31 equivalent to the deduction provided by this section;

32 the person must file a certified statement with the auditor of the county,
 33 notifying the auditor of the person's ineligibility, not more than sixty
 34 (60) days after the date of the change in eligibility. A person who fails
 35 to file the statement required by this subsection may, under
 36 IC 6-1.1-36-17, be liable for any additional taxes that would have been
 37 due on the property if the person had filed the statement as required by
 38 this subsection plus a civil penalty equal to ten percent (10%) of the
 39 additional taxes due. The civil penalty imposed under this subsection
 40 is in addition to any interest and penalties for a delinquent payment that
 41 might otherwise be due. One percent (1%) of the total civil penalty
 42 collected under this subsection shall be transferred by the county to the



1 department of local government finance for use by the department in
 2 establishing and maintaining the homestead property data base under
 3 subsection ~~(f)~~ (j) and, to the extent there is money remaining, for any
 4 other purposes of the department. This amount becomes part of the
 5 property tax liability for purposes of this article.

6 ~~(g)~~ (h) The department of local government finance may adopt rules
 7 or guidelines concerning the application for a deduction under this
 8 section.

9 ~~(h)~~ (i) This subsection does not apply to property in the first year for
 10 which a deduction is claimed under this section if the sole reason that
 11 a deduction is claimed on other property is that the individual or
 12 married couple maintained a principal residence at the other property
 13 on the assessment date in the same year in which an application for a
 14 deduction is filed under this section or, if the application is for a
 15 homestead that is assessed as personal property, on the assessment date
 16 in the immediately preceding year and the individual or married couple
 17 is moving the individual's or married couple's principal residence to the
 18 property that is the subject of the application. Except as provided in
 19 subsection ~~(k)~~ (l), the county auditor may not grant an individual or a
 20 married couple a deduction under this section if:

21 (1) the individual or married couple, for the same year, claims the
 22 deduction on two (2) or more different applications for the
 23 deduction; and

24 (2) the applications claim the deduction for different property.

25 ~~(i)~~ (j) The department of local government finance shall provide
 26 secure access to county auditors to a homestead property data base that
 27 includes access to the homestead owner's name and the numbers
 28 required from the homestead owner under subsection (e)(4) for the sole
 29 purpose of verifying whether an owner is wrongly claiming a deduction
 30 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
 31 IC 6-3.6-5 ~~(after December 31, 2016)~~: **(before its expiration)**. Each
 32 county auditor shall submit data on deductions applicable to the current
 33 tax year on or before March 15 of each year in a manner prescribed by
 34 the department of local government finance.

35 ~~(j)~~ (k) A county auditor may require an individual to provide
 36 evidence proving that the individual's residence is the individual's
 37 principal place of residence as claimed in the certified statement filed
 38 under subsection (e). The county auditor may limit the evidence that an
 39 individual is required to submit to a state income tax return, a valid
 40 driver's license, or a valid voter registration card showing that the
 41 residence for which the deduction is claimed is the individual's
 42 principal place of residence. The county auditor may not deny an



1 application filed under section 44 of this chapter because the applicant
 2 does not have a valid driver's license or state identification card with
 3 the address of the homestead property. The department of local
 4 government finance shall work with county auditors to develop
 5 procedures to determine whether a property owner that is claiming a
 6 standard deduction or homestead credit is not eligible for the standard
 7 deduction or homestead credit because the property owner's principal
 8 place of residence is outside Indiana.

9 ~~(l)~~ (l) A county auditor shall grant an individual a deduction under
 10 this section regardless of whether the individual and the individual's
 11 spouse claim a deduction on two (2) different applications and each
 12 application claims a deduction for different property if the property
 13 owned by the individual's spouse is located outside Indiana and the
 14 individual files an affidavit with the county auditor containing the
 15 following information:

16 (1) The names of the county and state in which the individual's
 17 spouse claims a deduction substantially similar to the deduction
 18 allowed by this section.

19 (2) A statement made under penalty of perjury that the following
 20 are true:

21 (A) That the individual and the individual's spouse maintain
 22 separate principal places of residence.

23 (B) That neither the individual nor the individual's spouse has
 24 an ownership interest in the other's principal place of
 25 residence.

26 (C) That neither the individual nor the individual's spouse has,
 27 for that same year, claimed a standard or substantially similar
 28 deduction for any property other than the property maintained
 29 as a principal place of residence by the respective individuals.

30 A county auditor may require an individual or an individual's spouse to
 31 provide evidence of the accuracy of the information contained in an
 32 affidavit submitted under this subsection. The evidence required of the
 33 individual or the individual's spouse may include state income tax
 34 returns, excise tax payment information, property tax payment
 35 information, ~~driver driver's~~ license information, and voter registration
 36 information.

37 ~~(m)~~ (m) If:

38 (1) a property owner files a statement under subsection (e) to
 39 claim the deduction provided by this section for a particular
 40 property; and

41 (2) the county auditor receiving the filed statement determines
 42 that the property owner's property is not eligible for the deduction;



1 the county auditor shall inform the property owner of the county
 2 auditor's determination in writing. If a property owner's property is not
 3 eligible for the deduction because the county auditor has determined
 4 that the property is not the property owner's principal place of
 5 residence, the property owner may appeal the county auditor's
 6 determination as provided in IC 6-1.1-15. The county auditor shall
 7 inform the property owner of the owner's right to appeal when the
 8 county auditor informs the property owner of the county auditor's
 9 determination under this subsection.

10 ~~(m)~~ (n) An individual is entitled to the deduction under this section
 11 for a homestead for a particular assessment date if:

12 (1) either:

13 (A) the individual's interest in the homestead as described in
 14 subsection (a)(2)(B) is conveyed to the individual after the
 15 assessment date, but within the calendar year in which the
 16 assessment date occurs; or

17 (B) the individual contracts to purchase the homestead after
 18 the assessment date, but within the calendar year in which the
 19 assessment date occurs;

20 (2) on the assessment date:

21 (A) the property on which the homestead is currently located
 22 was vacant land; or

23 (B) the construction of the dwelling that constitutes the
 24 homestead was not completed; and

25 (3) either:

26 (A) the individual files the certified statement required by
 27 subsection (e); or

28 (B) a sales disclosure form that meets the requirements of
 29 section 44 of this chapter is submitted to the county assessor
 30 on or before December 31 of the calendar year for the
 31 individual's purchase of the homestead.

32 An individual who satisfies the requirements of subdivisions (1)
 33 through (3) is entitled to the deduction under this section for the
 34 homestead for the assessment date, even if on the assessment date the
 35 property on which the homestead is currently located was vacant land
 36 or the construction of the dwelling that constitutes the homestead was
 37 not completed. The county auditor shall apply the deduction for the
 38 assessment date and for the assessment date in any later year in which
 39 the homestead remains eligible for the deduction. A homestead that
 40 qualifies for the deduction under this section as provided in this
 41 subsection is considered a homestead for purposes of section 37.5 of
 42 this chapter and IC 6-1.1-20.6.



1 ~~(m)~~ (o) This subsection applies to an application for the deduction
 2 provided by this section that is filed for an assessment date occurring
 3 after December 31, 2013. Notwithstanding any other provision of this
 4 section, an individual buying a mobile home that is not assessed as real
 5 property or a manufactured home that is not assessed as real property
 6 under a contract providing that the individual is to pay the property
 7 taxes on the mobile home or manufactured home is not entitled to the
 8 deduction provided by this section unless the parties to the contract
 9 comply with IC 9-17-6-17.

10 ~~(p)~~ (p) This subsection:

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

14 (2) does not apply to an individual described in subsection ~~(m)~~
 15 (o).

16 The owner of a mobile home that is not assessed as real property or a
 17 manufactured home that is not assessed as real property must attach a
 18 copy of the owner's title to the mobile home or manufactured home to
 19 the application for the deduction provided by this section.

20 ~~(q)~~ (q) For assessment dates after 2013, the term "homestead"
 21 includes property that is owned by an individual who:

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

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

25 (3) was otherwise eligible, without regard to this subsection, for
 26 the deduction under this section for the property for the
 27 assessment date immediately preceding the transfer date specified
 28 in the order described in subdivision (2).

29 For property to qualify under this subsection for the deduction provided
 30 by this section, the individual described in subdivisions (1) through (3)
 31 must submit to the county auditor a copy of the individual's transfer
 32 orders or other information sufficient to show that the individual was
 33 ordered to transfer to a location outside Indiana. The property continues
 34 to qualify for the deduction provided by this section until the individual
 35 ceases to be on active duty, the property is sold, or the individual's
 36 ownership interest is otherwise terminated, whichever occurs first.
 37 Notwithstanding subsection (a)(2), the property remains a homestead
 38 regardless of whether the property continues to be the individual's
 39 principal place of residence after the individual transfers to a location
 40 outside Indiana. The property continues to qualify as a homestead
 41 under this subsection if the property is leased while the individual is
 42 away from Indiana and is serving on active duty, if the individual has



1 lived at the property at any time during the past ten (10) years.
 2 Otherwise, the property ceases to qualify as a homestead under this
 3 subsection if the property is leased while the individual is away from
 4 Indiana. Property that qualifies as a homestead under this subsection
 5 shall also be construed as a homestead for purposes of section 37.5 of
 6 this chapter.

7 ~~(q)~~ (r) As used in this section, "homestead" includes property that
 8 satisfies each of the following requirements:

9 (1) The property is located in Indiana and consists of a dwelling
 10 and includes up to one (1) acre of land immediately surrounding
 11 that dwelling, and any of the following improvements:

12 (A) Any number of decks, patios, gazebos, or pools.

13 (B) One (1) additional building that is not part of the dwelling
 14 if the building is predominately used for a residential purpose
 15 and is not used as an investment property or as a rental
 16 property.

17 (C) One (1) additional residential yard structure other than a
 18 deck, patio, gazebo, or pool.

19 (2) The property is the principal place of residence of an
 20 individual.

21 (3) The property is owned by an entity that is not described in
 22 subsection (a)(2)(B).

23 (4) The individual residing on the property is a shareholder,
 24 partner, or member of the entity that owns the property.

25 (5) The property was eligible for the standard deduction under
 26 this section on March 1, 2009.

27 SECTION 43. IC 6-1.1-12-37.5, AS AMENDED BY P.L.239-2023,
 28 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 37.5. (a) A person who
 30 is entitled to a standard deduction from the assessed value of property
 31 under section 37 of this chapter is also entitled to receive a
 32 supplemental deduction from the assessed value of the homestead to
 33 which the standard deduction applies after the application of the
 34 standard deduction but before the application of any other deduction,
 35 exemption, or credit for which the person is eligible.

36 (b) **This subsection applies to taxes first due and payable before**
 37 **January 1, 2026.** The amount of the deduction under this section is
 38 equal to the sum of the following:

39 (1) For property taxes first due and payable:

40 (A) before January 1, 2024, thirty-five percent (35%);

41 (B) in 2024, forty percent (40%);

42 (C) in 2025, thirty-seven and five-tenths percent (37.5%); and



1 (D) after December 31, 2025, thirty-five percent (35%);
 2 of the assessed value determined under subsection (a) that is not
 3 more than six hundred thousand dollars (\$600,000).

4 (2) For property taxes first due and payable:

5 (A) before January 1, 2024, twenty-five percent (25%);

6 (B) in 2024, thirty percent (30%);

7 (C) in 2025, twenty-seven and five-tenths percent (27.5%);

8 and

9 (D) after December 31, 2025, twenty-five percent (25%);

10 of the assessed value determined under subsection (a) that is more
 11 than six hundred thousand dollars (\$600,000).

12 **(c) This subsection applies to taxes first due and payable after**
 13 **December 31, 2025. The amount of the deduction under this section**
 14 **is equal to:**

15 **(1) the assessed value of property reduced by the deduction**
 16 **amount under section 37 of this chapter for the property for**
 17 **the particular tax year; multiplied by**

18 **(2) the following:**

19 **(A) Forty-three percent (43%) for taxes first due and**
 20 **payable in 2026.**

21 **(B) Forty-eight percent (48%) for taxes first due and**
 22 **payable in 2027.**

23 **(C) Fifty-three percent (53%) for taxes first due and**
 24 **payable in 2028.**

25 **(D) Fifty-eight percent (58%) for taxes first due and**
 26 **payable in 2029.**

27 **(E) Sixty-two percent (62%) for taxes first due and payable**
 28 **in 2030.**

29 **(F) Sixty-six and seven-tenths percent (66.7%) for taxes**
 30 **first due and payable in 2031, and each year thereafter.**

31 ~~(d)~~ **(d)** The auditor of the county shall record and make the
 32 deduction for the person qualifying for the deduction.

33 ~~(e)~~ **(e)** The deduction granted under this section shall not be
 34 considered in applying section 40.5 of this chapter to the deductions
 35 applicable to property. Section 40.5 of this chapter does not apply to
 36 the deduction granted under this section.

37 SECTION 44. IC 6-1.1-12-38, AS AMENDED BY P.L.136-2024,
 38 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 38. (a) A person is
 40 entitled to a deduction from the assessed value of the person's property
 41 in an amount equal to the difference between:

42 (1) the assessed value of the person's property, including the



1 assessed value of the improvements made to comply with the
 2 fertilizer storage rules adopted by the state chemist under
 3 IC 15-16-2-44 and the pesticide storage rules adopted by the state
 4 chemist under IC 15-16-4-52; minus

5 (2) the assessed value of the person's property, excluding the
 6 assessed value of the improvements made to comply with the
 7 fertilizer storage rules adopted by the state chemist under
 8 IC 15-16-2-44 and the pesticide storage rules adopted by the state
 9 chemist under IC 15-16-4-52.

10 (b) To obtain the deduction under this section, a person must file a
 11 certified statement in duplicate, on forms prescribed by the department
 12 of local government finance, with the auditor of the county in which the
 13 property is subject to assessment. In addition to the certified statement,
 14 the person must file a certification by the state chemist listing the
 15 improvements that were made to comply with the fertilizer storage
 16 rules adopted under IC 15-16-2-44 and the pesticide storage rules
 17 adopted by the state chemist under IC 15-16-4-52. Subject to section
 18 45 of this chapter, the statement must be completed, dated, and filed
 19 with the county auditor on or before January 15 of the immediately
 20 succeeding calendar year. Upon the verification of the statement and
 21 certification by the assessor of the township in which the property is
 22 subject to assessment, or the county assessor if there is no township
 23 assessor for the township, the county auditor shall allow the deduction.

24 (c) The deduction provided by this section applies only if the
 25 person:

26 (1) owns the property; or

27 (2) is buying the property under contract;

28 on the assessment date for which the deduction applies.

29 **(d) This section applies only to property taxes imposed for an**
 30 **assessment date before January 1, 2025.**

31 **(e) This section expires January 1, 2027.**

32 SECTION 45. IC 6-1.1-12-40 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]:
 34 Sec. 40. (a) This section applies only to real property that is located in
 35 an enterprise zone established in a county containing a consolidated
 36 city.

37 (b) The owner of real property described in subsection (a) is entitled
 38 to a deduction under this section if:

39 (1) an obsolescence depreciation adjustment for either functional
 40 obsolescence or economic obsolescence was allowed for the
 41 property for property taxes assessed in the year preceding the year
 42 in which the owner purchased the property;



- 1 (2) the property owner submits an application requesting the
 2 deduction to the fiscal body of the county in which the property
 3 is located; and
 4 (3) the fiscal body of the county approves the deduction.
 5 (c) If a county fiscal body approves a deduction under this section,
 6 it must notify the county auditor of the approval of the deduction.
 7 (d) A deduction may be claimed under this section for not more than
 8 four (4) years. The amount of the deduction under this section equals:
 9 (1) the amount of the obsolescence depreciation adjustment for
 10 either functional obsolescence or economic obsolescence that was
 11 allowed for the property for property taxes assessed in the year
 12 preceding the year in which the owner purchased the property;
 13 multiplied by
 14 (2) the following percentages:
 15 (A) One hundred percent (100%), for property taxes assessed
 16 in the year in which the owner purchased the property.
 17 (B) Seventy-five percent (75%), for property taxes assessed in
 18 the year after the year in which the owner purchased the
 19 property.
 20 (C) Fifty percent (50%), for property taxes assessed in the
 21 second year after the year in which the owner purchased the
 22 property.
 23 (D) Twenty-five percent (25%), for property taxes assessed in
 24 the third year after the year in which the owner purchased the
 25 property.
 26 **(e) This section applies only to property taxes imposed for an**
 27 **assessment date before January 1, 2025.**
 28 **(f) This section expires January 1, 2027.**
 29 SECTION 46. IC 6-1.1-12-42, AS AMENDED BY P.L.146-2008,
 30 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 42. (a) As
 32 used in this section, "assessed value of inventory" means the assessed
 33 value determined after the application of any deductions or adjustments
 34 that apply by statute or rule to the assessment of inventory, other than
 35 the deduction established in subsection (c).
 36 (b) As used in this section, "inventory" has the meaning set forth in
 37 IC 6-1.1-3-11 (repealed).
 38 (c) A taxpayer is entitled to a deduction from assessed value equal
 39 to one hundred percent (100%) of the taxpayer's assessed value of
 40 inventory for assessments made in 2006 for property taxes first due and
 41 payable in 2007.
 42 (d) A taxpayer is not required to file an application to qualify for the



1 deduction established by this section.

2 (e) The department of local government finance shall incorporate
3 the deduction established by this section in the personal property return
4 form to be used each year for filing under IC 6-1.1-3-7 or
5 IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the
6 form. If a taxpayer fails to enter the deduction on the form, the
7 township assessor, or the county assessor if there is no township
8 assessor for the township, shall:

9 (1) determine the amount of the deduction; and

10 (2) within the period established in IC 6-1.1-16-1, issue a notice
11 of assessment to the taxpayer that reflects the application of the
12 deduction to the inventory assessment.

13 (f) The deduction established by this section must be applied to any
14 inventory assessment made by:

15 (1) an assessing official;

16 (2) a county property tax assessment board of appeals; or

17 (3) the department of local government finance.

18 **(g) This section applies only to property taxes imposed for an**
19 **assessment date before January 1, 2025.**

20 **(h) This section expires January 1, 2027.**

21 SECTION 47. IC 6-1.1-12-43, AS AMENDED BY P.L.174-2022,
22 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 43. (a) For purposes of
24 this section:

25 (1) "benefit" refers to a deduction under section 9 **(before its**
26 **expiration),** 11 **(before its expiration),** 13 **(before its**
27 **expiration),** 14 **(before its expiration),** 16 **(before its**
28 **expiration),** 17.4 **(before its expiration),** 26 **(before its**
29 **expiration),** 29 **(before its expiration),** 33 **(before its**
30 **expiration),** 34 **(before its expiration),** 37, or 37.5 of this
31 chapter;

32 (2) "closing agent" means a person that closes a transaction;

33 (3) "customer" means an individual who obtains a loan in a
34 transaction; and

35 (4) "transaction" means a single family residential:

36 (A) first lien purchase money mortgage transaction; or

37 (B) refinancing transaction.

38 (b) Before closing a transaction after December 31, 2004, a closing
39 agent must provide to the customer the form referred to in subsection
40 (c).

41 (c) Before June 1, 2004, the department of local government finance
42 shall prescribe the form to be provided by closing agents to customers



1 under subsection (b). The department shall make the form available to
 2 closing agents, county assessors, county auditors, and county treasurers
 3 in hard copy and electronic form. County assessors, county auditors,
 4 and county treasurers shall make the form available to the general
 5 public. The form must:

6 (1) on one (1) side:

7 (A) list each benefit; and

8 (B) list the eligibility criteria for each benefit;

9 (2) on the other side indicate:

10 (A) each action by and each type of documentation from the
 11 customer required to file for each benefit; and

12 (B) sufficient instructions and information to permit a party to
 13 terminate a standard deduction under section 37 of this chapter
 14 on any property on which the party or the spouse of the party
 15 will no longer be eligible for the standard deduction under
 16 section 37 of this chapter after the party or the party's spouse
 17 begins to reside at the property that is the subject of the
 18 closing, including an explanation of the tax consequences and
 19 applicable penalties, if a party unlawfully claims a standard
 20 deduction under section 37 of this chapter; and

21 (3) be printed in one (1) of two (2) or more colors prescribed by
 22 the department of local government finance that distinguish the
 23 form from other documents typically used in a closing referred to
 24 in subsection (b).

25 (d) A closing agent:

26 (1) may reproduce the form referred to in subsection (c);

27 (2) in reproducing the form, must use a print color prescribed by
 28 the department of local government finance; and

29 (3) is not responsible for the content of the form referred to in
 30 subsection (c) and shall be held harmless by the department of
 31 local government finance from any liability for the content of the
 32 form.

33 (e) This subsection applies to a transaction that is closed after
 34 December 31, 2009. In addition to providing the customer the form
 35 described in subsection (c) before closing the transaction, a closing
 36 agent shall do the following as soon as possible after the closing, and
 37 within the time prescribed by the department of insurance under
 38 IC 27-7-3-15.5:

39 (1) To the extent determinable, input the information described in
 40 IC 27-7-3-15.5(c)(2) into the system maintained by the
 41 department of insurance under IC 27-7-3-15.5.

42 (2) Submit the form described in IC 27-7-3-15.5(c) to the data



- 1 base described in IC 27-7-3-15.5(c)(2)(D).
- 2 (f) A closing agent to which this section applies shall document the
3 closing agent's compliance with this section with respect to each
4 transaction in the form of verification of compliance signed by the
5 customer.
- 6 (g) Subject to IC 27-7-3-15.5(d), a closing agent is subject to a civil
7 penalty of twenty-five dollars (\$25) for each instance in which the
8 closing agent fails to comply with this section with respect to a
9 customer. The penalty:
- 10 (1) may be enforced by the state agency that has administrative
11 jurisdiction over the closing agent in the same manner that the
12 agency enforces the payment of fees or other penalties payable to
13 the agency; and
- 14 (2) shall be paid into:
- 15 (A) the state general fund, if the closing agent fails to comply
16 with subsection (b); or
- 17 (B) the home ownership education account established by
18 IC 5-20-1-27, if the closing agent fails to comply with
19 subsection (e) in a transaction that is closed after December
20 31, 2009.
- 21 (h) A closing agent is not liable for any other damages claimed by
22 a customer because of:
- 23 (1) the closing agent's mere failure to provide the appropriate
24 document to the customer under subsection (b); or
- 25 (2) with respect to a transaction that is closed after December 31,
26 2009, the closing agent's failure to input the information or submit
27 the form described in subsection (e).
- 28 (i) The state agency that has administrative jurisdiction over a
29 closing agent shall:
- 30 (1) examine the closing agent to determine compliance with this
31 section; and
- 32 (2) impose and collect penalties under subsection (g).
- 33 SECTION 48. IC 6-1.1-12-44, AS AMENDED BY P.L.136-2024,
34 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JANUARY 1, 2025 (RETROACTIVE)]; Sec. 44. (a) A sales disclosure
36 form under IC 6-1.1-5.5:
- 37 (1) that is submitted:
- 38 (A) as a paper form; or
- 39 (B) electronically;
- 40 on or before January 15 of a calendar year in which property taxes
41 are first due and payable to the county assessor by or on behalf of
42 the purchaser of a homestead (as defined in section 37 of this



- 1 chapter) assessed as real property;
 2 (2) that is accurate and complete;
 3 (3) that is approved by the county assessor as eligible for filing
 4 with the county auditor; and
 5 (4) that is filed:
 6 (A) as a paper form; or
 7 (B) electronically;

8 with the county auditor by or on behalf of the purchaser;
 9 constitutes an application for the deductions provided by sections 26
 10 **(before its expiration)**, 29 **(before its expiration)**, 33 **(before its**
 11 **expiration)**, 34 **(before its expiration)**, and 37 of this chapter with
 12 respect to property taxes first due and payable in the calendar year
 13 referred to in subdivision (1). The county auditor may not deny an
 14 application for the deductions provided by section 37 of this chapter
 15 because the applicant does not have a valid driver's license or state
 16 identification card with the address of the homestead property.

17 (b) Except as provided in subsection (c), if:

- 18 (1) the county auditor receives in a calendar year a sales
 19 disclosure form that meets the requirements of subsection (a); and
 20 (2) the homestead for which the sales disclosure form is submitted
 21 is otherwise eligible for a deduction referred to in subsection (a);
 22 the county auditor shall apply the deduction to the homestead for
 23 property taxes first due and payable in the calendar year for which the
 24 homestead qualifies under subsection (a) and in any later year in which
 25 the homestead remains eligible for the deduction.

26 (c) Subsection (b) does not apply if the county auditor, after
 27 receiving a sales disclosure form from or on behalf of a purchaser
 28 under subsection (a)(4), determines that the homestead is ineligible for
 29 the deduction.

30 SECTION 49. IC 6-1.1-12-46, AS AMENDED BY P.L.174-2022,
 31 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 46. (a) This section
 33 applies to real property for an assessment date in 2011 or a later year
 34 if:

- 35 (1) the real property is not exempt from property taxation for the
 36 assessment date;
 37 (2) title to the real property is transferred after the assessment date
 38 and on or before the December 31 that next succeeds the
 39 assessment date;
 40 (3) the transferee of the real property applies for an exemption
 41 under IC 6-1.1-11 for the next succeeding assessment date; and
 42 (4) the county property tax assessment board of appeals



- 1 determines that the real property is exempt from property taxation
 2 for that next succeeding assessment date.
- 3 (b) For the assessment date referred to in subsection (a)(1), real
 4 property is eligible for any deductions for which the transferor under
 5 subsection (a)(2) was eligible for that assessment date under the
 6 following:
- 7 (1) IC 6-1.1-12-1 (before its repeal).
 - 8 (2) IC 6-1.1-12-9 **(before its expiration).**
 - 9 (3) IC 6-1.1-12-11 **(before its expiration).**
 - 10 (4) IC 6-1.1-12-13 **(before its expiration).**
 - 11 (5) IC 6-1.1-12-14 **(before its expiration).**
 - 12 (6) IC 6-1.1-12-16 **(before its expiration).**
 - 13 (7) IC 6-1.1-12-17.4 (before its expiration).
 - 14 (8) IC 6-1.1-12-18 (before its expiration).
 - 15 (9) IC 6-1.1-12-22 (before its expiration).
 - 16 (10) IC 6-1.1-12-37.
 - 17 (11) IC 6-1.1-12-37.5.
- 18 (c) For the payment date applicable to the assessment date referred
 19 to in subsection (a)(1), real property is eligible for the credit for
 20 excessive residential property taxes under IC 6-1.1-20.6 for which the
 21 transferor under subsection (a)(2) would be eligible for that payment
 22 date if the transfer had not occurred.
- 23 SECTION 50. IC 6-1.1-12-47 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 47. (a)**
 26 **This section applies to assessment dates beginning after December**
 27 **31, 2024.**
- 28 (b) As used in the section, "eligible property" means all
 29 property that is subject to the credit for excessive property taxes
 30 under IC 6-1.1-20.6-7.5(a)(2) through IC 6-1.1-20.6-7.5(a)(4).
- 31 (c) A taxpayer is entitled to a deduction from the assessed value
 32 of the taxpayer's eligible property after the application of any
 33 other deductions that apply under this article equal to:
- 34 (1) seven percent (7%) of the taxpayer's assessed value for
 35 assessments made in 2025 for property taxes first due and
 36 payable in 2026;
 - 37 (2) fourteen percent (14%) of the taxpayer's assessed value
 38 for assessments made in 2026 for property taxes first due and
 39 payable in 2027;
 - 40 (3) twenty-one percent (21%) of the taxpayer's assessed value
 41 for assessments made in 2027 for property taxes first due and
 42 payable in 2028;



1 **(4) twenty-six percent (26%) of the taxpayer's assessed value**
 2 **for assessments made in 2028 for property taxes first due and**
 3 **payable in 2029;**

4 **(5) thirty percent (30%) of the taxpayer's assessed value for**
 5 **assessments made in 2029 for property taxes first due and**
 6 **payable in 2030; and**

7 **(6) thirty-three and three-tenths percent (33.3%) of the**
 8 **taxpayer's assessed value for assessments made in 2030 for**
 9 **property taxes first due and payable in 2031, and for**
 10 **assessments made in each taxable year thereafter.**

11 **(d) A taxpayer is not required to file an application to qualify**
 12 **for the deduction established by this section. A county auditor shall**
 13 **apply the deduction to eligible property in the county as set forth**
 14 **in this section.**

15 SECTION 51. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.8-2022,
 16 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 4.5. (a) An applicant
 18 must provide a statement of benefits to the designating body. The
 19 applicant must provide the completed statement of benefits form to the
 20 designating body before the hearing specified in section 2.5(c) of this
 21 chapter or before the installation of the new manufacturing equipment,
 22 new farm equipment, new research and development equipment, new
 23 logistical distribution equipment, or new information technology
 24 equipment for which the person desires to claim a deduction under this
 25 chapter. The department of local government finance shall prescribe a
 26 form for the statement of benefits. The statement of benefits must
 27 include the following information:

28 (1) A description of the new manufacturing equipment, new farm
 29 equipment, new research and development equipment, new
 30 logistical distribution equipment, or new information technology
 31 equipment that the person proposes to acquire. A statement of
 32 benefits for new farm equipment must describe each piece of new
 33 farm equipment with sufficient detail to afford identification.

34 (2) With respect to:

35 (A) new manufacturing equipment not used to dispose of solid
 36 waste or hazardous waste by converting the solid waste or
 37 hazardous waste into energy or other useful products; and

38 (B) new farm equipment, new research and development
 39 equipment, new logistical distribution equipment, or new
 40 information technology equipment;

41 an estimate of the number of individuals who will be employed or
 42 whose employment will be retained by the person as a result of



1 the installation of the new manufacturing equipment, new farm
 2 equipment, new research and development equipment, new
 3 logistical distribution equipment, or new information technology
 4 equipment and an estimate of the annual salaries of these
 5 individuals.

6 (3) An estimate of the cost of the new manufacturing equipment,
 7 new farm equipment, new research and development equipment,
 8 new logistical distribution equipment, or new information
 9 technology equipment.

10 (4) With respect to new manufacturing equipment used to dispose
 11 of solid waste or hazardous waste by converting the solid waste
 12 or hazardous waste into energy or other useful products, an
 13 estimate of the amount of solid waste or hazardous waste that will
 14 be converted into energy or other useful products by the new
 15 manufacturing equipment.

16 The statement of benefits may be incorporated in a designation
 17 application. Notwithstanding any other law, a statement of benefits is
 18 a public record that may be inspected and copied under IC 5-14-3-3.

19 (b) The designating body must review the statement of benefits
 20 required under subsection (a). The designating body shall determine
 21 whether an area should be designated an economic revitalization area
 22 or whether the deduction shall be allowed, based on (and after it has
 23 made) the following findings:

24 (1) Whether the estimate of the cost of the new manufacturing
 25 equipment, new farm equipment, new research and development
 26 equipment, new logistical distribution equipment, or new
 27 information technology equipment is reasonable for equipment of
 28 that type.

29 (2) With respect to:

30 (A) new manufacturing equipment not used to dispose of solid
 31 waste or hazardous waste by converting the solid waste or
 32 hazardous waste into energy or other useful products; and

33 (B) new farm equipment, new research and development
 34 equipment, new logistical distribution equipment, or new
 35 information technology equipment;

36 whether the estimate of the number of individuals who will be
 37 employed or whose employment will be retained can be
 38 reasonably expected to result from the installation of the new
 39 manufacturing equipment, new farm equipment, new research and
 40 development equipment, new logistical distribution equipment, or
 41 new information technology equipment.

42 (3) Whether the estimate of the annual salaries of those



1 individuals who will be employed or whose employment will be
 2 retained can be reasonably expected to result from the proposed
 3 installation of new manufacturing equipment, new farm
 4 equipment, new research and development equipment, new
 5 logistical distribution equipment, or new information technology
 6 equipment.

7 (4) With respect to new manufacturing equipment used to dispose
 8 of solid waste or hazardous waste by converting the solid waste
 9 or hazardous waste into energy or other useful products, whether
 10 the estimate of the amount of solid waste or hazardous waste that
 11 will be converted into energy or other useful products can be
 12 reasonably expected to result from the installation of the new
 13 manufacturing equipment.

14 (5) Whether any other benefits about which information was
 15 requested are benefits that can be reasonably expected to result
 16 from the proposed installation of new manufacturing equipment,
 17 new farm equipment, new research and development equipment,
 18 new logistical distribution equipment, or new information
 19 technology equipment.

20 (6) Whether the totality of benefits is sufficient to justify the
 21 deduction.

22 The designating body may not designate an area an economic
 23 revitalization area or approve the deduction unless it makes the
 24 findings required by this subsection in the affirmative.

25 (c) Except as provided in subsection (f), and subject to subsection
 26 (g) and section 15 of this chapter, an owner of new manufacturing
 27 equipment, new farm equipment, new research and development
 28 equipment, new logistical distribution equipment, or new information
 29 technology equipment whose statement of benefits is approved is
 30 entitled to a deduction from the assessed value of that equipment for
 31 the number of years determined by the designating body under section
 32 17 or 18 of this chapter. Except as provided in subsection (d) and in
 33 section 2(i)(3) of this chapter, and subject to subsection (g) and section
 34 15 of this chapter, the amount of the deduction that an owner is entitled
 35 to for a particular year equals the product of:

- 36 (1) the assessed value of the new manufacturing equipment, new
 37 farm equipment, new research and development equipment, new
 38 logistical distribution equipment, or new information technology
 39 equipment in the year of deduction under the abatement schedule
 40 established under section 17 or 18 of this chapter; multiplied by
 41 (2) the percentage prescribed by the designating body under
 42 section 17 or 18 of this chapter.



1 (d) With respect to new manufacturing equipment and new research
 2 and development equipment installed before March 2, 2001, the
 3 deduction under this section is the amount that causes the net assessed
 4 value of the property after the application of the deduction under this
 5 section to equal the net assessed value after the application of the
 6 deduction under this section that results from computing:

7 (1) the deduction under this section as in effect on March 1, 2001;
 8 and

9 (2) the assessed value of the property under 50 IAC 4.2, as in
 10 effect on March 1, 2001, or, in the case of property subject to
 11 IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

12 (e) The designating body shall determine the number of years the
 13 deduction is allowed under section 17 or 18 of this chapter. Except as
 14 provided by section 18 of this chapter, the deduction may not be
 15 allowed for more than ten (10) years. This determination shall be made:

16 (1) as part of the resolution adopted under section 2.5 of this
 17 chapter; or

18 (2) by resolution adopted within sixty (60) days after receiving a
 19 copy of a property owner's certified deduction application from
 20 the county auditor. A certified copy of the resolution shall be sent
 21 to the county auditor.

22 A determination about the number of years the deduction is allowed
 23 that is made under subdivision (1) is final and may not be changed by
 24 following the procedure under subdivision (2).

25 (f) The owner of new manufacturing equipment that is directly used
 26 to dispose of hazardous waste is not entitled to the deduction provided
 27 by this section for a particular assessment year if during that
 28 assessment year the owner:

29 (1) is convicted of a criminal violation under IC 13, including
 30 IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or

31 (2) is subject to an order or a consent decree with respect to
 32 property located in Indiana based on a violation of a federal or
 33 state rule, regulation, or statute governing the treatment, storage,
 34 or disposal of hazardous wastes that had a major or moderate
 35 potential for harm.

36 (g) For purposes of subsection (c), the assessed value of new
 37 manufacturing equipment, new farm equipment, new research and
 38 development equipment, new logistical distribution equipment, or new
 39 information technology equipment that is part of an owner's assessable
 40 depreciable personal property in a single taxing district subject to the
 41 valuation limitation in ~~50 IAC 4.2-4-9~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9~~
 42 **IC 6-1.1-8-45** is the product of:



1 (1) the assessed value of the equipment determined without
 2 regard to the valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~
 3 or ~~50 IAC 5.1-6-9; IC 6-1.1-8-45~~; multiplied by

4 (2) the quotient of:

5 (A) the amount of the valuation limitation determined under
 6 ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9 IC 6-1.1-8-45~~
 7 for all of the owner's depreciable personal property in the
 8 taxing district; divided by

9 (B) the total true tax value of all of the owner's depreciable
 10 personal property in the taxing district that is subject to the
 11 valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50~~
 12 ~~IAC 5.1-6-9 IC 6-1.1-8-45~~ determined:

13 (i) under the depreciation schedules in the rules of the
 14 department of local government finance before any
 15 adjustment for abnormal obsolescence; and

16 (ii) without regard to the valuation limitation in ~~50~~
 17 ~~IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9;~~
 18 **IC 6-1.1-8-45.**

19 SECTION 52. IC 6-1.1-12.1-5.4, AS AMENDED BY P.L.8-2022,
 20 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2025]: Sec. 5.4. (a) A person that desires to obtain the
 22 deduction provided by section 4.5 of this chapter must file a certified
 23 deduction schedule with the person's personal property return on a form
 24 prescribed by the department of local government finance with the
 25 township assessor of the township in which the new manufacturing
 26 equipment, new farm equipment, new research and development
 27 equipment, new logistical distribution equipment, or new information
 28 technology equipment is located, or with the county assessor if there is
 29 no township assessor for the township. Except as provided in
 30 subsection (e), the deduction is applied in the amount claimed in a
 31 certified schedule that a person files with:

32 (1) a timely personal property return under IC 6-1.1-3-7(a) or
 33 IC 6-1.1-3-7(b); or

34 (2) a timely amended personal property return under
 35 IC 6-1.1-3-7.5.

36 The township or county assessor shall forward to the county auditor a
 37 copy of each certified deduction schedule filed under this subsection.
 38 The township assessor shall forward to the county assessor a copy of
 39 each certified deduction schedule filed with the township assessor
 40 under this subsection.

41 (b) The deduction schedule required by this section must contain the
 42 following information:



- 1 (1) The name of the owner of the new manufacturing equipment,
 2 new farm equipment, new research and development equipment,
 3 new logistical distribution equipment, or new information
 4 technology equipment.
- 5 (2) A description of the new manufacturing equipment, new farm
 6 equipment, new research and development equipment, new
 7 logistical distribution equipment, or new information technology
 8 equipment.
- 9 (3) The amount of the deduction claimed for the first year of the
 10 deduction.
- 11 (c) If a determination about the number of years the deduction is
 12 allowed has not been made in the resolution adopted under section 2.5
 13 of this chapter, the county auditor shall notify the designating body, and
 14 the designating body shall adopt a resolution under section 4.5(e)(2) of
 15 this chapter.
- 16 (d) A deduction schedule must be filed under this section in the year
 17 in which the new manufacturing equipment, new farm equipment, new
 18 research and development equipment, new logistical distribution
 19 equipment, or new information technology equipment is installed and
 20 in each of the immediately succeeding years the deduction is allowed.
- 21 (e) The township assessor, or the county assessor if there is no
 22 township assessor for the township, may:
- 23 (1) review the deduction schedule; and
 24 (2) before the assessment date that next succeeds the assessment
 25 date for which the deduction is claimed, deny or alter the amount
 26 of the deduction.
- 27 If the township or county assessor does not deny the deduction, the
 28 county auditor shall apply the deduction in the amount claimed in the
 29 deduction schedule or in the amount as altered by the township or
 30 county assessor. A township or county assessor who denies a deduction
 31 under this subsection or alters the amount of the deduction shall notify
 32 the person that claimed the deduction and the county auditor of the
 33 assessor's action. The county auditor shall notify the designating body
 34 and the county property tax assessment board of appeals of all
 35 deductions applied under this section.
- 36 (f) **Subject to subsection (j)**, if the ownership of new
 37 manufacturing equipment, new farm equipment, new research and
 38 development equipment, new logistical distribution equipment, or new
 39 information technology equipment changes, the deduction provided
 40 under section 4.5 of this chapter continues to apply to that equipment
 41 if the new owner:
- 42 (1) continues to use the equipment:



- 1 (A) in compliance with any standards established under
 2 section 2(g) of this chapter; and
 3 (B) in the case of new farm equipment, on the same
 4 agricultural land for which the deduction applies; and
 5 (2) files the deduction schedules required by this section.

6 (g) **Subject to subsection (j)**, the amount of the deduction is the
 7 percentage under section 4.5 of this chapter that would have applied if
 8 the ownership of the property had not changed multiplied by the
 9 assessed value of the equipment for the year the deduction is claimed
 10 by the new owner.

11 (h) A person may appeal a determination of the township or county
 12 assessor under subsection (e) to deny or alter the amount of the
 13 deduction by requesting in writing a preliminary conference with the
 14 township or county assessor not more than forty-five (45) days after the
 15 township or county assessor gives the person notice of the
 16 determination. Except as provided in subsection (i), an appeal initiated
 17 under this subsection is processed and determined in the same manner
 18 that an appeal is processed and determined under IC 6-1.1-15.

19 (i) The county assessor is recused from any action the county
 20 property tax assessment board of appeals takes with respect to an
 21 appeal under subsection (h) of a determination by the county assessor.

22 (j) **Notwithstanding any other provision of this chapter, a**
 23 **deduction shall not be allowed under this chapter for any business**
 24 **personal property that is totally exempt from property taxation**
 25 **under IC 6-1.1-10.4-4 beginning in 2030.**

26 SECTION 53. IC 6-1.1-12.1-6, AS AMENDED BY P.L.181-2016,
 27 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 6. (a) A property owner
 29 may not receive a deduction under this chapter for repairs or
 30 improvements to real property if the property owner receives a
 31 deduction under either IC 6-1.1-12-18 (before its expiration) or
 32 IC 6-1.1-12-22 (before its expiration) for those same repairs or
 33 improvements. This subsection expires January 1, 2033.

34 (b) A property owner may not receive a deduction under this chapter
 35 if the property owner receives a deduction under IC 6-1.1-12-28.5
 36 **(before its expiration)** for the same property.

37 SECTION 54. IC 6-1.1-18.5-3, AS AMENDED BY P.L.247-2017,
 38 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2027]: Sec. 3. (a) A civil taxing unit may not impose an
 40 ad valorem property tax levy for an ensuing calendar year that exceeds
 41 the amount determined in the last STEP of the following STEPS:

42 STEP ONE: Determine the civil taxing unit's maximum



1 permissible ad valorem property tax levy for the preceding
 2 calendar year.
 3 STEP TWO: Multiply the amount determined in STEP ONE by
 4 the amount determined in the last STEP of section 2(b) of this
 5 chapter.
 6 STEP THREE: Determine the lesser of one and fifteen hundredths
 7 (1.15) or the quotient (rounded to the nearest ten-thousandth
 8 (0.0001)), of the assessed value of all taxable property subject to
 9 the civil taxing unit's ad valorem property tax levy for the ensuing
 10 calendar year, divided by the assessed value of all taxable
 11 property that is subject to the civil taxing unit's ad valorem
 12 property tax levy for the ensuing calendar year and that is
 13 contained within the geographic area that was subject to the civil
 14 taxing unit's ad valorem property tax levy in the preceding
 15 calendar year.
 16 STEP FOUR: Determine the greater of the amount determined in
 17 STEP THREE or one (1).
 18 STEP FIVE: Multiply the amount determined in STEP TWO by
 19 the amount determined in STEP FOUR.
 20 STEP SIX: Add the amount determined under STEP TWO to the
 21 amount of an excessive levy appeal granted under section 13 of
 22 this chapter for the ensuing calendar year.
 23 STEP SEVEN: Determine the greater of STEP FIVE or STEP
 24 SIX.
 25 (b) This subsection applies only to a civil taxing unit that is located
 26 in a county that is covered by IC 6-3.6-11-1. For purposes of subsection
 27 (a), revenue under IC 6-3.6-6 that is applied for purposes of a levy
 28 freeze shall not be included in the amount determined under STEP
 29 ONE of subsection (a) for the civil taxing unit. Notwithstanding any
 30 provision in this section, any other section of this chapter, or
 31 IC 12-20-21-3.2, and except as provided in subsection (c), if the
 32 adopting body has adopted a resolution specifying that any increase in
 33 the maximum levy is to be funded using local income tax revenue, the
 34 maximum permissible ad valorem property tax levy calculated under
 35 this section for the ensuing calendar year for the civil taxing unit is
 36 equal to the civil taxing unit's maximum permissible ad valorem
 37 property tax levy for the current calendar year. If the adopting body has
 38 adopted a resolution specifying that any increase in the maximum levy
 39 is not to be funded using local income tax revenue, the maximum
 40 permissible ad valorem property tax levy for the civil taxing unit is
 41 equal to the civil taxing unit's maximum permissible ad valorem
 42 property tax levy calculated under this section for the ensuing calendar



1 year.

2 (c) In the case of a civil taxing unit that:

3 (1) is partially located in a county that is covered by

4 IC 6-3.6-11-1; and

5 (2) is partially located in a county that is not described in

6 subdivision (1);

7 the department of local government finance shall, notwithstanding

8 subsection (b), adjust the portion of the civil taxing unit's maximum

9 permissible ad valorem property tax levy that is attributable (as

10 determined by the department of local government finance) to the

11 county or counties described in subdivision (2). The department of

12 local government finance shall adjust this portion of the civil taxing

13 unit's maximum permissible ad valorem property tax levy so that,

14 notwithstanding subsection (b), this portion is allowed to increase as

15 otherwise provided in this section. If the department of local

16 government finance increases the civil taxing unit's maximum

17 permissible ad valorem property tax levy under this subsection, any

18 additional property taxes imposed by the civil taxing unit under the

19 adjustment shall be paid only by the taxpayers in the county or counties

20 described in subdivision (2).

21 (b) In the case of a county that was covered by IC 6-3.6-11-1

22 (before its repeal), the maximum permissible property tax levy for

23 the civil taxing unit under STEP ONE of subsection (a) shall be

24 increased to the extent and in the amount that revenue from a levy

25 freeze was applied to adjust the civil taxing unit's maximum

26 permissible property tax levy in the tax year immediately

27 preceding the repeal of IC 6-3.6-11-1. The increase shall apply to

28 each tax year after the repeal. Notwithstanding any other provision

29 of law, if a county has a stabilization fund, the county may use

30 money from that fund for operations of the county in lieu of levy

31 increases pursuant to this subsection. A county to which this

32 subsection applies shall adopt a plan to phase in a multi-year

33 gradual spend down of money in its stabilization fund or other

34 available funds over a specified number of years that allows for the

35 gradual increase of the county's levy in combination with money

36 from its stabilization fund.

37 SECTION 55. IC 6-1.1-18.5-19 IS AMENDED TO READ AS

38 FOLLOWS [EFFECTIVE JANUARY 1, 2027]: Sec. 19. (a) If a

39 township levied an ad valorem property tax levy for a township

40 firefighting fund under IC 36-8-13-4 for calendar year 1989, the

41 maximum permissible ad valorem property tax levy that will apply to

42 the township's firefighting fund under section 3 of this chapter for



1 calendar year 1990 is the amount determined in STEP FIVE of the
2 following STEPS:

3 STEP ONE: Determine the part of the township's ad valorem
4 property tax levy for calendar year 1989 that was dedicated to the
5 township firefighting fund.

6 STEP TWO: If the township incurred any loans or bonded
7 indebtedness to pay for fire protection or emergency services
8 during the period from January 1, 1987, through December 31,
9 1989 (excluding loans or bonded indebtedness used to purchase
10 firefighting apparatus or equipment or housing), determine the
11 number of calendar years during that period in which the
12 township incurred the loans or bonded indebtedness.

13 STEP THREE: Calculate the quotient of:

14 (A) the total amounts of loans or bonded indebtedness
15 incurred by the township for fire protection and emergency
16 services during the period from January 1, 1987, through
17 December 31, 1989 (excluding loans or bonded indebtedness
18 used to purchase firefighting apparatus or equipment or
19 housing); divided by

20 (B) the number determined in STEP TWO.

21 STEP FOUR: Add the result determined in STEP ONE to the
22 result determined in STEP THREE.

23 STEP FIVE: Calculate the maximum ad valorem property tax levy
24 that would result from making the calculations contained in
25 section 3 of this chapter as those calculations apply to the
26 township, using the result obtained in STEP FOUR for the civil
27 taxing unit's maximum permissible ad valorem property tax levy
28 for the preceding calendar year under section 3(a) or 3(b) of this
29 chapter (**as in effect at the time of the calculation**), whichever
30 applies to the township.

31 If the amount determined under this subsection is substantially lower
32 than the township's normal expenditure patterns for fire protection and
33 emergency services (excluding the expenditures for the purchase of
34 firefighting apparatus or equipment or housing), the township may
35 appeal to the local government tax control board for an increase in the
36 1990 maximum permissible ad valorem property tax levy for its
37 township firefighting fund. In considering the appeal, the local
38 government tax control board shall consider other sources of revenue
39 used by the township during calendar year 1989 to fund fire protection
40 and emergency services that are also available for such funding in 1990
41 and thereafter and the board shall also consider any other relevant
42 factors.



1 (b) If a township did not have a township firefighting fund under
 2 IC 36-8-13-4 for calendar year 1989, but appropriated funds for fire
 3 protection or emergency services for that calendar year, the township's
 4 maximum ad valorem property tax levy that will apply to the township's
 5 firefighting fund under section 3 of this chapter for calendar year 1990
 6 is the amount determined in STEP FIVE of the following STEPS:

7 STEP ONE: Determine the amount that the township appropriated
 8 from its general fund for fire protection and emergency services
 9 (excluding appropriations for the purchase of firefighting
 10 apparatus or equipment or housing).

11 STEP TWO: If the township incurred any loans or bonded
 12 indebtedness to pay for fire protection or emergency services
 13 during the period from January 1, 1987, through December 31,
 14 1989 (excluding loans or bonded indebtedness used to purchase
 15 firefighting apparatus or equipment or housing), determine the
 16 number of calendar years during that period in which the
 17 township incurred the loans or bonded indebtedness.

18 STEP THREE: Calculate the quotient of:

19 (A) the total amounts of loans or bonded indebtedness
 20 incurred by the township for fire protection and emergency
 21 services during the period from January 1, 1987, through
 22 December 31, 1989 (excluding loans or bonded indebtedness
 23 used to purchase firefighting apparatus or equipment or
 24 housing); divided by

25 (B) the number determined in STEP TWO.

26 STEP FOUR: Add the result of STEP ONE to the result of STEP
 27 THREE.

28 STEP FIVE: Calculate the maximum ad valorem property tax levy
 29 that would result from making the calculations contained in
 30 section 3 of this chapter, as those calculations apply to the
 31 township, using the result obtained in STEP FOUR for the civil
 32 taxing unit's maximum permissible ad valorem property tax levy
 33 for the preceding calendar year under section 3(a) or 3(b) of this
 34 chapter (**as in effect at the time of the calculation**), whichever
 35 applies to the township.

36 If the amount determined under this subsection is substantially lower
 37 than the township's normal expenditure patterns for fire protection and
 38 emergency services (excluding the expenditures for the purchase of
 39 firefighting apparatus or equipment or housing), the township may
 40 appeal to the local government tax control board for an increase in its
 41 1990 maximum permissible levy for its township firefighting fund. In
 42 considering the appeal, the local government tax control board shall



1 consider other sources of revenue used by the township during calendar
 2 year 1989 to fund fire protection and emergency services that are also
 3 available for such funding in 1990 and thereafter and the board shall
 4 also consider any other relevant factors.

5 (c) If for calendar year 1989:

6 (1) a township had a township firefighting fund under
 7 IC 36-8-13-4 but did not have an ad valorem property tax levy for
 8 that fund; or

9 (2) a township did not have a township firefighting fund and
 10 appropriated no money for fire protection or emergency services;
 11 the township's maximum permissible ad valorem property tax levy for
 12 its township firefighting fund shall be determined under section 7 of
 13 this chapter in the calendar year in which the township first establishes
 14 such a levy.

15 SECTION 56. IC 6-1.1-20.6-8.5, AS AMENDED BY P.L.239-2023,
 16 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 8.5. (a) This section
 18 applies to an individual who:

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

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

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

31 (4) had:

32 (A) in the case of an individual who filed a single return,
 33 adjusted gross income (as defined in Section 62 of the Internal
 34 Revenue Code) not exceeding thirty thousand dollars
 35 (\$30,000), and beginning for the January 1, 2023, assessment
 36 date, and each assessment date thereafter, adjusted annually by
 37 an amount equal to the percentage cost of living increase
 38 applied for Social Security benefits for the immediately
 39 preceding calendar year; or

40 (B) in the case of an individual who filed a joint income tax
 41 return with the individual's spouse, combined adjusted gross
 42 income (as defined in Section 62 of the Internal Revenue



- 1 Code) not exceeding forty thousand dollars (\$40,000), and
 2 beginning for the January 1, 2023, assessment date, and each
 3 assessment date thereafter, adjusted annually by an amount
 4 equal to the percentage cost of living increase applied for
 5 Social Security benefits for the immediately preceding
 6 calendar year;
 7 for the calendar year preceding by two (2) years the calendar year
 8 in which property taxes are first due and payable.
 9 For purposes of applying the annual cost of living increases described
 10 in subdivision (4)(A) and (4)(B), the annual percentage increase is
 11 applied to the adjusted amount of income from the immediately
 12 preceding year.
- 13 (b) Except as provided in subsection (g), this section does not apply
 14 if:
- 15 (1) for an individual who received a credit under this section
 16 before January 1, 2020, the gross assessed value of the homestead
 17 on the assessment date for which property taxes are imposed is at
 18 least two hundred thousand dollars (\$200,000);
 - 19 (2) for an individual who initially applies for a credit under this
 20 section after December 31, 2019, and before January 1, 2023, the
 21 assessed value of the individual's Indiana real property is at least
 22 two hundred thousand dollars (\$200,000); or
 - 23 (3) for an individual who initially applies for a credit under this
 24 section after December 31, 2022, the assessed value of the
 25 individual's Indiana real property is at least two hundred forty
 26 thousand dollars (\$240,000).
- 27 (c) An individual is entitled to an additional credit under this section
 28 for property taxes first due and payable for a calendar year on a
 29 homestead if:
- 30 (1) the individual and the homestead qualify for the credit under
 31 subsection (a) for the calendar year;
 - 32 (2) the homestead is not disqualified for the credit under
 33 subsection (b) for the calendar year; and
 - 34 (3) the filing requirements under subsection (e) are met.
- 35 (d) The amount of the credit is equal to the greater of zero (0) or the
 36 result of:
- 37 (1) the property tax liability first due and payable on the
 38 homestead property for the calendar year; minus
 - 39 (2) the result of:
 - 40 (A) the property tax liability first due and payable on the
 41 qualified homestead property for the immediately preceding
 42 year after the application of the credit granted under this



1 section for that year; multiplied by
 2 (B) one and two hundredths (1.02).
 3 However, property tax liability imposed on any improvements to or
 4 expansion of the homestead property after the assessment date for
 5 which property tax liability described in subdivision (2) was imposed
 6 shall not be considered in determining the credit granted under this
 7 section in the current calendar year.

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

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

22 (g) For purposes of determining the:
 23 (1) assessed value of the homestead on the assessment date for
 24 which property taxes are imposed under subsection (b)(1);
 25 (2) assessed value of the individual's Indiana real property under
 26 subsection (b)(2); or
 27 (3) assessed value of the individual's Indiana real property under
 28 subsection (b)(3);

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

38 SECTION 57. IC 6-1.1-22-8.1, AS AMENDED BY P.L.159-2020,
 39 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2026]: Sec. 8.1. (a) The county treasurer shall:

41 (1) except as provided in subsection (h), mail to the last known
 42 address of each person liable for any property taxes or special



1 assessment, as shown on the tax duplicate or special assessment
 2 records, or to the last known address of the most recent owner
 3 shown in the transfer book; and

4 (2) transmit by written, electronic, or other means to a mortgagee
 5 maintaining an escrow account for a person who is liable for any
 6 property taxes or special assessments, as shown on the tax
 7 duplicate or special assessment records;

8 a statement in the form required under subsection (b).

9 (b) The department of local government finance shall prescribe a
 10 form, subject to the approval of the state board of accounts, for the
 11 statement under subsection (a) that includes at least the following:

12 (1) A statement of the taxpayer's current and delinquent taxes and
 13 special assessments.

14 (2) A breakdown showing the total property tax and special
 15 assessment liability and the amount of the taxpayer's liability that
 16 will be distributed to each taxing unit in the county.

17 (3) An itemized listing for each property tax levy, including:

18 (A) the amount of the tax rate;

19 (B) the entity levying the tax owed; and

20 (C) the dollar amount of the tax owed.

21 (4) Information designed to show the manner in which the taxes
 22 and special assessments billed in the tax statement are to be used.

23 (5) Information regarding how a taxpayer can obtain information
 24 regarding the taxpayer's notice of assessment or reassessment
 25 under IC 6-1.1-4-22.

26 (6) A comparison showing any change in the assessed valuation
 27 for the property as compared to the previous year.

28 (7) A comparison showing any change in the property tax and
 29 special assessment liability for the property as compared to the
 30 previous year. The information required under this subdivision
 31 must identify:

32 (A) the amount of the taxpayer's liability distributable to each
 33 taxing unit in which the property is located in the current year
 34 and in the previous year; and

35 (B) the percentage change, if any, in the amount of the
 36 taxpayer's liability distributable to each taxing unit in which
 37 the property is located from the previous year to the current
 38 year.

39 (8) An explanation of the following:

40 (A) Homestead credits under IC 6-1.1-20.4, IC 6-3.6-5 (**before**
 41 **its expiration**), or another law that are available in the taxing
 42 district where the property is located.



- 1 (B) All property tax deductions that are available in the taxing
 2 district where the property is located.
 3 (C) The procedure and deadline for filing for any available
 4 homestead credits under IC 6-1.1-20.4, IC 6-3.6-5 (**before its**
 5 **expiration**), or another law and each deduction.
 6 (D) The procedure that a taxpayer must follow to:
 7 (i) appeal a current assessment; or
 8 (ii) petition for the correction of an error related to the
 9 taxpayer's property tax and special assessment liability.
 10 (E) The forms that must be filed for an appeal or a petition
 11 described in clause (D).
 12 (F) The procedure and deadline that a taxpayer must follow
 13 and the forms that must be used if a credit or deduction has
 14 been granted for the property and the taxpayer is no longer
 15 eligible for the credit or deduction.
 16 (G) Notice that an appeal described in clause (D) requires
 17 evidence relevant to the true tax value of the taxpayer's
 18 property as of the assessment date that is the basis for the taxes
 19 payable on that property.
 20 The department of local government finance shall provide the
 21 explanation required by this subdivision to each county treasurer.
 22 (9) A checklist that shows:
 23 (A) homestead credits under IC 6-1.1-20.4, IC 6-3.6-5 (**before**
 24 **its expiration**), or another law and all property tax deductions;
 25 and
 26 (B) whether each homestead credit and property tax deduction
 27 applies in the current statement for the property transmitted
 28 under subsection (a).
 29 (10) A remittance coupon indicating the payment amounts due at
 30 each payment due date and other information determined by the
 31 department of local government finance.
 32 (c) The county treasurer shall mail or transmit the statement one (1)
 33 time each year on or before April 15. Whenever a person's tax liability
 34 for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9
 35 of this chapter, a statement that is mailed must include the date on
 36 which the installment is due and denote the amount of money to be
 37 paid for the installment. Whenever a person's tax liability is due in two
 38 (2) installments, a statement that is mailed must contain the dates on
 39 which the first and second installments are due and denote the amount
 40 of money to be paid for each installment. If a statement is returned to
 41 the county treasurer as undeliverable and the forwarding order is
 42 expired, the county treasurer shall notify the county auditor of this fact.



1 Upon receipt of the county treasurer's notice, the county auditor may,
 2 at the county auditor's discretion, treat the property as not being eligible
 3 for any deductions under IC 6-1.1-12 or any homestead credits under
 4 IC 6-1.1-20.4 and IC 6-3.6-5 **(before its expiration)**.

5 (d) All payments of property taxes and special assessments shall be
 6 made to the county treasurer. The county treasurer, when authorized by
 7 the board of county commissioners, may open temporary offices for the
 8 collection of taxes in cities and towns in the county other than the
 9 county seat.

10 (e) The county treasurer, county auditor, and county assessor shall
 11 cooperate to generate the information to be included in the statement
 12 under subsection (b).

13 (f) The information to be included in the statement under subsection
 14 (b) must be simply and clearly presented and understandable to the
 15 average individual.

16 (g) After December 31, 2007, a reference in a law or rule to
 17 IC 6-1.1-22-8 (expired January 1, 2008, and repealed) shall be treated
 18 as a reference to this section.

19 (h) Transmission of statements and other information under this
 20 subsection applies in a county only if the county legislative body adopts
 21 an authorizing ordinance. Subject to subsection (i), in a county in
 22 which an ordinance is adopted under this subsection for property taxes
 23 and special assessments, a person may, in any manner permitted by
 24 subsection (n), direct the county treasurer and county auditor to
 25 transmit the following to the person by electronic mail:

26 (1) A statement that would otherwise be sent by the county
 27 treasurer to the person by regular mail under subsection (a)(1),
 28 including a statement that reflects installment payment due dates
 29 under section 9.5 or 9.7 of this chapter.

30 (2) A provisional tax statement that would otherwise be sent by
 31 the county treasurer to the person by regular mail under
 32 IC 6-1.1-22.5-6.

33 (3) A reconciling tax statement that would otherwise be sent by
 34 the county treasurer to the person by regular mail under any of the
 35 following:

36 (A) Section 9 of this chapter.

37 (B) Section 9.7 of this chapter.

38 (C) IC 6-1.1-22.5-12, including a statement that reflects
 39 installment payment due dates under IC 6-1.1-22.5-18.5.

40 (4) Any other information that:

41 (A) concerns the property taxes or special assessments; and

42 (B) would otherwise be sent:



- 1 (i) by the county treasurer or the county auditor to the person
 2 by regular mail; and
 3 (ii) before the last date the property taxes or special
 4 assessments may be paid without becoming delinquent.
- 5 The information listed in this subsection may be transmitted to a person
 6 by using electronic mail that provides a secure Internet link to the
 7 information.
- 8 (i) For property with respect to which more than one (1) person is
 9 liable for property taxes and special assessments, subsection (h) applies
 10 only if all the persons liable for property taxes and special assessments
 11 designate the electronic mail address for only one (1) individual
 12 authorized to receive the statements and other information referred to
 13 in subsection (h).
- 14 (j) The department of local government finance shall create a form
 15 to be used to implement subsection (h). The county treasurer and
 16 county auditor shall:
- 17 (1) make the form created under this subsection available to the
 18 public;
 19 (2) transmit a statement or other information by electronic mail
 20 under subsection (h) to a person who files, on or before March 15,
 21 the form created under this subsection:
 22 (A) with the county treasurer; or
 23 (B) with the county auditor; and
 24 (3) publicize the availability of the electronic mail option under
 25 this subsection through appropriate media in a manner reasonably
 26 designed to reach members of the public.
- 27 (k) The form referred to in subsection (j) must:
- 28 (1) explain that a form filed as described in subsection (j)(2)
 29 remains in effect until the person files a replacement form to:
 30 (A) change the person's electronic mail address; or
 31 (B) terminate the electronic mail option under subsection (h);
 32 and
 33 (2) allow a person to do at least the following with respect to the
 34 electronic mail option under subsection (h):
 35 (A) Exercise the option.
 36 (B) Change the person's electronic mail address.
 37 (C) Terminate the option.
 38 (D) For a person other than an individual, designate the
 39 electronic mail address for only one (1) individual authorized
 40 to receive the statements and other information referred to in
 41 subsection (h).
 42 (E) For property with respect to which more than one (1)



- 1 person is liable for property taxes and special assessments,
 2 designate the electronic mail address for only one (1)
 3 individual authorized to receive the statements and other
 4 information referred to in subsection (h).
- 5 (l) The form created under subsection (j) is considered filed with the
 6 county treasurer or the county auditor on the postmark date or on the
 7 date it is electronically submitted. If the postmark is missing or
 8 illegible, the postmark is considered to be one (1) day before the date
 9 of receipt of the form by the county treasurer or the county auditor.
- 10 (m) The county treasurer shall maintain a record that shows at least
 11 the following:
- 12 (1) Each person to whom a statement or other information is
 13 transmitted by electronic mail under this section.
 14 (2) The information included in the statement.
 15 (3) Whether the county treasurer received a notice that the
 16 person's electronic mail was undeliverable.
- 17 (n) A person may direct the county treasurer and county auditor to
 18 transmit information by electronic mail under subsection (h) on a form
 19 prescribed by the department submitted:
- 20 (1) in person;
 21 (2) by mail; or
 22 (3) in an online format developed by the county and approved by
 23 the department.
- 24 SECTION 58. IC 6-1.1-22.5-8, AS AMENDED BY P.L.93-2024,
 25 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2026]: Sec. 8. (a) Subject to subsection (c), a provisional
 27 statement must:
- 28 (1) be on a form prescribed by the department of local
 29 government finance;
 30 (2) except as provided in rules adopted under section 20 of this
 31 chapter and subsection (b):
 32 (A) for property taxes first due and payable after 2010 and
 33 billed using a provisional statement under section 6 of this
 34 chapter, indicate:
 35 (i) that the first installment of the taxpayer's tax liability is
 36 an amount equal to fifty percent (50%) of the tax liability
 37 that was payable in the same year as the assessment date for
 38 the property for which the provisional statement is issued,
 39 subject to any adjustments to the tax liability authorized by
 40 the department of local government finance under
 41 subsection (e) and approved by the county treasurer; and
 42 (ii) that the second installment is either the amount specified



1 in a reconciling statement or, if a reconciling statement is
 2 not sent until after the second installment is due, an amount
 3 equal to fifty percent (50%) of the tax liability that was
 4 payable in the same year as the assessment date for the
 5 property for which the provisional statement is issued,
 6 subject to any adjustments to the tax liability authorized by
 7 the department of local government finance under
 8 subsection (e) and approved by the county treasurer; and
 9 (B) for property taxes billed using a provisional statement
 10 under section 6.5 of this chapter, except as provided in
 11 subsection (d), indicate tax liability in an amount determined
 12 by the department of local government finance based on:
 13 (i) subject to subsection (c), for the cross-county entity, the
 14 property tax rate of the cross-county entity for taxes first due
 15 and payable in the immediately preceding calendar year; and
 16 (ii) for all other taxing units that make up the taxing district
 17 or taxing districts that comprise the cross-county area, the
 18 property tax rates of the taxing units for taxes first due and
 19 payable in the current calendar year;
 20 (3) indicate:
 21 (A) that the tax liability under the provisional statement is
 22 determined as described in subdivision (2); and
 23 (B) that property taxes billed on the provisional statement:
 24 (i) are due and payable in the same manner as property taxes
 25 billed on a tax statement under IC 6-1.1-22-8.1; and
 26 (ii) will be credited against a reconciling statement;
 27 (4) for property taxes billed using a provisional statement under
 28 section 6 of this chapter, include a statement in the following or
 29 a substantially similar form, as determined by the department of
 30 local government finance:
 31 "Under Indiana law, _____ County (insert county) has sent
 32 provisional statements. The statement is due to be paid in
 33 installments on _____ (insert date) and _____ (insert
 34 date). The first installment is equal to fifty percent (50%) of your
 35 tax liability for taxes payable in _____ (insert year), subject to
 36 adjustment to the tax liability authorized by the department of
 37 local government finance and approved by the county treasurer.
 38 The second installment is either the amount specified in a
 39 reconciling statement that will be sent to you, or (if a reconciling
 40 statement is not sent until after the second installment is due) an
 41 amount equal to fifty percent (50%) of your tax liability for taxes
 42 payable in _____ (insert year), subject to adjustment to the tax



1 liability authorized by the department of local government finance
 2 and approved by the county treasurer. After the abstract of
 3 property is complete, you will receive a reconciling statement in
 4 the amount of your actual tax liability for taxes payable in _____
 5 (insert year) minus the amount you pay under this provisional
 6 statement.";

7 (5) for property taxes billed using a provisional statement under
 8 section 6.5 of this chapter, include a statement in the following or
 9 a substantially similar form, as determined by the department of
 10 local government finance:

11 "Under Indiana law, _____ County (insert county) has elected
 12 to send provisional statements for the territory of
 13 _____ (insert cross-county entity) located in
 14 _____ County (insert county) because the property tax rate for
 15 _____ (insert cross-county entity) was not available
 16 in time to prepare final tax statements. The statement is due to be
 17 paid in installments on _____ (insert date) and _____
 18 (insert date). The statement is based on the property tax rate of
 19 _____ (insert cross-county entity) for taxes first
 20 due and payable in _____ (insert immediately preceding calendar
 21 year). After the property tax rate of _____ (insert
 22 cross-county entity) is determined, you will receive a reconciling
 23 statement in the amount of your actual tax liability for taxes
 24 payable in _____ (insert year) minus the amount you pay under
 25 this provisional statement.";

26 (6) indicate any adjustment to tax liability under subdivision (2)
 27 authorized by the department of local government finance under
 28 subsection (e) and approved by the county treasurer for:

- 29 (A) delinquent:
 30 (i) taxes; and
 31 (ii) special assessments;
 32 (B) penalties; and
 33 (C) interest;

34 (7) in the case of a reconciling statement only, include:

- 35 (A) a checklist that shows:
 36 (i) homestead credits under IC 6-1.1-20.4, IC 6-3.6-5
 37 **(before its expiration)**, or another law and all property tax
 38 deductions; and
 39 (ii) whether each homestead credit and property tax
 40 deduction were applied in the current provisional statement;
 41 (B) an explanation of the procedure and deadline that a
 42 taxpayer must follow and the forms that must be used if a



1 credit or deduction has been granted for the property and the
 2 taxpayer is no longer eligible for the credit or deduction; and
 3 (C) an explanation of the tax consequences and applicable
 4 penalties if a taxpayer unlawfully claims a standard deduction
 5 under IC 6-1.1-12-37 on:

6 (i) more than one (1) parcel of property; or

7 (ii) property that is not the taxpayer's principal place of
 8 residence or is otherwise not eligible for a standard
 9 deduction; and

10 (8) include any other information the county treasurer requires.

11 (b) The county may apply a standard deduction, supplemental
 12 standard deduction, or homestead credit calculated by the county's
 13 property system on a provisional bill for a qualified property. If a
 14 provisional bill has been used for property tax billings for two (2)
 15 consecutive years and a property qualifies for a standard deduction,
 16 supplemental standard deduction, or homestead credit for the second
 17 year a provisional bill is used, the county shall apply the standard
 18 deduction, supplemental standard deduction, or homestead credit
 19 calculated by the county's property system on the provisional bill.

20 (c) For purposes of this section, property taxes that are:

21 (1) first due and payable in the current calendar year on a
 22 provisional statement under section 6 or 6.5 of this chapter; and

23 (2) based on property taxes first due and payable in the
 24 immediately preceding calendar year or on a percentage of those
 25 property taxes;

26 are determined after excluding from the property taxes first due and
 27 payable in the immediately preceding calendar year property taxes
 28 imposed by one (1) or more taxing units in which the tangible property
 29 is located that are attributable to a levy that no longer applies for
 30 property taxes first due and payable in the current calendar year.

31 (d) If there was no property tax rate of the cross-county entity for
 32 taxes first due and payable in the immediately preceding calendar year
 33 for use under subsection (a)(2)(B), the department of local government
 34 finance shall provide an estimated tax rate calculated to approximate
 35 the actual tax rate that will apply when the tax rate is finally
 36 determined.

37 (e) The department of local government finance shall:

38 (1) authorize the types of adjustments to tax liability that a county
 39 treasurer may approve under subsection (a)(2)(A) including:

40 (A) adjustments for any new construction on the property or
 41 any damage to the property;

42 (B) any necessary adjustments for credits, deductions, or the



- 1 local income tax;
 2 (C) adjustments to include current year special assessments or
 3 exclude special assessments payable in the year of the
 4 assessment date but not payable in the current year;
 5 (D) adjustments to include delinquent:
 6 (i) taxes; and
 7 (ii) special assessments;
 8 (E) adjustments to include penalties that are due and owing;
 9 and
 10 (F) adjustments to include interest that is due and owing; and
 11 (2) notify county treasurers in writing of the types of adjustments
 12 authorized under subdivision (1).

13 SECTION 59. IC 6-1.1-31-14 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 14. The**
 16 **department of local government finance shall develop or amend**
 17 **forms and returns for property taxation of assessable depreciable**
 18 **personal property to reflect the enactment of the exemption for**
 19 **business personal property placed in service after January 1, 2025,**
 20 **under IC 6-1.1-10.4, the enactment of IC 6-1.1-3-29, and the**
 21 **enactment of IC 6-1.1-8-45.**

22 SECTION 60. IC 6-1.1-36-17, AS AMENDED BY P.L.85-2017,
 23 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2026]: Sec. 17. (a) As used in this section, "nonreverting
 25 fund" refers to a nonreverting fund established under subsection (d).

26 (b) If a county auditor makes a determination that property was not
 27 eligible for a standard deduction under IC 6-1.1-12-37 in a particular
 28 year within three (3) years after the date on which taxes for the
 29 particular year are first due, the county auditor may issue a notice of
 30 taxes, interest, and penalties due to the owner that improperly received
 31 the standard deduction and include a statement that the payment is to
 32 be made payable to the county auditor. The additional taxes and civil
 33 penalties that result from the removal of the deduction, if any, are
 34 imposed for property taxes first due and payable for an assessment date
 35 occurring before the earlier of the date of the notation made under
 36 subsection (c)(2)(A) or the date a notice of an ineligible homestead lien
 37 is recorded under subsection (e)(2) in the office of the county recorder.
 38 The notice must require full payment of the amount owed within:

- 39 (1) one (1) year with no penalties and interest, if:
 40 (A) the taxpayer did not comply with the requirement to return
 41 the homestead verification form under IC 6-1.1-22-8.1(b)(9)
 42 (expired January 1, 2015); and



- 1 (B) the county auditor allowed the taxpayer to receive the
 2 standard deduction in error; or
 3 (2) thirty (30) days, if subdivision (1) does not apply.
 4 With respect to property subject to a determination made under this
 5 subsection that is owned by a bona fide purchaser without knowledge
 6 of the determination, no lien attaches for any additional taxes and civil
 7 penalties that result from the removal of the deduction.
 8 (c) If a county auditor issues a notice of taxes, interest, and penalties
 9 due to an owner under subsection (b), the county auditor shall:
 10 (1) notify the county treasurer of the determination; and
 11 (2) do one (1) or more of the following:
 12 (A) Make a notation on the tax duplicate that the property is
 13 ineligible for the standard deduction and indicate the date the
 14 notation is made.
 15 (B) Record a notice of an ineligible homestead lien under
 16 subsection (e)(2).
 17 (d) Each county auditor shall establish a nonreverting fund. Upon
 18 collection of the adjustment in tax due (and any interest and penalties
 19 on that amount) after the termination of a deduction or credit as
 20 specified in subsection (b), the county treasurer shall deposit that
 21 amount:
 22 (1) in the nonreverting fund, if the county contains a consolidated
 23 city; or
 24 (2) if the county does not contain a consolidated city:
 25 (A) in the nonreverting fund, to the extent that the amount
 26 collected, after deducting the direct cost of any contract,
 27 including contract related expenses, under which the
 28 contractor is required to identify homestead deduction
 29 eligibility, does not cause the total amount deposited in the
 30 nonreverting fund under this subsection for the year during
 31 which the amount is collected to exceed one hundred thousand
 32 dollars (\$100,000); or
 33 (B) in the county general fund, to the extent that the amount
 34 collected exceeds the amount that may be deposited in the
 35 nonreverting fund under clause (A).
 36 (e) Any part of the amount due under subsection (b) that is not
 37 collected by the due date is subject to collection under one (1) or more
 38 of the following:
 39 (1) After being placed on the tax duplicate for the affected
 40 property and collected in the same manner as other property taxes.
 41 (2) Through a notice of an ineligible homestead lien recorded in
 42 the county recorder's office without charge.



1 The adjustment in tax due (and any interest and penalties on that
 2 amount) after the termination of a deduction or credit as specified in
 3 subsection (b) shall be deposited as specified in subsection (d) only in
 4 the first year in which that amount is collected. Upon the collection of
 5 the amount due under subsection (b) or the release of a lien recorded
 6 under subdivision (2), the county auditor shall submit the appropriate
 7 documentation to the county recorder, who shall amend the information
 8 recorded under subdivision (2) without charge to indicate that the lien
 9 has been released or the amount has been paid in full.

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

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

16 (2) Homestead credits under IC 6-1.1-20.4, IC 6-3.6-5 (**before its**
 17 **expiration**), IC 6-3.6-11-3 (**before its expiration**), or any other
 18 law.

19 (3) Credit for excessive property taxes under IC 6-1.1-20.6-7.5 or
 20 IC 6-1.1-20.6-8.5.

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

23 (g) Money deposited under subsection (d)(1) or (d)(2) shall be
 24 treated as miscellaneous revenue. Distributions shall be made from the
 25 nonreverting fund established under this section upon appropriation by
 26 the county fiscal body and shall be made only for the following
 27 purposes:

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

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

32 The amount of deposits in a reverting fund, the balance of a
 33 nonreverting fund, and expenditures from a reverting fund may not be
 34 considered in establishing the budget of the office of the county auditor
 35 or in setting property tax levies that will be used in any part to fund the
 36 office of the county auditor.

37 SECTION 61. IC 6-1.1-37-4 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]:
 39 Sec. 4. A person who makes a false statement, with intent to obtain the
 40 property tax deduction provided in either IC 6-1.1-12-13 or
 41 IC 6-1.1-12-14 (**before their expiration**), when ~~he~~ **the person** is not
 42 entitled to the deduction, commits a Class B misdemeanor.



1 SECTION 62. IC 6-1.1-40-10, AS AMENDED BY
 2 P.L.212-2018(ss), SECTION 16, IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]:
 4 Sec. 10. (a) The deduction under this section applies only to new
 5 manufacturing equipment installed before July 1, 2018.

6 (b) Subject to ~~subsection~~ **subsections (e) and (f)**, an owner of new
 7 manufacturing equipment whose statement of benefits is approved is
 8 entitled to a deduction from the assessed value of that equipment for a
 9 period of ten (10) years. Except as provided in subsections (c) and (d),
 10 and subject to subsection (e) and section 14 of this chapter, for the first
 11 five (5) years, the amount of the deduction for new manufacturing
 12 equipment that an owner is entitled to for a particular year equals the
 13 assessed value of the new manufacturing equipment. Subject to
 14 subsection (e) and section 14 of this chapter, for the sixth through the
 15 tenth year, the amount of the deduction equals the product of:

16 (1) the assessed value of the new manufacturing equipment;
 17 multiplied by

18 (2) the percentage prescribed in the following table:

19 YEAR OF DEDUCTION	PERCENTAGE
20 6th	100%
21 7th	95%
22 8th	80%
23 9th	65%
24 10th	50%
25 11th and thereafter	0%

26 (c) A deduction under this section is not allowed in the first year the
 27 deduction is claimed for new manufacturing equipment to the extent
 28 that it would cause the assessed value of all of the personal property of
 29 the owner in the taxing district in which the equipment is located to be
 30 less than the assessed value of all of the personal property of the owner
 31 in that taxing district in the immediately preceding year.

32 (d) If a deduction is not fully allowed under subsection (c) in the
 33 first year the deduction is claimed, then the percentages specified in
 34 subsection (b) apply in the subsequent years to the amount of deduction
 35 that was allowed in the first year.

36 (e) For purposes of subsection (b), the assessed value of new
 37 manufacturing equipment that is part of an owner's assessable
 38 depreciable personal property in a single taxing district subject to the
 39 valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9~~
 40 **IC 6-1.1-8-45** is the product of:

41 (1) the assessed value of the equipment (excluding equipment
 42 installed after June 30, 2018) determined without regard to the



1 valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50~~
 2 ~~IAC 5.1-6-9; IC 6-1.1-8-45~~; multiplied by

3 (2) the quotient of:

4 (A) the amount of the valuation limitation determined under
 5 ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9 IC 6-1.1-8-45~~
 6 for all of the owner's depreciable personal property in the
 7 taxing district; divided by

8 (B) the total true tax value of all of the owner's depreciable
 9 personal property in the taxing district that is subject to the
 10 valuation limitation in ~~50 IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50~~
 11 ~~IAC 5.1-6-9 IC 6-1.1-8-45~~ determined:

12 (i) under the depreciation schedules in the rules of the
 13 department of local government finance before any
 14 adjustment for abnormal obsolescence; and

15 (ii) without regard to the valuation limitation in ~~50~~
 16 ~~IAC 4.2-4-9 IC 6-1.1-3-29~~ or ~~50 IAC 5.1-6-9:~~
 17 ~~IC 6-1.1-8-45.~~

18 **(f) Notwithstanding any other provision of this chapter, a**
 19 **deduction shall not be allowed under this chapter for any business**
 20 **personal property that is totally exempt from property taxation**
 21 **under IC 6-1.1-10.4-4 beginning in 2030.**

22 SECTION 63. IC 6-1.1-42-22, AS AMENDED BY P.L.181-2016,
 23 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 22. (a) The designating
 25 body shall determine whether to approve a deduction.

26 (b) A designating body may not grant a deduction for a facility
 27 described in IC 6-1.1-12.1-3(e).

28 (c) A property owner may not receive a deduction under this chapter
 29 for repairs or improvements to real property if the owner receives a
 30 deduction under either IC 6-1.1-12.1, IC 6-1.1-12-18 (before its
 31 expiration), IC 6-1.1-12-22 (before its expiration), or IC 6-1.1-12-28.5
 32 **(before its expiration)** for the same property.

33 (d) A designating body may approve a deduction only if the
 34 following findings are made in the affirmative:

35 (1) The applicant:

36 (A) has never had an ownership interest in an entity that
 37 contributed; and

38 (B) has not contributed;

39 a contaminant (as defined in IC 13-11-2-42) that is the subject of
 40 the voluntary remediation, as determined under the written
 41 standards adopted by the department of environmental
 42 management.



- 1 (2) The proposed improvement or property will be located in a
- 2 zone.
- 3 (3) The estimate of the value of the remediation and
- 4 redevelopment is reasonable for projects of that nature.
- 5 (4) The estimate of the number of individuals who will be
- 6 employed or whose employment will be retained can be
- 7 reasonably expected to result from the proposed described
- 8 remediation and redevelopment.
- 9 (5) The estimate of the annual salaries of those individuals who
- 10 will be employed or whose employment will be retained can be
- 11 reasonably expected to result from the proposed described
- 12 remediation and redevelopment.
- 13 (6) Any other benefits about which information was requested are
- 14 benefits that can be reasonably expected to result from the
- 15 proposed described remediation and redevelopment.
- 16 (7) The totality of benefits is sufficient to justify the deduction.

17 SECTION 64. IC 6-1.1-42-28, AS AMENDED BY P.L.86-2018,
 18 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2025]: Sec. 28. (a) Subject to this section and section 34 of
 20 this chapter, the amount of the deduction which the property owner is
 21 entitled to receive under this chapter for a particular year equals the
 22 product of:

- 23 (1) the increase in the assessed value resulting from the
- 24 remediation and redevelopment in the zone or the location of
- 25 personal property in the zone, or both; multiplied by
- 26 (2) the percentage determined under subsection (b).

27 (b) The percentage to be used in calculating the deduction under
 28 subsection (a) is as follows:

29 (1) For deductions allowed over a three (3) year period:

30 YEAR OF DEDUCTION	PERCENTAGE
31 1st	100%
32 2nd	66%
33 3rd	33%

34 (2) For deductions allowed over a six (6) year period:

35 YEAR OF DEDUCTION	PERCENTAGE
36 1st	100%
37 2nd	85%
38 3rd	66%
39 4th	50%
40 5th	34%
41 6th	17%

42 (3) For deductions allowed over a ten (10) year period:



1	YEAR OF DEDUCTION	PERCENTAGE
2	1st	100%
3	2nd	95%
4	3rd	80%
5	4th	65%
6	5th	50%
7	6th	40%
8	7th	30%
9	8th	20%
10	9th	10%
11	10th	5%

12 (c) The amount of the deduction determined under subsection (a)
 13 shall be adjusted in accordance with this subsection in the following
 14 circumstances:

15 (1) If a reassessment under a county's reassessment plan prepared
 16 under IC 6-1.1-4-4.2 occurs within the particular period of the
 17 deduction, the amount determined under subsection (a)(1) shall
 18 be adjusted to reflect the percentage increase or decrease in
 19 assessed valuation that resulted from the reassessment.

20 (2) If an appeal of an assessment is approved that results in a
 21 reduction of the assessed value of the redeveloped or rehabilitated
 22 property, the amount of any deduction shall be adjusted to reflect
 23 the percentage decrease that resulted from the appeal.

24 (3) The amount of the deduction may not exceed the limitations
 25 imposed by the designating body under section 23 of this chapter.

26 (4) The amount of the deduction must be proportionally reduced
 27 by the proportionate ownership of the property by a person that:

- 28 (A) has an ownership interest in an entity that contributed; or
- 29 (B) has contributed;

30 a contaminant (as defined in IC 13-11-2-42) that is the subject of
 31 the voluntary remediation, as determined under the written
 32 standards adopted by the department of environmental
 33 management.

34 The department of local government finance may adopt rules under
 35 IC 4-22-2 to implement this subsection.

36 **(d) Notwithstanding any other provision of this chapter, a**
 37 **deduction shall not be allowed under this chapter for any business**
 38 **personal property that is totally exempt from property taxation**
 39 **under IC 6-1.1-10.4-4 beginning in 2030.**

40 SECTION 65. IC 6-1.1-45-12, AS AMENDED BY P.L.238-2017,
 41 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2025]: Sec. 12. (a) Subject to ~~subsection~~ **subsections (b) and**



1 (c), a taxpayer may claim a deduction under this chapter for property
 2 other than property located in a consolidated city for an assessment
 3 date that occurs after:

4 (1) the expiration of the enterprise zone in which the enterprise
 5 zone property for which the taxpayer made the qualified
 6 investment is located; or

7 (2) the expiration of the entrepreneur and enterprise district in
 8 which the entrepreneur and enterprise district property for which
 9 the taxpayer made the qualified investment under IC 5-28-15.5 is
 10 located.

11 (b) A taxpayer may not claim a deduction under this chapter for
 12 more than ten (10) years.

13 **(c) Notwithstanding any other provision of this chapter, a**
 14 **deduction shall not be allowed under this chapter for any business**
 15 **personal property that is totally exempt from property taxation**
 16 **under IC 6-1.1-10.4-4 beginning in 2030.**

17 SECTION 66. IC 6-1.1-51 IS ADDED TO THE INDIANA CODE
 18 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 19 JANUARY 1, 2026]:

20 **Chapter 51. Local Property Tax Credits**

21 **Sec. 1. (a) An individual is entitled to a credit against local**
 22 **property taxes imposed on the individual's real property, or mobile**
 23 **home or manufactured home within the county, if:**

24 (1) the individual is at least sixty-five (65) years of age on or
 25 before December 31 of the calendar year preceding the year
 26 in which the credit is claimed;

27 (2) the individual has owned the real property, mobile home,
 28 or manufactured home for at least one (1) year before
 29 claiming the credit; or the individual has been buying the real
 30 property, mobile home, or manufactured home under a
 31 contract that provides that the individual is to pay the
 32 property taxes on the real property, mobile home, or
 33 manufactured home for at least one (1) year before claiming
 34 the credit, and the contract or a memorandum of the contract
 35 is recorded in the county recorder's office; and

36 (3) the individual:

37 (A) owns the real property, mobile home, or manufactured
 38 home; or

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

41 on the date the credit is claimed.

42 (b) The amount of the credit is equal to one hundred fifty dollars



- 1 **(\$150).**
 2 **(c) An individual may not be denied the credit provided under**
 3 **this section because the individual is absent from the real property,**
 4 **mobile home, or manufactured home while in a nursing home or**
 5 **hospital.**
 6 **(d) For purposes of this section, if real property, a mobile home,**
 7 **or a manufactured home is owned by:**
 8 **(1) tenants by the entirety;**
 9 **(2) joint tenants; or**
 10 **(3) tenants in common;**
 11 **only one (1) credit may be allowed. However, the age requirement**
 12 **is satisfied if any one (1) of the tenants is at least sixty-five (65)**
 13 **years of age.**
 14 **(e) A surviving spouse is entitled to the credit provided by this**
 15 **section if:**
 16 **(1) the surviving spouse is at least sixty (60) years of age on or**
 17 **before December 31 of the calendar year preceding the year**
 18 **in which the credit is claimed;**
 19 **(2) the surviving spouse's deceased husband or wife was at**
 20 **least sixty-five (65) years of age at the time of a death; and**
 21 **(3) the surviving spouse has not remarried.**
 22 **(f) An individual who has sold real property to another person**
 23 **under a contract that provides that the contract buyer is to pay the**
 24 **property taxes on the real property may not claim the credit**
 25 **provided under this section against that real property.**
 26 **(g) If individuals share ownership or are purchasing the**
 27 **property under a contract as joint tenants or tenants in common**
 28 **and all of the tenants are not at least sixty-five (65) years of age, the**
 29 **credit allowed under this section shall be reduced by an amount**
 30 **equal to the credit multiplied by a fraction. The numerator of the**
 31 **fraction is the number of tenants who are not at least sixty-five (65)**
 32 **years of age, and the denominator is the total number of tenants.**
 33 **(h) An individual wishing to claim a credit under this section**
 34 **must file a statement, on forms prescribed by the department of**
 35 **local government finance, with the county auditor and provide**
 36 **documentation necessary to substantiate the individual's eligibility**
 37 **for the credit. The statement must be completed and dated on or**
 38 **before January 5 of the calendar year in which the property taxes**
 39 **are first due and payable. The statement may be filed in person or**
 40 **by mail. If mailed, the mailing must be postmarked on or before**
 41 **the last day for filing. An individual who remains eligible for the**
 42 **credit in the following year is not required to file a statement to**



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

7 **Sec. 2. (a) An individual is entitled to a credit against local**
 8 **property taxes imposed on the individual's real property, or mobile**
 9 **home or manufactured home within the county, if:**

- 10 (1) the individual is blind or the individual has a disability;
 11 (2) the real property, mobile home, or manufactured home is
 12 principally used and occupied by the individual as the
 13 individual's residence; and
 14 (3) the individual:
 15 (A) owns the real property, mobile home, or manufactured
 16 home; or
 17 (B) is buying the real property, mobile home, or
 18 manufactured home under contract;
 19 on the date the credit is claimed, and in the case of clause (B),
 20 the contract or a memorandum of the contract is recorded in
 21 the county recorder's office.

22 (b) The amount of the credit is equal to one hundred twenty-five
 23 dollars (\$125).

24 (c) For purposes of this section, "blind" has the same meaning
 25 as the definition contained in IC 12-7-2-21(1).

26 (d) For purposes of this section, "individual with a disability"
 27 means a person unable to engage in any substantial gainful activity
 28 by reason of a medically determinable physical or mental
 29 impairment which:

- 30 (1) can be expected to result in death; or
 31 (2) has lasted or can be expected to last for a continuous
 32 period of not less than twelve (12) months.

33 (e) An individual with a disability filing a claim under this
 34 section shall submit proof of the disability. Proof that a claimant is
 35 eligible to receive disability benefits under the federal Social
 36 Security Act (42 U.S.C. 301 et seq.) shall constitute proof of
 37 disability for purposes of this section.

38 (f) An individual with a disability not covered under the federal
 39 Social Security Act shall be examined by a physician and the
 40 individual's status as an individual with a disability determined by
 41 using the same standards as used by the Social Security
 42 Administration. The costs of this examination shall be borne by the



- 1 claimant.
- 2 (g) An individual who receives the credit provided by this
3 section may not receive the credit provided by IC 6-1.1-20.6-8.5.
4 However, the individual may receive any other property tax credit
5 that the individual is entitled to by law.
- 6 (h) An individual who has sold real property, a mobile home not
7 assessed as real property, or a manufactured home not assessed as
8 real property to another person under a contract that provides that
9 the contract buyer is to pay the property taxes on the real
10 property, mobile home, or manufactured home may not claim the
11 credit provided under this section against that real property,
12 mobile home, or manufactured home.
- 13 (i) An individual wishing to claim a credit under this section
14 must file a statement, on forms prescribed by the department of
15 local government finance, with the county auditor and provide
16 documentation necessary to substantiate the individual's eligibility
17 for the credit. The statement must be completed and dated on or
18 before January 5 of the calendar year in which the property taxes
19 are first due and payable. The statement may be filed in person or
20 by mail. If mailed, the mailing must be postmarked on or before
21 the last day for filing. An individual who remains eligible for the
22 credit in the following year is not required to file a statement to
23 apply for the credit in the following year. However, an individual
24 who receives a credit under this section in a particular year and
25 who becomes ineligible for the credit in the following year shall
26 notify the auditor of the county in which the homestead is located
27 of the individual's ineligibility not later than sixty (60) days after
28 the individual becomes ineligible.
- 29 Sec. 3. (a) An individual is entitled to a credit against local
30 property taxes imposed on the individual's real property, or mobile
31 home or manufactured home within the county, if:
- 32 (1) the individual served in the military or naval forces of the
33 United States for at least ninety (90) days;
- 34 (2) the individual received an honorable discharge;
- 35 (3) the individual either:
- 36 (A) has a total disability; or
- 37 (B) is at least sixty-two (62) years of age and has a
38 disability of at least ten percent (10%);
- 39 (4) the individual's disability is evidenced by:
- 40 (A) a pension certificate or an award of compensation
41 issued by the United States Department of Veterans
42 Affairs; or



- 1 **(B) a certificate of eligibility issued to the individual by the**
 2 **Indiana department of veterans' affairs after the Indiana**
 3 **department of veterans' affairs has determined that the**
 4 **individual's disability qualifies the individual to receive a**
 5 **credit under this section; and**
- 6 **(5) the individual:**
- 7 **(A) owns the real property, mobile home, or manufactured**
 8 **home; or**
- 9 **(B) is buying the real property, mobile home, or**
 10 **manufactured home under contract;**
 11 **on the date the credit is claimed, and in the case of clause (B),**
 12 **the contract or a memorandum of the contract is recorded in**
 13 **the county recorder's office.**
- 14 **(b) The amount of the credit is equal to one hundred fifty dollars**
 15 **(\$150).**
- 16 **(c) The surviving spouse of an individual may receive the credit**
 17 **provided by this section if:**
- 18 **(1) the individual satisfied the requirements of subsection**
 19 **(a)(1) through (a)(4) at the time of death; or**
- 20 **(2) the individual:**
- 21 **(A) was killed in action;**
 22 **(B) died while serving on active duty in the military or**
 23 **naval forces of the United States; or**
 24 **(C) died while performing inactive duty training in the**
 25 **military or naval forces of the United States; and**
- 26 **the surviving spouse satisfies the requirement of subsection (a)(5)**
 27 **at the time the credit is claimed. The surviving spouse is entitled to**
 28 **the credit regardless of whether the property for which the credit**
 29 **is claimed was owned by the deceased veteran or the surviving**
 30 **spouse before the deceased veteran's death.**
- 31 **(d) One who receives the credit provided by this section may not**
 32 **receive the credit provided by section 1 of this chapter. However,**
 33 **the individual may receive any other property tax credit which the**
 34 **individual is entitled to by law.**
- 35 **(e) An individual who has sold real property or a mobile home**
 36 **or manufactured home to another person under a contract that**
 37 **provides that the contract buyer is to pay the property taxes on the**
 38 **real property, mobile home, or manufactured home may not claim**
 39 **the credit provided under this section against that real property,**
 40 **mobile home, or manufactured home.**
- 41 **(f) An individual wishing to claim a credit under this section**
 42 **must file a statement, on forms prescribed by the department of**



1 local government finance, with the county auditor and provide
 2 documentation necessary to substantiate the individual's eligibility
 3 for the credit. The statement must be completed and dated on or
 4 before January 5 of the calendar year in which the property taxes
 5 are first due and payable. The statement may be filed in person or
 6 by mail. If mailed, the mailing must be postmarked on or before
 7 the last day for filing. An individual who remains eligible for the
 8 credit in the following year is not required to file a statement to
 9 apply for the credit in the following year. However, an individual
 10 who receives a credit under this section in a particular year and
 11 who becomes ineligible for the credit in the following year shall
 12 notify the auditor of the county in which the homestead is located
 13 of the individual's ineligibility not later than sixty (60) days after
 14 the individual becomes ineligible.

15 **Sec. 4. (a) An individual is entitled to a credit against local**
 16 **property taxes imposed on the individual's real property, or mobile**
 17 **home or manufactured home within the county, if:**

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

20 (2) the individual received an honorable discharge;

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

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

24 (A) a pension certificate, an award of compensation, or a
 25 disability compensation check issued by the United States
 26 Department of Veterans Affairs; or

27 (B) a certificate of eligibility issued to the individual by the
 28 Indiana department of veterans' affairs after the Indiana
 29 department of veterans' affairs has determined that the
 30 individual's disability qualifies the individual to receive a
 31 credit under this section; and

32 (5) the individual:

33 (A) owns the real property, mobile home, or manufactured
 34 home; or

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

37 on the date the credit is claimed, and in the case of clause (B),
 38 the contract or a memorandum of the contract is recorded in
 39 the county recorder's office.

40 (b) The amount of the credit is equal to two hundred fifty
 41 dollars (\$250).

42 (c) The surviving spouse of an individual may receive the credit



1 provided by this section if the individual satisfied the requirements
 2 of subsection (a)(1) through (a)(4) at the time of death and the
 3 surviving spouse satisfies the requirement of subsection (a)(5) at
 4 the time the credit is claimed. The surviving spouse is entitled to
 5 the credit regardless of whether the property for which the credit
 6 is claimed was owned by the deceased veteran or the surviving
 7 spouse before the deceased veteran's death.

8 (d) One who receives the credit provided by this section may not
 9 receive the credit provided by section 1 of this chapter. However,
 10 the individual may receive any other property tax credit which the
 11 individual is entitled to by law.

12 (e) An individual who has sold real property or a mobile home
 13 or manufactured home to another person under a contract that
 14 provides that the contract buyer is to pay the property taxes on the
 15 real property, mobile home, or manufactured home may not claim
 16 the credit provided under this section against that real property,
 17 mobile home, or manufactured home.

18 (f) An individual wishing to claim a credit under this section
 19 must file a statement, on forms prescribed by the department of
 20 local government finance, with the county auditor and provide
 21 documentation necessary to substantiate the individual's eligibility
 22 for the credit. The statement must be completed and dated on or
 23 before January 5 of the calendar year in which the property taxes
 24 are first due and payable. The statement may be filed in person or
 25 by mail. If mailed, the mailing must be postmarked on or before
 26 the last day for filing. An individual who remains eligible for the
 27 credit in the following year is not required to file a statement to
 28 apply for the credit in the following year. However, an individual
 29 who receives a credit under this section in a particular year and
 30 who becomes ineligible for the credit in the following year shall
 31 notify the auditor of the county in which the homestead is located
 32 of the individual's ineligibility not later than sixty (60) days after
 33 the individual becomes ineligible.

34 SECTION 67. IC 6-3-2-27.5, AS ADDED BY P.L.194-2023,
 35 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2026]: Sec. 27.5. (a) As used in this section, "compensation"
 37 means any wages, salaries, tips, or similar income that is subject to the
 38 withholding requirements under IC 6-3-4-8, or would otherwise be
 39 subject to the withholding requirements under IC 6-3-4-8 if not for the
 40 application of:

- 41 (1) IC 6-3-4-8(d);
 42 (2) IC 6-3-5; or



- 1 (3) this section.
- 2 (b) As used in this section, "professional athlete" means:
- 3 (1) an athlete, other than a team member (as defined in section
- 4 2.7(a)(4) of this chapter) or a race team member (as defined in
- 5 section 3.2(a)(4) of this chapter), who performs services in a
- 6 professional athletic event for compensation;
- 7 (2) a team member (as defined in section 2.7(a)(4) of this chapter)
- 8 who has at least one (1) duty day in Indiana during a taxable year;
- 9 or
- 10 (3) a race team member (as defined in section 3.2(a)(4) of this
- 11 chapter) who has at least one (1) duty day in Indiana during a
- 12 taxable year.
- 13 (c) As used in this section, "professional entertainer" means a
- 14 person who performs services in the professional performing arts for
- 15 compensation on a per-event basis.
- 16 (d) As used in this section, "public figure" means a person of
- 17 prominence who performs services at discrete events, including
- 18 speeches, public appearances, and similar events, for compensation on
- 19 a per-event basis.
- 20 (e) As used in this section, "time and attendance system" means a
- 21 system:
- 22 (1) through which an employee is required, on a contemporaneous
- 23 basis, to record the employee's work location for each day worked
- 24 outside the state in which the employee's employment duties are
- 25 primarily performed; and
- 26 (2) which is designed to allow the employer to allocate the
- 27 employee's compensation for income tax purposes among all
- 28 states in which the employee performs employment duties.
- 29 (f) Except as provided in subsection (j), compensation is exempt
- 30 from the adjusted gross income tax imposed under this article and
- 31 IC 6-3.6 if all of the following conditions are met:
- 32 (1) The individual is not a resident of Indiana at any time during
- 33 the calendar year in which the employee performs employment
- 34 duties.
- 35 (2) The individual receives compensation for employment duties
- 36 performed by the individual in Indiana for thirty (30) days or less
- 37 during the calendar year.
- 38 (3) The compensation is not paid for employment duties
- 39 performed by the individual in the individual's capacity as a
- 40 professional athlete, professional entertainer, or public figure.
- 41 (g) Except as otherwise provided in this section, an employer is not
- 42 required to withhold taxes imposed under this article or IC 6-3.6 from



1 compensation paid to an employee described in subsection (f).
 2 However, if the number of days that an employee performs
 3 employment duties in Indiana exceeds thirty (30) days, the employer
 4 shall withhold and remit tax to the state of Indiana from all
 5 compensation paid to the employee for every day on which the
 6 employee performed employment duties in Indiana, including the first
 7 thirty (30) days.

8 (h) The department may not require payment of any penalties
 9 otherwise applicable for a failure to deduct and withhold income taxes
 10 under IC 6-3-4-8, if, when making the determination of whether
 11 withholding was required, either of the following applied:

12 (1) The employer relied on a time and attendance system
 13 maintained by the employer specifically designed to allocate
 14 employee wages for income tax purposes among all taxing
 15 jurisdictions in which the employee performs employment duties
 16 for the employer.

17 (2) The employer did not maintain a time and attendance system
 18 and the employer relied on the employee's annual determination
 19 of the time the employee expected to spend performing
 20 employment duties in Indiana, if:

21 (A) the employer did not have actual knowledge of fraud on
 22 the part of the employee in making the determination; and

23 (B) the employer and the employee did not collude to evade
 24 taxation in making the determination.

25 An employer's maintaining of records as described in subdivision (1)
 26 does not preclude an employer's ability to rely on an employee's
 27 determination of the time the employee expected to spend performing
 28 employment duties in Indiana as described in subdivision (2) when
 29 making the determination of whether withholding is required.

30 (i) For purposes of this section:

31 (1) subject to subdivision (3), an employee shall be considered
 32 present and performing employment duties within Indiana if the
 33 employee performs more of the employee's employment duties
 34 within Indiana than in any other state during a particular day;

35 (2) any portion of the day during which an employee is in transit
 36 may not be considered in determining the location of the
 37 employee's performance of employment duties; and

38 (3) if an employee performs employment duties in the employee's
 39 state of residence and in only one (1) nonresident state during a
 40 particular day, the employee shall be considered to have
 41 performed more of the employee's employment duties in the
 42 nonresident state than in the state of residence for that day.



- 1 (j) The following apply for purposes of this section:
 2 (1) If an individual receives compensation for employment duties
 3 performed by the individual both:
 4 (A) in the individual's capacity as a professional athlete,
 5 professional entertainer, or public figure; and
 6 (B) in some capacity other than the individual's capacity as a
 7 professional athlete, professional entertainer, or public figure;
 8 the exemption under this section may not be applied to the portion
 9 of compensation described in clause (B).
 10 (2) If an employee is working at a location other than a physical
 11 location of the employer, the employee shall be considered to be
 12 working in the state or states in which the services for the
 13 employer are performed, regardless of the physical location of the
 14 employer.
 15 (3) If an individual performs employment duties in Indiana for
 16 more than thirty (30) days during a calendar year, compensation
 17 received by the individual is not eligible for the exemption under
 18 this section.
 19 (4) If an individual performs substantially similar job duties for an
 20 employer both while designated as an employee and in some
 21 capacity other than as an employee during a calendar year, the
 22 number of days for which the individual shall be considered to
 23 have worked in Indiana with regard to that employer must be
 24 determined by aggregating the days for which the individual
 25 performed duties for the employer, whether designated as an
 26 employee or not.
 27 (5) If an employer or individual reasonably believes that an
 28 individual is an employee for a calendar year but the individual is
 29 later determined to not be an employee, the individual:
 30 (A) is subject to tax under this article and IC 6-3.6 on any
 31 income that otherwise would have been exempt under this
 32 section; and
 33 (B) is not subject to penalties under IC 6-3-4-4.1 or
 34 IC 6-8.1-10-2.1 based on the inclusion of amounts claimed as
 35 exempt under this section as income.
 36 (6) If an individual is not a resident of Indiana, amounts paid for
 37 vacation, sick, personal, or any other type of leave may not be
 38 considered as compensation in Indiana, and any day for which a
 39 type of leave is used may not be considered as a day for which the
 40 individual performed services for an employer unless the
 41 individual performed services for the employer in Indiana on that
 42 day and the day would otherwise be counted as a day of services



1 performed in Indiana under this section.
 2 (7) The exemption provided under this section shall not apply to
 3 an individual's compensation that is deferred or delayed from a
 4 previous calendar year to a subsequent calendar year unless:
 5 (A) the individual was exempt from taxation under this section
 6 on the compensation for the calendar year in which the
 7 compensation was earned; and
 8 (B) the individual is not a resident of Indiana when the
 9 individual includes the compensation in the individual's
 10 federal gross income.

11 (k) Nothing in this section may be construed to prevent an
 12 individual from being considered a local taxpayer ~~(as defined in~~
 13 ~~IC 6-3.6-2-13(2))~~; **(as defined in IC 6-3.6)**, regardless of whether the
 14 individual's compensation is exempt under this section.

15 SECTION 68. IC 6-3.5-4-1, AS AMENDED BY P.L.256-2017,
 16 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2026]: Sec. 1. The following definitions apply throughout this
 18 chapter:

- 19 (1) "Adopting entity" means ~~either the county council or the local~~
 20 ~~income tax council established by IC 6-3.6-3-1 for the county;~~
 21 ~~whichever adopts an ordinance to impose a surtax first: the~~
 22 **adopting body specified in IC 6-3.6-3-1(a).**
- 23 (2) "County council" includes the city-county council of a county
 24 that contains a consolidated city of the first class.
- 25 (3) "Vehicle" has the meaning set forth in IC 6-6-5-1(b).
- 26 (4) "Net vehicle excise tax" means the tax due under IC 6-6-5
 27 after the application of the adjustments and credits provided by
 28 that chapter.
- 29 (5) "Surtax" means the county vehicle excise tax imposed by an
 30 adopting entity under this chapter.
- 31 (6) "Transportation asset management plan" includes planning for
 32 drainage systems and rights-of-way that affect transportation
 33 assets.

34 SECTION 69. IC 6-3.5-4-1.1, AS AMENDED BY P.L.197-2016,
 35 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2026]: Sec. 1.1. ~~For purposes of acting as the adopting entity~~
 37 ~~under this chapter, a local income tax council is comprised of the same~~
 38 ~~members as the local income tax council that is established by~~
 39 ~~IC 6-3.6-3-1 for the county. The local income tax council~~ **adopting**
 40 **entity** shall use the same procedures that apply under IC 6-3.6-3 when
 41 acting as an adopting entity under this chapter.

42 SECTION 70. IC 6-3.5-5-1, AS AMENDED BY P.L.256-2017,



1 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2026]: Sec. 1. The following definitions apply throughout this
3 chapter:

4 (1) "Adopting entity" means ~~either the county council or the local~~
5 ~~income tax council established by IC 6-3.6-3-1 for the county;~~
6 ~~whichever adopts an ordinance to impose a wheel tax first. the~~
7 **adopting body specified in IC 6-3.6-3-1(a).**

8 (2) "Bus" has the meaning set forth in IC 9-13-2-17.

9 (3) "Commercial vehicle" has the meaning set forth in
10 IC 6-6-5.5-1(b).

11 (4) "County council" includes the city-county council of a county
12 that contains a consolidated city of the first class.

13 (5) "In-state miles" has the meaning set forth in IC 6-6-5.5-1(b).

14 (6) "Political subdivision" has the meaning set forth in
15 IC 34-6-2-110.

16 (7) "Recreational vehicle" has the meaning set forth in
17 IC 9-13-2-150.

18 (8) "School bus" has the meaning set forth in IC 9-13-2-161(a).

19 (9) "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).

20 (10) "State agency" has the meaning set forth in IC 34-6-2-141.

21 (11) "Tractor" has the meaning set forth in IC 9-13-2-180.

22 (12) "Trailer" has the meaning set forth in IC 9-13-2-184(a).

23 (13) "Transportation asset management plan" includes planning
24 for drainage systems and rights-of-way that affect transportation
25 assets.

26 (14) "Truck" has the meaning set forth in IC 9-13-2-188(a).

27 (15) "Wheel tax" means the tax imposed under this chapter.

28 SECTION 71. IC 6-3.5-5-1.1, AS AMENDED BY P.L.197-2016,
29 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2026]: Sec. 1.1. For purposes of acting as the adopting entity
31 under this chapter, a local income tax council is comprised of the same
32 members as the local income tax council that is established by
33 ~~IC 6-3.6-3-1 for the county. The local income tax council adopting~~
34 **entity** shall use the same procedures that apply under IC 6-3.6-3 when
35 acting as an adopting entity under this chapter.

36 SECTION 72. IC 6-3.6-1-1, AS AMENDED BY P.L.130-2018,
37 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2026]: Sec. 1. (a) The purpose of this article is to consolidate
39 and simplify the various local income tax laws (referred to as a "former
40 tax" in this article) that are in effect on May 1, 2016, into a uniform law
41 that transitions each county from the former taxes to the tax governed
42 by this article.



1 (b) Notwithstanding the effective date of the repeal of the former tax
 2 laws on January 1, 2017, an adopting body may not adopt any
 3 ordinances under a former tax after June 30, 2016. In addition,
 4 notwithstanding the effective date of this article being July 1, 2015, an
 5 adopting body may not take any action under this article before July 1,
 6 2016.

7 (c) To carry out the transition, the office of management and budget,
 8 along with the appropriate state agencies and in cooperation with each
 9 county, shall do the following:

10 (1) Document all terms, conditions, limitations, and obligations
 11 that exist under the former taxes.

12 (2) Categorize the tax rate under the former taxes into the
 13 appropriate tax rate or rates under this article to provide revenue
 14 for all the same purposes for which revenue under a former tax
 15 was used in 2016, except to the extent required under this article
 16 and to the extent that an adopting body takes action under this
 17 article after June 30, 2016, to change the purposes and allocation
 18 of the revenue as permitted under this article. Matching the
 19 purposes of a former tax to the purposes under this article,
 20 including the apportionment, allocation, and distribution of
 21 revenue under this article shall be accomplished by using the best
 22 information available. These purposes include, but are not limited
 23 to, one (1) or more of the following:

24 (A) Property tax credits using the options set forth in
 25 IC 6-3.6-5 (**before its expiration**). This categorization is
 26 limited to former tax rates that were dedicated to providing
 27 credits against property taxes under IC 6-3.5-1.1-26 (repealed),
 28 IC 6-3.5-6 (repealed), or IC 6-3.5-7 (repealed).

29 (B) School corporation distributions and additional revenue.
 30 All former tax rates not used for a specified project or
 31 categorized under clause (A) shall be categorized under
 32 IC 6-3.6-6 using the former tax rates or dollar amounts that
 33 were dedicated for school corporation distributions, public
 34 safety, economic development, and certified shares.

35 (C) A special purpose project (IC 6-3.6-7) using the former tax
 36 rate that was dedicated to the project.

37 (d) The transition under this article shall be completed by August 1,
 38 2016, for purposes of local government budgets for 2017 and for
 39 purposes of the distribution and allocation of revenue under this article
 40 after December 31, 2016.

41 SECTION 73. IC 6-3.6-1-1.5, AS ADDED BY P.L.197-2016,
 42 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2026]: Sec. 1.5. (a) In counties that adopted a homestead
 2 credit under IC 6-3.5-6-13 (before its repeal January 1, 2017), the
 3 transition from the former taxes to the taxes governed under this article
 4 shall include the transition of the homestead credit under IC 6-3.5-6-13
 5 (before its repeal January 1, 2017) to a property tax relief rate under
 6 IC 6-3.6-5 **(before its expiration)**.

7 (b) To accomplish the transition under this section, the department
 8 of local government finance shall determine the portion of the income
 9 tax rate under IC 6-3.5-6-8 (before its repeal January 1, 2017) that is
 10 attributable to the homestead credit approved under IC 6-3.5-6-13
 11 (before its repeal January 1, 2017) and shall allocate that portion of the
 12 income tax rate that is attributable to the homestead credit under
 13 IC 6-3.5-6-13 (before its repeal January 1, 2017) to the property tax
 14 relief rate under IC 6-3.6-5 **(before its expiration)**.

15 (c) The department of local government finance shall notify each
 16 affected county of the rate that will be allocated to the property tax
 17 relief rate not later than July 1, 2016. In addition, the department of
 18 local government finance shall notify the state budget agency of the
 19 transition under this section.

20 ~~(d) The approval of the local income tax council is not required for~~
 21 ~~the transition of the homestead credit under IC 6-3.5-6-13 (before its~~
 22 ~~repeal January 1, 2017) to a property tax relief rate as set forth in this~~
 23 ~~section.~~

24 **(d) This section expires July 1, 2027.**

25 SECTION 74. IC 6-3.6-1-3, AS AMENDED BY P.L.197-2016,
 26 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2026]: Sec. 3. **(a)** Except to the extent that taxes imposed in
 28 a county under or determined under:

- 29 (1) IC 6-3.5-1.1 (repealed);
 30 (2) IC 6-3.5-1.5 (repealed);
 31 (3) IC 6-3.5-6 (repealed); or
 32 (4) IC 6-3.5-7 (repealed);

33 are increased, decreased, or rescinded under this article, the total tax
 34 rate in effect in a county under the provisions described in subdivisions
 35 (1) through (4) on May 1, 2016, continue in effect after May 1, 2016,
 36 and shall be treated as taxes imposed under this article.

37 **(b) Notwithstanding subsection (a) or any other provision of this**
 38 **article, a property tax relief rate imposed in a county under**
 39 **IC 6-3.6-5 (before its expiration) expires December 31, 2026.**

40 SECTION 75. IC 6-3.6-1-4, AS AMENDED BY P.L.197-2016,
 41 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2026]: Sec. 4. Notwithstanding:



1 (1) IC 6-3.5-1.1 (repealed);
 2 (2) IC 6-3.5-1.5 (repealed);
 3 (3) IC 6-3.5-6 (repealed); or
 4 (4) IC 6-3.5-7 (repealed);
 5 a change in a tax imposed under a provision described in subdivisions
 6 (1) through (4), credits related to property taxes **provided under**
 7 **IC 6-3.6-5 (before its expiration)**, allocations of tax revenue, and
 8 pledges for payment from tax revenue after December 31, 2016, must
 9 be made under this article and not under the provisions described in
 10 subdivisions (1) through (4).

11 SECTION 76. IC 6-3.6-2-2, AS AMENDED BY P.L.239-2017,
 12 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2027]: Sec. 2. "Adjusted gross income" has the meaning
 14 set forth in IC 6-3-1-3.5. However:

- 15 (1) ~~except as provided in subdivision (3); in the case of a local~~
 16 ~~taxpayer who is not treated as a resident local taxpayer of a~~
 17 ~~county, the term includes only adjusted gross income derived~~
 18 ~~from the taxpayer's principal place of business or employment;~~
 19 (2) (1) in the case of a resident local taxpayer of Perry County, the
 20 term does not include adjusted gross income described in
 21 IC 6-3.6-8-7; and
 22 (3) (2) in the case of a local taxpayer described in section ~~13(3)~~
 23 **13(2)** of this chapter, the term includes only that part of the
 24 individual's total income that:
 - 25 (A) is apportioned to Indiana under IC 6-3-2-2.7 or
 - 26 IC 6-3-2-3.2; and
 - 27 (B) is paid to the individual as compensation for services
 - 28 rendered in the county **(or municipality in the case of a local**
 - 29 **income tax imposed under IC 6-3.6-6-22)** as a team member
 - 30 or race team member.

31 SECTION 77. IC 6-3.6-2-4 IS REPEALED [EFFECTIVE JULY 1,
 32 2026]. Sec. 4. "Attributed allocation amount" equals the sum of the
 33 following:

- 34 (1) ~~The allocation amount of the civil taxing unit for that calendar~~
 35 ~~year.~~
- 36 (2) ~~In the case of a county taxing unit, the welfare allocation~~
 37 ~~amount.~~

38 SECTION 78. IC 6-3.6-2-5, AS ADDED BY P.L.243-2015,
 39 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2026]: Sec. 5. "Certified distribution" refers to the amount
 41 certified under ~~IC 6-3.6-9-5(b); IC 6-3.6-9-5(a)~~, as adjusted under
 42 IC 6-3.6-9.



1 SECTION 79. IC 6-3.6-2-7.4 IS REPEALED [EFFECTIVE JULY
2 1, 2026]. Sec. 7.4. "County with a single voting bloc" means a county
3 that has a local income tax council in which one (1) city that is a
4 member of the local income tax council or one (1) town that is a
5 member of the local income tax council is allocated more than fifty
6 percent (50%) of the total one hundred (100) votes allocated under
7 IC 6-3.6-3-6(d). This section expires May 31, 2025.

8 SECTION 80. IC 6-3.6-2-12 IS REPEALED [EFFECTIVE JULY
9 1, 2026]. Sec. 12. "Local income tax council" means a council
10 established by IC 6-3.6-3-1.

11 SECTION 81. IC 6-3.6-2-13, AS AMENDED BY P.L.239-2017,
12 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2027]: Sec. 13. "Local taxpayer", as it relates to a
14 particular county **(or municipality in the case of a local income tax
15 imposed under IC 6-3.6-6-22)**, means any of the following:

16 (1) An individual who resides in that county **(or municipality in
17 the case of a local income tax imposed under IC 6-3.6-6-22)** on
18 the date specified in IC 6-3.6-8-3.

19 (2) An individual who maintains the taxpayer's principal place of
20 business or employment in that county on the date specified in
21 IC 6-3.6-8-3 and who does not reside on that same date in another
22 county in Indiana in which a tax under this article is in effect.

23 (3) (2) An individual who:

24 (A) has income apportioned to Indiana as:

25 (i) a team member under IC 6-3-2-2.7; or

26 (ii) a race team member under IC 6-3-2-3.2;

27 for services rendered in the county; and

28 (B) is not described in subdivision (1). or (2):

29 SECTION 82. IC 6-3.6-2-15, AS ADDED BY P.L.243-2015,
30 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2027]: Sec. 15. "Resident local taxpayer", as it relates to
32 a particular county **(or municipality in the case of a local income tax
33 imposed under IC 6-3.6-6-22)**, means any local taxpayer who resides
34 in that county **(or municipality in the case of a local income tax
35 imposed under IC 6-3.6-6-22)** on the date specified in IC 6-3.6-8-3.

36 SECTION 83. IC 6-3.6-3-1, AS AMENDED BY P.L.137-2024,
37 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2026]: Sec. 1. (a) The **fiscal body of the county is the
39 adopting body for a county.**

40 (b) **The fiscal body of the city or town is the adopting body for
41 a city or town for purposes of adopting a municipal rate under
42 IC 6-3.6-6-22.** following is the adopting body for a county:



- 1 (1) The local income tax council in a county in which the county
- 2 income tax council adopted either:
- 3 (A) a county option income tax under IC 6-3.5-6 (repealed)
- 4 that was in effect on January 1, 2015; or
- 5 (B) a county economic development income tax for the county
- 6 under IC 6-3.5-7 (repealed) that was in effect on January 1,
- 7 2015.
- 8 (2) The county fiscal body in any other county.
- 9 (3) The county fiscal body for purposes of adopting a rate
- 10 dedicated to paying for a PSAP in the county as permitted by
- 11 IC 6-3.6-6-2.5.
- 12 (4) The county fiscal body for purposes of adopting a rate
- 13 dedicated to paying for acute care hospitals in the county as
- 14 permitted by IC 6-3.6-6-2.6.
- 15 (5) The county fiscal body for purposes of adopting a rate
- 16 dedicated to paying for correctional facilities and rehabilitation
- 17 facilities in the county as permitted by IC 6-3.6-6-2.7.

18 (b) A local income tax council is established for each county. The

19 membership of each county's local income tax council consists of the

20 fiscal body of the county and the fiscal body of each city or town that

21 lies either partially or entirely within that county.

22 SECTION 84. IC 6-3.6-3-3, AS AMENDED BY P.L.236-2023,

23 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

24 JULY 1, 2026]: Sec. 3. (a) Except as provided in subsection (f), an

25 ordinance adopted **by a county** under this article takes effect as

26 provided in this section.

27 (b) An ordinance that adopts, increases, decreases, or rescinds a tax

28 or a tax rate takes effect as follows:

- 29 (1) An ordinance adopted after December 31 of the immediately
- 30 preceding year and before September 1 of the current year takes
- 31 effect on October 1 of the current year.
- 32 (2) An ordinance adopted after August 31 and before November
- 33 1 of the current year takes effect on January 1 of the following
- 34 year.
- 35 (3) An ordinance adopted after October 31 of the current year and
- 36 before January 1 of the following year takes effect on October 1
- 37 of the following year.
- 38 (1) An ordinance adopted on or before October 1 of a
- 39 calendar year shall take effect on January 1 of the calendar
- 40 year that immediately succeeds the year in which the
- 41 ordinance is adopted.
- 42 (2) An ordinance adopted after October 1 of a calendar year



1 **shall take effect on January 1 of the second succeeding**
 2 **calendar year following the year the ordinance is adopted.**
 3 (c) An ordinance that grants, increases, decreases, rescinds, or
 4 changes a credit against the property tax liability of a taxpayer **under**
 5 **IC 6-3.6-5 (before its expiration)** takes effect as follows:
 6 (1) An ordinance adopted after December 31 of the immediately
 7 preceding year and before November 2 of the current year takes
 8 effect on January 1 of, and applies to property taxes first due and
 9 payable in, the year immediately following the year in which the
 10 ordinance is adopted.
 11 (2) An ordinance adopted after November 1 of the current year
 12 and before January 1 of the immediately succeeding year takes
 13 effect on January 1 of, and applies to property taxes first due and
 14 payable in, the year that follows the current year by two (2) years.
 15 **This subsection expires December 31, 2026.**
 16 (d) An ordinance that grants, increases, decreases, rescinds, or
 17 changes a distribution or allocation of taxes takes effect as follows:
 18 ~~(1) An ordinance adopted after December 31 of the immediately~~
 19 ~~preceding year and before November 2 of the current year takes~~
 20 ~~effect January 1 of the year immediately following the year in~~
 21 ~~which the ordinance is adopted.~~
 22 ~~(2) An ordinance adopted after November 1 of the current year~~
 23 ~~and before January 1 of the immediately succeeding year takes~~
 24 ~~effect January 1 of the year that follows the current year by two~~
 25 ~~(2) years.~~
 26 **(1) An ordinance adopted on or before October 1 of a**
 27 **calendar year shall take effect on January 1 of the calendar**
 28 **year that immediately succeeds the year in which the**
 29 **ordinance is adopted.**
 30 **(2) An ordinance adopted after October 1 of a calendar year**
 31 **shall take effect on January 1 of the second succeeding**
 32 **calendar year following the year the ordinance is adopted.**
 33 (e) An ordinance not described in subsections (b) through (d) takes
 34 effect as provided under IC 36 for other ordinances of the
 35 governmental entity adopting the ordinance.
 36 (f) An ordinance described in section 7(e) or 7.5(e) of this chapter
 37 that changes a tax rate or changes the allocation of revenue received
 38 from a tax rate does not take effect as provided under this section if the
 39 county adopting body fails to meet the required deadlines for notice
 40 described in section 7(e) or 7.5(e) of this chapter. If an ordinance does
 41 not take effect, the tax rate or allocation, as applicable, that is subject
 42 to the proposed change in the ordinance shall be the lesser of the:



1 (1) applicable distribution schedule for the certified distribution
 2 for the upcoming calendar year; or

3 (2) applicable distribution schedule for the certified distribution
 4 for the current calendar year;

5 unless, or until, a subsequent ordinance is adopted and the required
 6 deadlines for notice described in section 7(e) or 7.5(e) of this chapter
 7 are met. This subsection expires January 1, 2025.

8 SECTION 85. IC 6-3.6-3-3.3 IS ADDED TO THE INDIANA
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2026]: **Sec. 3.3. (a) This section applies to an**
 11 **ordinance adopted by a city or town that adopts, increases,**
 12 **decreases, or rescinds a tax or a tax rate under IC 6-3.6-6-22.**

13 **(b) An ordinance adopted by a city or town on or before**
 14 **October 1 of a calendar year shall take effect on January 1 of the**
 15 **calendar year that immediately succeeds the year in which the**
 16 **ordinance is adopted.**

17 **(c) An ordinance adopted by a city or town after October 1 of a**
 18 **calendar year shall take effect on January 1 of the second**
 19 **succeeding calendar year following the year the ordinance is**
 20 **adopted.**

21 SECTION 86. IC 6-3.6-3-4, AS AMENDED BY P.L.236-2023,
 22 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2026]: Sec. 4. (a) Except for a tax rate that has an expiration
 24 date, and except as provided in section 3(f) of this chapter (before its
 25 expiration), a tax rate remains in effect until the effective date of an
 26 ordinance that increases, decreases, or rescinds that tax rate.

27 (b) A tax rate may not be changed more than once each year under
 28 this article.

29 **(c) A local income tax expenditure tax rate that is imposed in a**
 30 **county under IC 6-3.6-6 continues in effect after December 31,**
 31 **2026, only if the adopting body adopts an ordinance to renew the**
 32 **expenditure tax rate beginning January 1, 2027. An ordinance**
 33 **under this subsection must be adopted by the adopting body on or**
 34 **before October 1, 2026, as set forth in section 3(b)(1) of this**
 35 **chapter. However, this subsection shall not be construed to**
 36 **prohibit an adopting body that fails to adopt an ordinance to**
 37 **continue an expenditure tax rate after December 31, 2026, from**
 38 **adopting an ordinance under this article to impose, renew, or**
 39 **modify an expenditure tax rate under IC 6-3.6-6 beginning**
 40 **January 1, 2028, or any year thereafter.**

41 SECTION 87. IC 6-3.6-3-5, AS AMENDED BY P.L.137-2024,
 42 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2026]: Sec. 5. (a) The auditor of a county **(or the fiscal**
 2 **officer of a municipality in the case of a local income tax imposed**
 3 **under IC 6-3.6-6-22)** shall record all votes taken on ordinances
 4 presented for a vote under this article and not more than ten (10) days
 5 after the vote, send a certified copy of the results to:

- 6 (1) the commissioner of the department of state revenue; and
 7 (2) the commissioner of the department of local government
 8 finance;

9 in an electronic format approved by the commissioner of the
 10 department of local government finance.

11 (b) Except as provided in subsection (c), this subsection applies only
 12 to a county that has a local income tax council. The county auditor may
 13 cease sending certified copies after the county auditor sends a certified
 14 copy of results showing that members of the local income tax council
 15 have cast a majority of the votes on the local income tax council for or
 16 against the proposed ordinance.

17 (c) This subsection applies only to a county with a single voting bloc
 18 that proposes to increase (but not decrease) a tax rate in the county. The
 19 county auditor may cease sending certified copies of the votes on the
 20 local income tax council voting as a whole under section 9.5 of this
 21 chapter after the county auditor sends a certified copy of results
 22 showing that the individuals who sit on the fiscal bodies of the county,
 23 cities, and towns that are members of the local income tax council have
 24 cast a majority of the votes on the local income tax council voting as a
 25 whole under section 9.5 of this chapter for or against the proposed
 26 ordinance. This subsection expires May 31, 2025.

27 SECTION 88. IC 6-3.6-3-6 IS REPEALED [EFFECTIVE JULY 1,
 28 2026]. Sec. 6: (a) This section applies to a county in which the county
 29 adopting body is a local income tax council:

30 (b) In the case of a city or town that lies within more than one (1)
 31 county, the county auditor of each county shall base the allocations
 32 required by subsections (d) and (e) on the population of that part of the
 33 city or town that lies within the county for which the allocations are
 34 being made.

35 (c) Each local income tax council has a total of one hundred (100)
 36 votes.

37 (d) Each county, city, or town that is a member of a local income tax
 38 council is allocated a percentage of the total one hundred (100) votes
 39 that may be cast. The percentage that a city or town is allocated for a
 40 year equals the same percentage that the population of the city or town
 41 bears to the population of the county. The percentage that the county
 42 is allocated for a year equals the same percentage that the population



1 of all areas in the county not located in a city or town bears to the
2 population of the county.

3 (e) This subsection applies only to a county with a single voting
4 bloc. Each individual who sits on the fiscal body of a county, city, or
5 town that is a member of the local income tax council is allocated for
6 a year the number of votes equal to the total number of votes allocated
7 to the particular county, city, or town under subsection (d) divided by
8 the number of members on the fiscal body of the county, city, or town.
9 This subsection expires May 31, 2025.

10 (f) On or before January 1 of each year, the county auditor shall
11 certify to each member of the local income tax council the number of
12 votes, rounded to the nearest one hundredth (0.01); each member has
13 for that year.

14 (g) This subsection applies only to a county with a single voting
15 bloc. On or before January 1 of each year, in addition to the
16 certification to each member of the local income tax council under
17 subsection (f), the county auditor shall certify to each individual who
18 sits on the fiscal body of each county, city, or town that is a member of
19 the local income tax council the number of votes, rounded to the
20 nearest one hundredth (0.01); each individual has under subsection (e)
21 for that year. This subsection expires May 31, 2025.

22 SECTION 89. IC 6-3.6-3-7 IS REPEALED [EFFECTIVE JULY 1,
23 2026]. Sec. 7: (a) This section applies to a county in which the county
24 adopting body is a local income tax council:

25 (b) Before a member of the local income tax council may propose
26 an ordinance under section 8 of this chapter, or vote on a proposed
27 ordinance (including a proposed ordinance under section 8(e) of this
28 chapter that is being considered by the local income tax council as a
29 whole as required under section 9.5 of this chapter (before its
30 expiration)); the member must hold a public hearing on the proposed
31 ordinance and provide the public with notice of the time and place
32 where the public hearing will be held.

33 (c) The notice required by subsection (b) must be given in
34 accordance with IC 5-3-1 and include the proposed ordinance or
35 resolution to propose an ordinance.

36 (d) In addition to the notice required by subsection (b), the adopting
37 body shall also provide a copy of the notice to all taxing units in the
38 county at least ten (10) days before the public hearing.

39 (e) If a county adopting body makes any fiscal decision that has a
40 financial impact to an underlying local taxing unit, the decision must
41 be made, and notice must be given to the affected local taxing unit, by
42 August 1 of a year. If a county adopting body passes an ordinance



1 changing the allocation of local income tax revenue to a local taxing
 2 unit, the county adopting body must provide direct notice, in addition
 3 to the public notice described in subsection (b), to the affected local
 4 taxing unit within fifteen (15) days of the passage of the ordinance. The
 5 county adopting body must provide confirmation to the department of
 6 state revenue and the department of local government finance that
 7 direct notice was provided to the affected local taxing units within
 8 fifteen (15) days of the passage of the ordinance.

9 SECTION 90. IC 6-3.6-3-8 IS REPEALED [EFFECTIVE JULY 1,
 10 2026]. Sec. 8: (a) This section applies to a county in which the county
 11 adopting body is a local income tax council:

12 (b) Except as provided in subsection (e), any member of a local
 13 income tax council may present an ordinance for passage. To do so, the
 14 member must adopt a resolution to propose the ordinance to the local
 15 income tax council and distribute a copy of the proposed ordinance to
 16 the county auditor. The county auditor shall treat any proposed
 17 ordinance distributed to the auditor under this section as a casting of all
 18 that member's votes in favor of the proposed ordinance.

19 (c) Except as provided in subsection (f), the county auditor shall
 20 deliver copies of a proposed ordinance the auditor receives to all
 21 members of the local income tax council within ten (10) days after
 22 receipt. Subject to subsection (d), once a member receives a proposed
 23 ordinance from the county auditor, the member shall vote on it within
 24 thirty (30) days after receipt.

25 (d) Except as provided in subsection (h), if, before the elapse of
 26 thirty (30) days after receipt of a proposed ordinance, the county
 27 auditor notifies the member that the members of the local income tax
 28 council have cast a majority of the votes on the local income tax
 29 council for or against the proposed ordinance the member need not
 30 vote on the proposed ordinance.

31 (e) This subsection applies only to a county with a single voting bloc
 32 that proposes to increase (but not decrease) a tax rate in the county. The
 33 fiscal body of any county, city, or town that is a member of a local
 34 income tax council may adopt a resolution to propose an ordinance to
 35 increase a tax rate in the county to be voted on by the local income tax
 36 council as a whole as required under section 9.5 of this chapter and
 37 distribute a copy of the proposed ordinance to the county auditor. The
 38 county auditor shall treat the vote tally on the resolution adopted under
 39 this subsection for each individual who is a member of the fiscal body
 40 of the county, city, or town as the voting record for that individual
 41 either for or against the ordinance being proposed for consideration by
 42 the local income tax council as a whole under section 9.5 of this



1 chapter. This subsection expires May 31, 2025.

2 (f) This subsection applies only to a county with a single voting bloc
3 that proposes to increase (but not decrease) a tax rate in the county. The
4 county auditor shall deliver copies of a proposed ordinance the auditor
5 receives under subsection (e) to the fiscal officers of all members of the
6 local income tax council (other than the member proposing the
7 ordinance under subsection (e)) within ten (10) days after receipt.
8 Subject to subsection (h), once a member receives a proposed
9 ordinance from the county auditor, the member shall vote on it within
10 thirty (30) days after receipt. This subsection expires May 31, 2025.

11 (g) This subsection applies only to a county with a single voting
12 bloc that proposes to increase (but not decrease) a tax rate in the
13 county. The fiscal body of each county, city, or town voting on a
14 resolution to propose an ordinance under subsection (e), or voting on
15 a proposed ordinance being considered by the local income tax council
16 as a whole under section 9-5 of this chapter, must take a roll call vote
17 on the resolution or the proposed ordinance. If an individual who sits
18 on the fiscal body is absent from the meeting in which a vote is taken
19 or abstains from voting on the resolution or proposed ordinance, the
20 fiscal officer of the county, city, or town shall nevertheless consider
21 that individual's vote as a "no" vote against the resolution or the
22 proposed ordinance being considered, whichever is applicable, for
23 purposes of the vote tally under this section and shall note on the vote
24 tally that the individual's "no" vote is due to absence or abstention. The
25 fiscal body of each county, city, or town shall certify the roll call vote
26 on a resolution or a proposed ordinance, either for or against, to the
27 county auditor as set forth under this chapter. This subsection expires
28 May 31, 2025.

29 (h) This subsection applies only to a county with a single voting
30 bloc that proposes to increase (but not decrease) a tax rate in the
31 county. If, before the elapse of thirty (30) days after receipt of a
32 proposed ordinance under subsection (e), the county auditor notifies
33 the member that the individuals who sit on the fiscal bodies of the
34 county, cities, and towns that are members of the local income tax
35 council have cast a majority of the votes on the local income tax
36 council for or against a proposed ordinance voting as a whole under
37 section 9-5 of this chapter, the member need not vote on the proposed
38 ordinance under subsection (e). This subsection expires May 31, 2025.

39 SECTION 91. IC 6-3.6-3-9 IS REPEALED [EFFECTIVE JULY 1,
40 2026]. Sec. 9: (a) Except as provided in subsection (d), this section
41 applies to a county in which the county adopting body is a local income
42 tax council.



1 (b) A member of the local income tax council may exercise its votes
 2 by passing a resolution and transmitting the resolution to the county
 3 auditor.

4 (c) A resolution passed by a member of the local income tax council
 5 exercises all votes of the member on the proposed ordinance, and those
 6 votes may not be changed during the year.

7 (d) This section does not apply to a county in which the county
 8 adopting body is a local income tax council to which section 9.5 of this
 9 chapter applies. This subsection expires May 31, 2024.

10 SECTION 92. IC 6-3.6-3-9.5 IS REPEALED [EFFECTIVE JULY
 11 1, 2026]. Sec. 9.5: (a) This section applies to a county:

12 (1) in which the county adopting body is a local income tax
 13 council;

14 (2) that is a county with a single voting bloc; and

15 (3) that proposes to increase a tax rate in the county.

16 However, the provisions under section 9 of this chapter shall apply to
 17 a county described in subdivisions (1) and (2) that proposes to decrease
 18 a tax rate in the county.

19 (b) A local income tax council described in subsection (a) must vote
 20 as a whole to exercise its authority to increase a tax rate under this
 21 article.

22 (c) A resolution passed by the fiscal body of a county, city, or town
 23 that is a member of the local income tax council exercises the vote of
 24 each individual who sits on the fiscal body of the county, city, or town
 25 on the proposed ordinance, and the individual's vote may not be
 26 changed during the year.

27 (d) This section expires May 31, 2025.

28 SECTION 93. IC 6-3.6-3-10 IS REPEALED [EFFECTIVE JULY
 29 1, 2026]. Sec. 10: (a) This section applies to a county in which the
 30 county adopting body is a local income tax council.

31 (b) A local income tax council may pass only one (1) ordinance
 32 adopting, increasing, decreasing, or rescinding a tax in one (1) year.
 33 Once the ordinance has been passed, the county auditor shall:

34 (1) cease distributing those types of proposed ordinances for the
 35 rest of the year; and

36 (2) withdraw from the membership any other of those types of
 37 proposed ordinances.

38 Any votes subsequently received by the county auditor on those types
 39 of proposed ordinances during that same year are void.

40 (c) The local income tax council may not vote on, nor may the
 41 county auditor distribute to the members of the local income tax
 42 council, any proposed ordinance during a year, if previously during that



1 same year the county auditor received and distributed to the members
 2 of the local income tax council a proposed ordinance whose passage
 3 would have substantially the same effect.

4 SECTION 94. IC 6-3.6-4-1, AS ADDED BY P.L.243-2015,
 5 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JANUARY 1, 2027]: Sec. 1. (a) **Except as otherwise provided in**
 7 **IC 6-3.6-6-22**, a tax is imposed on the adjusted gross income of local
 8 taxpayers at a tax rate that is a sum of the tax rates imposed by the
 9 county's adopting body and in effect in the county.

10 (b) **Except as otherwise provided in IC 6-3.6-6-22**, the combined
 11 tax rates imposed under IC 6-3.6-5 (**before its expiration**), IC 6-3.6-6,
 12 and IC 6-3.6-7 constitute the tax imposed on the adjusted gross income
 13 of local taxpayers in the county.

14 (c) **In addition to the tax imposed in the county under subsection**
 15 **(a), a tax is imposed on the adjusted gross income of local**
 16 **taxpayers in a municipality at a tax rate that is imposed by the**
 17 **municipality under IC 6-3.6-6-22 and in effect in the municipality.**

18 SECTION 95. IC 6-3.6-4-2, AS ADDED BY P.L.243-2015,
 19 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2027]: Sec. 2. Subject to section 3 of this chapter, a tax
 21 rate authorized under ~~IC 6-3.6-5~~, IC 6-3.6-6 or IC 6-3.6-7 may be
 22 adopted, increased, decreased, or rescinded without adopting,
 23 increasing, decreasing, or rescinding a tax rate authorized by **either of**
 24 **the two (2) other chapters: chapter**. However, an adopting body may:

25 (1) adopt, increase, decrease, or rescind a tax authorized under a
 26 particular chapter of this article; and

27 (2) adopt, increase, decrease, or rescind a tax authorized under
 28 another chapter of this article;

29 in the same ordinance.

30 SECTION 96. IC 6-3.6-4-3, AS ADDED BY P.L.243-2015,
 31 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JANUARY 1, 2027]: Sec. 3. If there are bonds or leases outstanding
 33 that are payable from a tax imposed under IC 6-3.5-1.1 (before its
 34 repeal January 1, 2017), IC 6-3.5-6 (before its repeal January 1, 2017),
 35 IC 6-3.5-7 (before its repeal January 1, 2017), IC 6-3.6-6, or IC 6-3.6-7,
 36 (~~but not IC 6-3.6-5~~); the adopting body may not reduce the tax rate
 37 below a rate that would produce one and twenty-five hundredths (1.25)
 38 times the total of the highest annual outstanding debt service plus the
 39 highest annual lease payments plus any amount required under the
 40 agreements for the bonds or leases to be deposited in a sinking fund or
 41 other reserve, unless:

42 (1) the adopting body; or



1 (2) any city, town, or county;
 2 pledges all or a part of its share of revenues from the tax imposed under
 3 IC 6-3.6-6 or IC 6-3.6-7 (~~but not IC 6-3.6-5~~) for the life of the bonds or
 4 the term of the lease, in an amount that is sufficient, when combined
 5 with the amount pledged by the city, town, or county that issued the
 6 bonds, to produce one and twenty-five hundredths (1.25) times the total
 7 of the highest annual outstanding debt service plus the highest annual
 8 lease payments plus the amount required under the agreements for the
 9 bonds or leases to be deposited in a sinking fund or other reserve.

10 SECTION 97. IC 6-3.6-5-7 IS ADDED TO THE INDIANA CODE
 11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 12 1, 2026]: **Sec. 7. This chapter expires December 31, 2026.**

13 SECTION 98. IC 6-3.6-6-0.5 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. As used in this chapter,
 16 "nonmunicipal civil taxing unit" means townships, libraries, and
 17 all other civil taxing units that imposed an ad valorem property tax
 18 levy in the county for the calendar year preceding the distribution
 19 year, except that the term does not include counties, cities, towns,
 20 or school corporations. The term does include those civil taxing
 21 units whose budgets require binding review by another local unit.**

22 SECTION 99. IC 6-3.6-6-2, AS ADDED BY P.L.243-2015,
 23 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2026]: Sec. 2. (a) This section applies to all counties.

25 (b) The adopting body may impose a tax rate under this chapter that
 26 does not exceed:

27 (1) two and five-tenths percent (~~2.5%~~) in all counties other than
 28 Marion County; and

29 (2) two and seventy-five hundredths percent (~~2.75%~~) in Marion
 30 County;

31 on the adjusted gross income of local taxpayers in the county served by
 32 the adopting body.

33 (b) The adopting body may by ordinance and subject to
 34 subsections (c) through (e), impose one (1) or more of the following
 35 component rates not to exceed a total expenditure tax rate under
 36 this chapter of two and nine-tenths percent (2.9%) on the adjusted
 37 gross income of taxpayers who reside in the county:

38 (1) A tax rate not to exceed one and two-tenths percent (1.2%)
 39 for general purpose revenue for county services (as provided
 40 in section 4 of this chapter), subject to subsection (c).

41 (2) A tax rate not to exceed four-tenths of one percent (0.4%)
 42 for providers of fire protection and emergency medical



1 services located within the county (as provided in section 4.3
2 of this chapter), subject to subsection (c).

3 (3) A tax rate not to exceed two-tenths of one percent (0.2%)
4 for general purpose revenue for distribution to nonmunicipal
5 civil taxing units (excluding fire protection districts) located
6 within the county (as provided in section 4.5 of this chapter),
7 subject to subsection (c).

8 (4) A tax rate not to exceed one and two-tenths percent (1.2%)
9 for general purpose revenue for municipal services for
10 distribution to municipalities located within the county that
11 are not eligible to adopt a municipal tax rate under section 22
12 of this chapter or that have made an election under section
13 23(b)(3) of this chapter to be treated as such.

14 (c) The combined component rates imposed by an adopting
15 body under subsection (b)(1) through (b)(3) shall not exceed one
16 and seven-tenths percent (1.7%).

17 (d) A tax rate adopted under subsection (b)(4) may only be
18 imposed on taxpayers who do not reside in a municipality that is
19 eligible to adopt a municipal tax rate under section 22 of this
20 chapter.

21 (e) Beginning after December 31, 2029, a tax rate imposed under
22 subsection (a) shall expire on December 31 of each calendar year.
23 An adopting body wishing to continue, increase, or decrease a tax
24 rate in the succeeding year must pass an ordinance to readopt a tax
25 rate in accordance with IC 6-3.6-3-3. This subsection applies
26 regardless of whether there is a modification in the tax rate or the
27 component rates or the rates are unchanged from the previous
28 year.

29 SECTION 100. IC 6-3.6-6-2.5 IS REPEALED [EFFECTIVE
30 JANUARY 1, 2027]. Sec. 2:5: (a) This section applies to a county in
31 which the adopting body:

32 (1) is the local income tax council; and

33 (2) did not allocate the revenue under this chapter from an
34 expenditure rate of at least one-tenth of one percent (0.1%) to pay
35 for a PSAP in the county for a year:

36 (b) A county fiscal body may adopt an ordinance to impose a tax
37 rate for a PSAP in the county. The tax rate must be in increments of
38 one-hundredth of one percent (0.01%) and may not exceed one-tenth
39 of one percent (0.1%):

40 (c) The revenue generated by a tax rate imposed under this section
41 must be distributed directly to the county before the remainder of the
42 expenditure rate revenue is distributed. The revenue shall be



1 maintained in a separate dedicated county fund and used only for
 2 paying for a PSAP in the county.

3 SECTION 101. IC 6-3.6-6-2.6 IS REPEALED [EFFECTIVE
 4 JANUARY 1, 2027]. Sec. 2.6: (a) As used in this section, "acute care
 5 hospital" means an acute care hospital that is:

6 (1) established and operated under IC 16-22-2, IC 16-22-8, or
 7 IC 16-23; and

8 (2) licensed under IC 16-21.

9 (b) A county fiscal body may adopt an ordinance to impose a tax
 10 rate for acute care hospitals located in the county. The tax rate must be
 11 in increments of one-hundredth of one percent (0.01%) and may not
 12 exceed one-tenth of one percent (0.1%).

13 (c) The revenue generated by a tax rate imposed under this section
 14 must be distributed directly to the county before the remainder of the
 15 expenditure rate revenue is distributed. The revenue shall be
 16 maintained in a separate dedicated county fund and used only for the
 17 operating expenses of the acute care hospital located in the county.

18 SECTION 102. IC 6-3.6-6-2.7 IS REPEALED [EFFECTIVE
 19 JANUARY 1, 2027]. Sec. 2.7: (a) A county fiscal body may adopt an
 20 ordinance to impose a tax rate for correctional facilities and
 21 rehabilitation facilities in the county. The tax rate must be in
 22 increments of:

23 (1) in the case of a county with bonds or lease agreements
 24 outstanding on July 1, 2023, for which a pledge of tax revenue
 25 from revenue received under a tax rate imposed under this section
 26 is made, one-hundredth of one percent (0.01%) and may not
 27 exceed three-tenths of one percent (0.3%); and

28 (2) in the case of a county with no bonds or lease agreements
 29 outstanding on July 1, 2023, for which a pledge of tax revenue
 30 from revenue received under a tax rate imposed under this section
 31 is made, one-hundredth of one percent (0.01%) and may not
 32 exceed two-tenths of one percent (0.2%).

33 (b) The tax rate imposed under this section may not be in effect for
 34 more than:

35 (1) twenty-two (22) years, in the case of a tax rate imposed in an
 36 ordinance adopted before January 1, 2019; or

37 (2) twenty-five (25) years, in the case of a tax rate imposed in an
 38 ordinance adopted on or after January 1, 2019.

39 (c) The revenue generated by a tax rate imposed under this section
 40 must be distributed directly to the county before the remainder of the
 41 expenditure rate revenue is distributed. The revenue shall be
 42 maintained in a separate dedicated county fund and used by the county



1 only for paying for correctional facilities and rehabilitation facilities in
2 the county.

3 (d) If a county fiscal body imposes a tax rate:

4 (1) under subsection (a)(1) or (a)(2) in an increment that does not
5 exceed two-tenths of one percent (0.2%); one hundred percent
6 (100%) of the revenue collected from the total tax rate; or

7 (2) under subsection (a)(1) in an increment that exceeds
8 two-tenths of one percent (0.2%):

9 (A) one hundred percent (100%) of the revenue collected from
10 that portion of the total tax rate that does not exceed an
11 increment of two-tenths of one percent (0.2%); and

12 (B) no revenue collected from that portion of the total tax rate
13 that exceeds an increment of two-tenths of one percent (0.2%);

14 may be used for operating expenses for correctional facilities and
15 rehabilitation facilities in the county.

16 SECTION 103. IC 6-3.6-6-2.8 IS REPEALED [EFFECTIVE
17 JANUARY 1, 2027]. Sec. 2-8: (a) As used in this section, "emergency
18 medical services" has the meaning set forth in IC 16-18-2-110.

19 (b) The fiscal body of a county may adopt an ordinance to impose
20 a tax rate for emergency medical services in the county. The tax rate
21 must be in increments of one-hundredth of one percent (0.01%) and
22 may not exceed two-tenths of one percent (0.2%). The tax rate may not
23 be in effect for more than twenty-five (25) years.

24 (c) The revenue generated by a tax rate imposed under this section
25 must be distributed directly to the county before the remainder of the
26 expenditure rate revenue is distributed. The revenue shall be
27 maintained in a separate dedicated county fund and used by the county
28 only for paying for operating costs incurred by the county for
29 emergency medical services that are provided throughout the county.

30 SECTION 104. IC 6-3.6-6-2.9 IS REPEALED [EFFECTIVE
31 JANUARY 1, 2027]. Sec. 2-9: (a) For purposes of this section,
32 "courtroom costs" includes staffing costs only for the court reporter,
33 court bailiff, or court administrator.

34 (b) A county fiscal body may adopt an ordinance to impose a tax
35 rate for:

36 (1) in the case of a tax rate adopted under this section before
37 January 1, 2024, county staff expenses of the state judicial system
38 in the county; or

39 (2) in the case of a tax rate adopted under this section after
40 December 31, 2023, courtroom costs of the state judicial system
41 in the county.

42 The tax rate must be in increments of one-hundredth of one percent



1 (0.01%) and may not exceed two-tenths of one percent (0.2%). The tax
2 rate may not be in effect for more than twenty-five (25) years:

3 (c) The revenue generated by a tax rate imposed under this section
4 must be distributed directly to the county before the remainder of the
5 expenditure rate revenue is distributed. The revenue shall be
6 maintained in a separate dedicated county fund. The revenue shall be
7 used by the county:

8 (1) in the case of a tax rate adopted under this section before
9 January 1, 2024, only for paying for county staff expenses of the
10 state judicial system in the county; and

11 (2) in the case of a tax rate adopted under this section after
12 December 31, 2023, only for paying the courtroom costs of the
13 state judicial system in the county.

14 (d) This subsection applies to a tax rate adopted under subsection
15 (b)(1). The local income tax revenue budgeted and spent under this
16 section by each county may not comprise more than fifty percent (50%)
17 of the county's total budgeted operational staffing expenses related to
18 the state judicial system in any given year.

19 (e) This subsection applies to a tax rate adopted under subsection
20 (b)(2). The local income tax revenue spent under this section by each
21 county may not comprise more than fifty percent (50%) of the county's
22 total operational staffing expenses related to the courtroom costs of the
23 state judicial system in any given year.

24 (f) Counties that enact an ordinance to impose a tax rate under this
25 section shall annually report the following information for the prior
26 calendar year by May 1 to the justice reinvestment advisory council
27 established by IC 33-38-9.5-2:

28 (1) The types of court positions paid with local income tax
29 revenue generated by this section:

30 (2) The number of court positions by type paid for with local
31 income tax revenue generated by this section:

32 (3) The average salary by type of court position paid for with local
33 income tax revenue generated by this section:

34 (4) The county's total budgeted and actual staffing expenses or
35 courtroom costs, whichever is applicable, related to the state
36 judicial system:

37 (5) The county's portion of local income tax revenue that was
38 actually spent on staffing expenses or courtroom costs, whichever
39 is applicable, related to the state judicial system:

40 (g) The justice reinvestment advisory council shall annually compile
41 and report to the legislative council prior to July 1 of each year the
42 information required in subsection (f) for each county. The report must



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be in an electronic format under IC 5-14-6.

SECTION 105. IC 6-3.6-6-3, AS AMENDED BY P.L.137-2024, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) Revenue raised from a tax imposed under this chapter shall be treated as follows:

(1) To make the following distributions:

(A) If an ordinance described in section 2.5 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.5 of this chapter.

(B) If an ordinance described in section 2.6 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.6 of this chapter.

(C) If an ordinance described in section 2.7 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.7 of this chapter.

(D) If an ordinance described in section 2.8 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.8 of this chapter.

(2) After making the distributions described in subdivision (1), if any, to make distributions to school corporations and civil taxing units in counties that formerly imposed a tax under IC 6-3.5-1.1 (repealed). The revenue categorized from the next twenty-five hundredths percent (0.25%) of the rate for a former tax adopted under IC 6-3.5-1.1 (repealed) shall be allocated to school corporations and civil taxing units. The amount of the allocation to a school corporation or civil taxing unit shall be determined using the allocation amounts for civil taxing units and school corporations in the county.

(3) After making the distributions described in subdivisions (1) and (2), the remaining revenue shall be treated as additional revenue (referred to as "additional revenue" in this chapter). Additional revenue may not be considered by the department of local government finance in determining:

(A) any taxing unit's maximum permissible property tax levy limit under IC 6-1.1-18.5; or

(B) the approved property tax rate for any fund.

(b) In the case of a civil taxing unit that has pledged the tax from additional **general purpose** revenue for the payment of bonds, leases,



1 or other obligations as reported by the civil taxing unit under IC 5-1-18,
 2 the adopting body may not ~~under section 4 of this chapter~~, reduce the
 3 proportional allocation of the ~~additional~~ **general purpose** revenue that
 4 was allocated in the preceding year if the reduction for that year would
 5 result in an amount less than the amount necessary for the payment of
 6 bonds, leases, or other obligations payable or required to be deposited
 7 in a sinking fund or other reserve in that year for the bonds, leases, or
 8 other obligations for which the tax from ~~additional~~ **general purpose**
 9 revenue has been pledged. To inform an adopting body with regard to
 10 allocations that affect the payment of bonds, leases, or other
 11 obligations, a taxing unit may provide the adopting body with
 12 information regarding any outstanding bonds, leases, or other
 13 obligations that are secured by ~~additional~~ **general purpose** revenue.
 14 The information must be provided before the date of the public hearing
 15 at which the adopting body may change the allocation of ~~additional~~
 16 **general purpose** revenue under section 4 of this chapter.

17 SECTION 106. IC 6-3.6-6-4, AS AMENDED BY P.L.247-2017,
 18 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2026]: Sec. 4. **(a) General purpose revenue raised from a
 20 tax rate under section 2(b)(1) of this chapter must be distributed
 21 directly to the county. The money may be used by the county fiscal
 22 body for any of the purposes of the county, including for:**

- 23 **(1) public safety, including funding for a PSAP;**
- 24 **(2) economic development purposes described in IC 6-3.6-10;**
- 25 **(3) acute care hospitals;**
- 26 **(4) correctional facilities and rehabilitation facilities; and**
- 27 **(5) county staff expenses of the state judicial system.**

28 **(b)** The adopting body shall, by ordinance, determine how ~~the~~
 29 ~~additional~~ **general purpose** revenue from a tax under this chapter must
 30 be allocated in subsequent years. The allocations are subject to
 31 IC 6-3.6-11. The ordinance must be adopted as provided in IC 6-3.6-3
 32 and takes effect and applies as specified in IC 6-3.6-3-3. The ordinance
 33 continues to apply thereafter until it is rescinded or modified. ~~The~~
 34 ~~revenue must be allocated among one (1) or more of the following uses~~
 35 ~~as provided in this chapter:~~

- 36 ~~(1) Public safety.~~
- 37 ~~(2) Economic development projects.~~
- 38 ~~(3) Certified shares.~~

39 The ordinance must describe the allocation of additional revenue by
 40 use of percentages:

41 SECTION 107. IC 6-3.6-6-4.3 IS ADDED TO THE INDIANA
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2026]: **Sec. 4.3. (a) Revenue raised from a tax**
 2 **rate for fire protection and emergency medical services under**
 3 **section 2(b)(2) of this chapter shall be distributed by the county to**
 4 **each fire protection district, fire protection territory, and**
 5 **municipal fire department located within the county. At the**
 6 **discretion of the county council, the county may distribute revenue**
 7 **raised from a tax rate for fire protection and emergency medical**
 8 **services under section 2(b)(2) of this chapter to township fire**
 9 **departments and volunteer fire departments.**

10 **(b) Revenue raised from a tax rate for fire protection and**
 11 **emergency medical services under section 2(b)(2) of this chapter**
 12 **shall be allocated to each fire protection district, fire protection**
 13 **territory, municipal fire department, and if applicable township**
 14 **fire departments and volunteer fire departments, based on the**
 15 **following formula:**

16 **STEP ONE: For each provider of fire protection and**
 17 **emergency medical services located within the county that is**
 18 **eligible to receive revenue under this section, determine the**
 19 **population living within the service boundaries of the**
 20 **provider using the most recent federal decennial census.**

21 **STEP TWO: For each provider of fire protection and**
 22 **emergency medical services located within the county that is**
 23 **eligible to receive revenue under this section, determine the**
 24 **number of square miles within the service boundaries of the**
 25 **provider.**

26 **STEP THREE: For each provider of fire protection and**
 27 **emergency medical services located within the county that is**
 28 **eligible to receive revenue under this section, determine the**
 29 **product of:**

30 **(A) the STEP TWO amount; multiplied by**

31 **(B) twenty (20).**

32 **STEP FOUR: For each provider of fire protection and**
 33 **emergency medical services located within the county that is**
 34 **eligible to receive revenue under this section, determine the**
 35 **sum of:**

36 **(A) the STEP ONE result; plus**

37 **(B) the STEP THREE result.**

38 **STEP FIVE: Determine the sum total of the STEP FOUR**
 39 **results for each provider of fire protection and emergency**
 40 **medical services located within the county that is eligible to**
 41 **receive revenue under this section.**

42 **STEP SIX: The percentage of revenue that shall be**



1 distributed to each provider of fire protection and emergency
 2 medical services located within the county that is eligible to
 3 receive revenue under this section is equal to:

- 4 (A) the STEP FOUR result for the provider; divided by
 5 (B) the STEP FIVE result.

6 SECTION 108. IC 6-3.6-6-4.5 IS ADDED TO THE INDIANA
 7 CODE AS A NEW SECTION TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2026]: **Sec. 4.5. (a) Revenue raised from a tax**
 9 **rate for nonmunicipal civil taxing units under section 2(b)(3) of this**
 10 **chapter may be distributed by the county to nonmunicipal civil**
 11 **taxing units subject to the provisions of this section.**

12 (b) Subject to the maximum aggregate tax rate of not more than
 13 two-tenths of one percent (0.2%) under section 2(b)(3) of this
 14 chapter, the adopting body may adopt a tax rate for each type of
 15 nonmunicipal civil taxing unit, which may not exceed more than
 16 five-hundredths of one percent (0.05%) for any given unit type.
 17 The revenue raised from a tax rate for a specific type of
 18 nonmunicipal civil taxing unit shall be allocated to all
 19 nonmunicipal civil taxing units of that same type located within the
 20 county on a pro rata per capita basis, subject to subsection (e).

21 (c) A county solid waste management district (as defined in
 22 IC 13-11-2-47) or a joint solid waste management district (as
 23 defined in IC 13-11-2-113) is not an eligible nonmunicipal civil
 24 taxing unit for the purpose of receiving an allocation of general
 25 purpose revenue under this chapter unless a majority of the
 26 members of each of the county fiscal bodies of the counties within
 27 the district passes a resolution approving the distribution.

28 (d) A resolution passed by a county fiscal body under subsection
 29 (c) may:

- 30 (1) expire on a date specified in the resolution; or
 31 (2) remain in effect until the county fiscal body revokes or
 32 rescinds the resolution.

33 (e) A nonmunicipal civil taxing unit wishing to receive a share
 34 of revenue under this section in a year must adopt a resolution
 35 requesting the distribution from the county and must provide a
 36 certified copy of the resolution to the adopting body not later than
 37 December 1 of the year immediately preceding the distribution
 38 year. If a nonmunicipal civil taxing unit adopts a resolution under
 39 this subsection and provides the resolution to the adopting body as
 40 set forth in this subsection, the county shall distribute to the
 41 nonmunicipal civil taxing unit an amount of revenue raised from
 42 the tax rate under section 2(b)(3) of this chapter for the



1 distribution year as set forth in subsection (f).

2 (f) If one (1) or more, but not all, nonmunicipal civil taxing units
3 adopt a resolution under subsection (e) requesting a distribution in
4 a given year, the county may either distribute the total amount of
5 revenue raised from the tax rate under section 2(b)(3) of this
6 chapter to only those nonmunicipal civil taxing units that have
7 provided a resolution request, or the county may distribute the
8 total amount of revenue raised from a tax rate under section
9 2(b)(3) of this chapter to all nonmunicipal civil taxing units as set
10 forth in this section. If no nonmunicipal civil taxing units adopt a
11 resolution to request a distribution in a given year, the county may
12 retain the revenue raised from a tax rate for nonmunicipal civil
13 taxing units for that year and use the revenue as general purpose
14 revenue for the county under section 4 of this chapter.

15 SECTION 109. IC 6-3.6-6-6.1 IS ADDED TO THE INDIANA
16 CODE AS A NEW SECTION TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2026]: Sec. 6.1. (a) Revenue raised from a tax
18 rate for certain cities and towns under section 2(b)(4) of this
19 chapter may be distributed by the county to those cities and towns
20 subject to the provisions of this section.

21 (b) The revenue raised from a tax rate under section 2(b)(4) of
22 this chapter shall be allocated to the cities and towns based on the
23 population of the city or the population of the town, whichever is
24 applicable, compared to the population of all the cities or the
25 population of all the towns, whichever is applicable, that are
26 eligible for a distribution, subject to subsection (d). For purposes
27 of this determination, if the boundaries of a city or town are
28 located in more than one (1) county, only the portion of the
29 population of the city or town that is located within the county
30 imposing the tax rate under section 2(b)(4) of this chapter shall be
31 considered.

32 (c) The money may be used by the city or town fiscal body for
33 any of the purposes of the city or town, including public safety (as
34 defined in IC 6-3.6-2-14) and economic development purposes
35 described in IC 6-3.6-10. The city or town fiscal body may pledge
36 its general purpose revenue to the payment of bonds or to lease
37 payments as set forth in this chapter.

38 (d) An eligible city or town wishing to receive a share of revenue
39 under this section in a year must adopt a resolution requesting the
40 distribution from the county and must provide a certified copy of
41 the resolution to the adopting body not later than December 1 of
42 the year immediately preceding the distribution year. If an eligible



1 city or town adopts an resolution under this subsection and
 2 provides the resolution to the adopting body as set forth in this
 3 subsection, the county shall distribute to the eligible city or town
 4 unit an amount of revenue raised from the tax rate under section
 5 2(b)(4) of this chapter for the distribution year as set forth in
 6 subsection (e).

7 (e) If one (1) or more, but not all, eligible cities or towns adopt
 8 a resolution under subsection (d) requesting a distribution in a
 9 given year, the county may either distribute the total amount of
 10 revenue raised from the tax rate under section 2(b)(4) of this
 11 chapter to only those eligible cities or towns that have provided a
 12 resolution request, or the county may distribute the total amount
 13 of revenue raised from a tax rate under section 2(b)(4) of this
 14 chapter to all eligible cities or towns as set forth in this section. If
 15 no eligible city or town adopts a resolution to request a distribution
 16 in a given year, the county may retain the revenue raised from a
 17 tax rate for the eligible city or town for that year and use the
 18 revenue as general purpose revenue for the county under section
 19 4 of this chapter.

20 SECTION 110. IC 6-3.6-6-8, AS AMENDED BY P.L.101-2024,
 21 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2026]: Sec. 8. (a) This section applies to the allocation of
 23 additional revenue from a tax under this chapter to public safety
 24 purposes. Funding dedicated for a PSAP under a former tax continues
 25 to apply under this chapter until it is rescinded or modified. If funding
 26 was not dedicated for a PSAP under a former tax, the adopting body
 27 may adopt a resolution providing that all or part of the additional
 28 revenue allocated to public safety is to be dedicated for a PSAP. The
 29 resolution first applies in the following year and then thereafter until it
 30 is rescinded or modified. Funding dedicated for a PSAP shall be
 31 allocated and distributed as provided in IC 6-3.6-11-4.

32 (b) Except as provided in subsections (c) and (d), the amount of the
 33 certified distribution that is allocated to public safety purposes, and
 34 after making allocations under IC 6-3.6-11, shall be allocated to the
 35 county and to each municipality in the county that is carrying out or
 36 providing at least one (1) public safety purpose. For purposes of this
 37 subsection, in the case of a consolidated city, the total property taxes
 38 imposed by the consolidated city include the property taxes imposed by
 39 the consolidated city and all special taxing districts (except for a public
 40 library district, a public transportation corporation, and a health and
 41 hospital corporation), and all special service districts. The amount
 42 allocated under this subsection to a county or municipality is equal to



1 the result of:

2 (1) the amount of the remaining certified distribution that is

3 allocated to public safety purposes; multiplied by

4 (2) a fraction equal to:

5 (A) in the case of a county that initially imposed a rate for

6 public safety under IC 6-3.5-6 (repealed); the result of the total

7 property taxes imposed in the county by the county or

8 municipality for the calendar year preceding the distribution

9 year; divided by the sum of the total property taxes imposed in

10 the county by the county and each municipality in the county

11 that is entitled to a distribution under this section for that

12 calendar year; or

13 (B) in the case of a county that initially imposed a rate for

14 public safety under IC 6-3.5-1.1 (repealed) or a county that did

15 not impose a rate for public safety under either IC 6-3.5-1.1

16 (repealed) or IC 6-3.5-6 (repealed); the result of the attributed

17 allocation amount of the county or municipality for the

18 calendar year preceding the distribution year; divided by the

19 sum of the attributed allocation amounts of the county and

20 each municipality in the county that is entitled to a distribution

21 under this section for that calendar year.

22 (c) (a) A fire department, volunteer fire department, or emergency

23 medical services provider that:

24 (1) provides fire protection or emergency medical services within

25 the county; and

26 (2) is operated by or serves a political subdivision that is not

27 otherwise entitled to receive a distribution of tax revenue under

28 this section;

29 may, before July 1 of a year, apply to the adopting body for a

30 distribution of tax revenue under ~~this section~~ **4.3 of this chapter** during

31 the following calendar year. The adopting body shall review an

32 application submitted under this subsection. However, after giving

33 notice under IC 5-3-1, the adopting body shall review an application by

34 a township that provided fire protection or emergency medical services

35 in the most recent calendar year and imposed a property tax levy for the

36 provision of fire protection or emergency medical services within the

37 county in the most recent calendar year at a public hearing. The

38 adopting body may review multiple applications submitted under this

39 subsection at one (1) public hearing. If applicable, a township shall

40 present and explain its application at the public hearing. Not later than

41 ten (10) days after the public hearing, if applicable, but before

42 September 1 of a year, the adopting body may adopt a resolution



1 requiring that one (1) or more of the applicants shall receive a specified
 2 amount of the tax revenue to be distributed under ~~this~~ section **4.3 of**
 3 **this chapter** during the following calendar year. The adopting body
 4 shall provide a copy of the resolution to the county auditor and the
 5 department of local government finance not more than fifteen (15) days
 6 after the resolution is adopted. A resolution adopted under this
 7 subsection and provided in a timely manner to the county auditor and
 8 the department applies only to distributions in the following calendar
 9 year. ~~Any amount of tax revenue distributed under this subsection to a~~
 10 ~~fire department, volunteer fire department, or emergency medical~~
 11 ~~services provider shall be distributed before the remainder of the tax~~
 12 ~~revenue is allocated under subsection (b).~~

13 ~~(d)~~ **(b)** A township fire department, volunteer fire department, fire
 14 protection territory, or fire protection district that:

15 (1) provides fire protection or emergency medical services within
 16 a county; and

17 (2) is operated by or serves a political subdivision;

18 may, before July 1 of a year, apply to the adopting body for a
 19 distribution of tax revenue under ~~this~~ section **4.3 of this chapter** during
 20 the following calendar year. The adopting body shall review an
 21 application submitted under this subsection. However, after giving
 22 notice under IC 5-3-1, the adopting body shall review an application
 23 submitted by a township that provided fire protection or emergency
 24 medical services in the most recent calendar year and that imposed a
 25 property tax levy for the provision of fire protection or emergency
 26 medical services within the county in the most recent calendar year at
 27 a public hearing. The adopting body may review multiple applications
 28 submitted under this subsection at one (1) public hearing. If applicable,
 29 a township shall present and explain its application at the public
 30 hearing. From the amount of the certified distribution that is allocated
 31 to public safety purposes, and after making allocations under
 32 IC 6-3.6-11, the adopting body may adopt a resolution that one (1) or
 33 more township fire departments, volunteer fire departments, fire
 34 protection territories, or fire protection districts shall receive an amount
 35 of the tax revenue to be distributed under ~~this~~ section **4.3 of this**
 36 **chapter** during the following calendar year up to one hundred percent
 37 (100%) of the revenue collected from that portion of the tax rate
 38 imposed for allocations for public safety purposes that does not exceed
 39 a rate of five one-hundredths of one percent (0.05%). A resolution
 40 adopted under this subsection must include information on the service
 41 area for each township fire department, volunteer fire department, fire
 42 protection territory, or fire protection district, as applicable. Any



1 distribution under this subsection must be based on the assessed value
 2 of real property, not including land, that is served by each township fire
 3 department, volunteer fire department, fire protection territory, or fire
 4 protection district, as applicable. The adopting body shall provide a
 5 copy of the resolution to the county auditor and the department of local
 6 government finance not more than fifteen (15) days after the resolution
 7 is adopted. A resolution adopted under this subsection and provided in
 8 a timely manner to the county auditor and the department applies only
 9 to distributions in the following calendar year. ~~Any amount of tax~~
 10 ~~revenue distributed under this subsection to a township fire department,~~
 11 ~~volunteer fire department, fire protection territory, or fire protection~~
 12 ~~district, as applicable, shall be distributed before the remainder of the~~
 13 ~~tax revenue is allocated under subsection (b).~~

14 SECTION 111. IC 6-3.6-6-8.5, AS AMENDED BY P.L.104-2022,
 15 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2026]: Sec. 8.5. (a) This section applies only to Marion
 17 County.

18 (b) The adopting body may allocate ~~additional~~ **general purpose**
 19 revenue to fund the operation of a public library in Marion County as
 20 provided in an election, if any, made by the county fiscal body under
 21 IC 36-3-7-6. ~~An allocation under this section shall be made from the~~
 22 ~~part of the additional revenue that would otherwise be allocated as~~
 23 ~~certified shares.~~

24 (c) The adopting body may allocate ~~additional~~ **general purpose**
 25 revenue to fund the operation of a public transportation corporation as
 26 provided in an election, if any, made by the county fiscal body under
 27 IC 36-9-4-42. ~~An allocation under this section shall be made from the~~
 28 ~~part of the additional revenue that would otherwise be allocated as~~
 29 ~~certified shares.~~

30 (d) The adopting body may allocate ~~additional~~ **general purpose**
 31 revenue to fund the operation of a public communications systems and
 32 computer facilities district as provided in an election, if any, made by
 33 the county fiscal body under IC 36-8-15-19(b). ~~The additional revenue~~
 34 ~~shall be allocated and distributed before the allocation and distribution~~
 35 ~~of the remaining tax revenue under this chapter.~~

36 SECTION 112. IC 6-3.6-6-9 IS REPEALED [EFFECTIVE JULY
 37 1, 2026]. Sec. 9: (a) This section applies to the allocation of additional
 38 revenue from a tax under this chapter for economic development
 39 purposes:

40 (b) Money designated for economic development purposes shall be
 41 allocated to the county, cities, and towns for use by the taxing unit's
 42 fiscal body for any of the purposes described in IC 6-3.6-10. Except as



1 provided in subsections (c) and (d) and IC 6-3-6-11; and subject to
 2 adjustment as provided in IC 36-8-19-7.5, the amount of the certified
 3 distribution allocated to economic development purposes that the
 4 county and each city or town in a county is entitled to receive each
 5 month of each year equals the amount determined using the following
 6 formula:

7 STEP ONE: Determine the sum of:

8 (A) the total property taxes being imposed by the county, city,
 9 or town during the calendar year preceding the distribution
 10 year; plus

11 (B) for a county, the welfare allocation amount.

12 STEP TWO: Determine the quotient of:

13 (A) The STEP ONE amount; divided by

14 (B) the sum of the total property taxes that are first due and
 15 payable to the county and all cities and towns of the county
 16 during the calendar year preceding the distribution year plus
 17 the welfare allocation amount.

18 STEP THREE: Determine the product of:

19 (A) the amount of the certified distribution allocated to
 20 economic development purposes for that month; multiplied by

21 (B) the STEP TWO amount.

22 (c) The body imposing the tax may adopt an ordinance before
 23 August 2 of a year to provide for a distribution of the amount allocated
 24 to economic development purposes based on population instead of a
 25 distribution under subsection (b). The following apply if an ordinance
 26 is adopted under this subsection:

27 (1) The ordinance is effective January 1 of the following year.

28 (2) The amount of the certified distribution allocated to economic
 29 development purposes that the county and each city and town in
 30 the county are entitled to receive during each month of each year
 31 equals the product of:

32 (A) the amount of the certified distribution that is allocated to
 33 economic development purposes for the month; multiplied by

34 (B) the quotient of:

35 (i) for a city or town, the population of the city or the town
 36 that is located in the county and for a county, the population
 37 of the part of the county that is not located in a city or town;
 38 divided by

39 (ii) the population of the entire county.

40 (3) The ordinance may be made irrevocable for the duration of
 41 specified lease rental or debt service payments.

42 (d) In a county having a consolidated city, only the consolidated city



1 is entitled to the amount of the certified distribution that is allocated to
 2 economic development purposes.
 3 SECTION 113. IC 6-3.6-6-9.5, AS ADDED BY P.L.243-2015,
 4 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2026]: Sec. 9.5. (a) The executive of a county, city, or town
 6 may:
 7 (1) adopt a capital improvement plan specifying the uses of ~~the~~
 8 **additional general purpose** revenue to be allocated for economic
 9 development purposes; or
 10 (2) designate the county or a city or town in the county as the
 11 recipient of all or a part of its ~~share of the additional~~ **general**
 12 **purpose** revenue that is distributed to it for economic
 13 development purposes.
 14 (b) If a designation is made under subsection (a)(2), the county
 15 treasurer shall transfer the share or part of the share to the designated
 16 unit unless that unit does not have a capital improvement plan.
 17 (c) A county, city, or town that fails to adopt a capital improvement
 18 plan may not receive
 19 ~~(1) its fractional amount of the additional revenue to be allocated~~
 20 ~~for economic development purposes; or~~
 21 ~~(2) any amount designated under subsection (a)(2)~~
 22 for the year or years in which the unit does not have a plan. The county
 23 treasurer shall retain the amounts not distributed for such a unit in a
 24 separate account until the unit adopts a plan. Interest on the separate
 25 account becomes part of the account. If a unit fails to adopt a plan for
 26 a period of three (3) years, the balance in the separate account shall be
 27 distributed to the other units in the county in the same manner that
 28 other ~~additional~~ **general purpose** revenue allocated for economic
 29 development purposes is distributed.
 30 (d) A capital improvement plan must include the following
 31 components:
 32 (1) Identification and general description of each project that
 33 would be funded by other ~~additional~~ **general purpose** revenue
 34 allocated for economic development purposes.
 35 (2) The estimated total cost of the project.
 36 (3) Identification of all sources of funds expected to be used for
 37 each project.
 38 (4) The planning, development, and construction schedule of each
 39 project.
 40 (e) A capital improvement plan:
 41 (1) must encompass a period of not less than two (2) years; and
 42 (2) must incorporate projects the cost of which is at least



1 seventy-five percent (75%) of the fractional amount of ~~additional~~
 2 **general purpose** revenue allocated for economic development
 3 purposes that is expected to be received by the county, city, or
 4 town in that period.

5 (f) In making a designation under subsection (a)(2), the executive
 6 must specify the purpose and duration of the designation. If the
 7 designation is made to provide for the payment of lease rentals or bond
 8 payments, the executive may specify that the designation and its
 9 duration are irrevocable.

10 SECTION 114. IC 6-3.6-6-10 IS REPEALED [EFFECTIVE JULY
 11 1, 2026]. ~~Sec. 10:~~ (a) This section applies to additional revenue from
 12 a tax under this chapter that is allocated for certified shares.

13 (b) Additional revenue remaining from a tax imposed under this
 14 chapter, after deducting the amounts allocated to public safety purposes
 15 and economic development purposes, shall be allocated among the civil
 16 taxing units as certified shares.

17 SECTION 115. IC 6-3.6-6-11 IS REPEALED [EFFECTIVE JULY
 18 1, 2026]. ~~Sec. 11:~~ (a) Except as provided in this chapter and
 19 ~~IC 6-3.6-11~~, this section applies to an allocation of certified shares in
 20 all counties.

21 (b) Any civil taxing unit that imposed an ad valorem property tax
 22 levy in the county for the calendar year preceding the distribution year
 23 is eligible for an allocation for the distribution year under this chapter.

24 (c) A school corporation is not a civil taxing unit for the purpose of
 25 receiving an allocation of certified shares under this chapter. The
 26 distributions to school corporations and civil taxing units in counties
 27 that formerly imposed a tax under ~~IC 6-3.5-1.1~~ (repealed) as provided
 28 in section 3(a)(2) of this chapter is not considered an allocation of
 29 certified shares. A school corporation's allocation amount for purposes
 30 of section 3(a)(2) of this chapter shall be determined under section ~~12~~
 31 of this chapter.

32 (d) A county solid waste management district (as defined in
 33 ~~IC 13-11-2-47~~) or a joint solid waste management district (as defined
 34 in ~~IC 13-11-2-113~~) is not a civil taxing unit for the purpose of receiving
 35 an allocation of certified shares under this chapter unless a majority of
 36 the members of each of the county fiscal bodies of the counties within
 37 the district passes a resolution approving the distribution.

38 (e) A resolution passed by a county fiscal body under subsection (d)
 39 may:

40 (1) expire on a date specified in the resolution; or
 41 (2) remain in effect until the county fiscal body revokes or
 42 rescinds the resolution.



1 SECTION 116. IC 6-3.6-6-12 IS REPEALED [EFFECTIVE JULY
 2 1, 2026]. Sec. 12: (a) Except as provided in this chapter and
 3 IC 6-3.6-11, this section applies to an allocation of certified shares in
 4 all counties:

5 (b) The allocation amount of a civil taxing unit during a calendar
 6 year must be based on the amounts for the calendar year preceding the
 7 distribution year and is equal to the amount determined using the
 8 following formula:

9 STEP ONE: Determine the sum of the total property taxes being
 10 imposed by the civil taxing unit.

11 STEP TWO: Determine the sum of the following:

12 (A) Amounts appropriated from property taxes to pay the
 13 principal of or interest on any debenture or other debt
 14 obligation issued after June 30, 2005, other than an obligation
 15 described in subsection (c):

16 (B) Amounts appropriated from property taxes to make
 17 payments on any lease entered into after June 30, 2005, other
 18 than a lease described in subsection (d):

19 STEP THREE: Subtract the STEP TWO amount from the STEP
 20 ONE amount.

21 STEP FOUR: Determine the sum of:

22 (A) the STEP THREE amount; plus

23 (B) the civil taxing unit's certified shares plus the amount
 24 distributed under section 3(a)(2) of this chapter for the
 25 previous calendar year:

26 The allocation amount is subject to adjustment as provided in
 27 IC 36-8-19-7.5.

28 (c) Except as provided in this subsection, an appropriation for the
 29 calendar year preceding the distribution year from property taxes to
 30 repay interest and principal of a debt obligation is not deducted from
 31 the allocation amount for a civil taxing unit if:

32 (1) the debt obligation was issued; and

33 (2) the proceeds were appropriated from property taxes;
 34 to refund or otherwise refinance a debt obligation or a lease issued
 35 before July 1, 2005. However, an appropriation from property taxes
 36 related to a debt obligation issued after June 30, 2005, is deducted if
 37 the debt extends payments on a debt or lease beyond the time in which
 38 the debt or lease would have been payable if the debt or lease had not
 39 been refinanced or increases the total amount that must be paid on a
 40 debt or lease in excess of the amount that would have been paid if the
 41 debt or lease had not been refinanced. The amount of the deduction is
 42 the annual amount for each year of the extension period or the annual



1 amount of the increase over the amount that would have been paid.

2 (d) Except as provided in this subsection, an appropriation for the
 3 calendar year preceding the distribution year from property taxes to
 4 make payments on a lease is not deducted from the allocation amount
 5 for a civil taxing unit if:

6 (1) the lease was issued; and

7 (2) the proceeds were appropriated from property taxes;
 8 to refinance a debt obligation or lease issued before July 1, 2005.
 9 However, an appropriation from property taxes related to a lease
 10 entered into after June 30, 2005, is deducted if the lease extends
 11 payments on a debt or lease beyond the time in which the debt or lease
 12 would have been payable if the debt or lease had not been refinanced
 13 or increases the total amount that must be paid on a debt or lease in
 14 excess of the amount that would have been paid if the debt or lease had
 15 not been refinanced. The amount of the deduction is the annual amount
 16 for each year of the extension period or the annual amount of the
 17 increase over the amount that would have been paid.

18 SECTION 117. IC 6-3.6-6-14 IS REPEALED [EFFECTIVE JULY
 19 1, 2026]. Sec. 14: (a) This section applies to an allocation of certified
 20 shares in a county other than Marion County.

21 (b) Subject to this chapter, certified shares must be allocated among
 22 civil taxing units based on the attributed allocation amount.

23 (c) The amount of certified shares to be allocated to each civil
 24 taxing unit is equal to:

25 (1) the total amount of the certified distribution that is allocated
 26 to certified shares for the county for the month; multiplied by

27 (2) the quotient of:

28 (A) the attributed allocation amount for the civil taxing unit in
 29 the county during the calendar year; divided by

30 (B) the sum of the attributed allocation amounts for all civil
 31 taxing units in the county during the calendar year.

32 SECTION 118. IC 6-3.6-6-15 IS REPEALED [EFFECTIVE JULY
 33 1, 2026]. Sec. 15: (a) This section applies to an allocation or
 34 distribution, or both, of certified shares that is required to be made to
 35 a civil taxing unit in a county other than Marion County.

36 (b) ~~IC 36-8-19-7.5~~ applies to the adjustment of the amounts
 37 distributed to a civil taxing unit that participates in a fire protection
 38 territory.

39 SECTION 119. IC 6-3.6-6-16 IS REPEALED [EFFECTIVE JULY
 40 1, 2026]. Sec. 16: ~~IC 6-3.6-11~~ applies to the allocation of certified
 41 shares in Marion County.

42 SECTION 120. IC 6-3.6-6-17, AS ADDED BY P.L.243-2015,



1 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 2026]: Sec. 17. A **county, city, town, or nonmunicipal** civil
 3 taxing unit may use its ~~certified shares~~ **general purpose revenue** for
 4 any of the purposes of the ~~civil taxing~~ unit.

5 SECTION 121. IC 6-3.6-6-18, AS ADDED BY P.L.243-2015,
 6 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2026]: Sec. 18. (a) A **county, city, town, or nonmunicipal**
 8 civil taxing unit may pledge its ~~certified shares~~ **general purpose**
 9 **revenue** to the payment of bonds or to lease payments for:

- 10 (1) any purpose of the ~~civil taxing~~ unit;
- 11 (2) any purpose of another governmental entity located in any part
 12 in the county, including a governmental entity organized on a
 13 regional basis; or
- 14 (3) any purpose for which ~~certified shares~~ **general purpose**
 15 **revenue** may be used **by the unit** under ~~IC 6-3.6-10~~ **this**
 16 **chapter**.

17 (b) The pledge must be approved in an ordinance adopted by the
 18 fiscal body of the political subdivision.

19 SECTION 122. IC 6-3.6-6-19, AS ADDED BY P.L.243-2015,
 20 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2026]: Sec. 19. (a) A **county, city, town, or nonmunicipal**
 22 civil taxing unit may distribute any part of its ~~certified shares~~ **general**
 23 **purpose revenue** to any governmental entity located in any part of its
 24 county to:

- 25 (1) carry out a joint purpose; or
- 26 (2) fund the purposes of the other governmental entity;
 27 including a governmental entity organized on a regional basis to serve
 28 an area in more than one (1) county.

29 (b) The distribution must be authorized by ordinance of the fiscal
 30 body of the ~~civil taxing~~ unit to which the revenue is allocated by this
 31 chapter. An ordinance must specify the purpose of the designation and
 32 its duration.

33 (c) The fiscal ~~body~~ **officer** of the ~~civil taxing~~ unit may direct the
 34 county auditor in **accordance with** the ordinance to withhold from the
 35 ~~civil taxing~~ unit's allocation the amount that is the subject of the
 36 ordinance and distribute the amount directly to the other governmental
 37 entity authorized to receive the money.

38 SECTION 123. IC 6-3.6-6-20 IS REPEALED [EFFECTIVE JULY
 39 1, 2026]. ~~Sec. 20: (a) This section does not apply to distributions of~~
 40 ~~revenue under section 9 of this chapter.~~

- 41 (b) ~~This section applies only to the following:~~
- 42 (1) ~~Any allocation or distribution of revenue under section 3(a)(2)~~



1 of this chapter that is made on the basis of property tax levies in
 2 counties that formerly imposed a tax under IC 6-3.5-1.1 (before
 3 its repeal January 1, 2017):

4 (2) Any allocation or distribution of revenue under section 3(a)(3)
 5 of this chapter that is made on the basis of property tax levies in
 6 counties that formerly imposed a tax under IC 6-3.5-6 (before its
 7 repeal January 1, 2017):

8 (c) Subject to subsection (b), if a school corporation or civil taxing
 9 unit of an adopting county does not impose a property tax levy that is
 10 first due and payable in the calendar year preceding the year in which
 11 revenue under section 3(a)(2) or 3(a)(3) of this chapter is being
 12 allocated or distributed, that school corporation or civil taxing unit is
 13 entitled to receive a part of the revenue under section 3(a)(2) or 3(a)(3)
 14 of this chapter (as appropriate) to be distributed within the county. The
 15 fractional amount that such a school corporation or civil taxing unit is
 16 entitled to receive each month during that calendar year equals the
 17 product of:

18 (1) the amount of revenue under section 3(a)(2) or 3(a)(3) of this
 19 chapter to be distributed on the basis of property tax levies during
 20 that month; multiplied by

21 (2) a fraction: The numerator of the fraction equals the budget of
 22 that school corporation or civil taxing unit for the distribution
 23 year. The denominator of the fraction equals the aggregate
 24 budgets of all school corporations or civil taxing units of that
 25 county for the distribution year.

26 (d) Subject to subsection (b), if for a calendar year a school
 27 corporation or civil taxing unit is allocated a part of a county's revenue
 28 under section 3(a)(2) or 3(a)(3) of this chapter by subsection (c); the
 29 calculations used to determine the shares of revenue of all other school
 30 corporations and civil taxing units under section 3(a)(2) or 3(a)(3) of
 31 this chapter (as appropriate) shall be changed each month for that same
 32 year by reducing the amount of revenue to be distributed by the amount
 33 of revenue under section 3(a)(2) or 3(a)(3) of this chapter allocated
 34 under subsection (c) for that same month. The department of local
 35 government finance shall make any adjustments required by this
 36 subsection and provide them to the appropriate county auditors.

37 SECTION 124. IC 6-3.6-6-21, AS ADDED BY P.L.229-2017,
 38 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2026]: Sec. 21. A **county, city, town, or nonmunicipal** civil
 40 taxing unit may contribute any part of its **certified shares general**
 41 **purpose revenue** to the regional development infrastructure fund
 42 established by IC 36-9-43-9. The contribution must be approved in an



1 ordinance adopted by the fiscal body of the political subdivision.
 2 SECTION 125. IC 6-3.6-6-21.2 IS REPEALED [EFFECTIVE JULY
 3 1, 2026]. ~~Sec. 21.2: A school corporation that receives a distribution of~~
 4 ~~revenue under section 3 of this chapter may allocate the revenue among~~
 5 ~~any of its funds.~~
 6 SECTION 126. IC 6-3.6-6-21.3, AS ADDED BY P.L.137-2024,
 7 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2026]: Sec. 21.3. (a) **This section applies to distributions of**
 9 **revenue before January 1, 2027.** This section:
 10 (1) does not apply to:
 11 (A) distributions made under this chapter to a civil taxing unit
 12 for fire protection services within a fire protection territory
 13 established under IC 36-8-19; or
 14 (B) distributions of revenue under section 9 of this chapter
 15 **(before its repeal);** and
 16 (2) applies only to the following:
 17 (A) Any allocation or distribution of revenue under section
 18 3(a)(2) of this chapter **(as in effect before July 1, 2026)** that
 19 is made on the basis of property tax levies in counties that
 20 formerly imposed a tax under IC 6-3.5-1.1 (before its repeal on
 21 January 1, 2017).
 22 (B) Any allocation or distribution of revenue under section
 23 3(a)(3) of this chapter **(as in effect before July 1, 2026)** that
 24 is made on the basis of property tax levies in counties that
 25 formerly imposed a tax under IC 6-3.5-6 (before its repeal on
 26 January 1, 2017).
 27 (b) Subject to subsection (a), if two (2) or more:
 28 (1) school corporations; or
 29 (2) civil taxing units;
 30 of an adopting county merge or consolidate to form a single school
 31 corporation or civil taxing unit, the school corporation or civil taxing
 32 unit that is in existence on January 1 of the current year is entitled to
 33 the combined pro rata distribution of the revenue under section 3(a)(2)
 34 or 3(a)(3) **(as in effect before July 1, 2026)** of this chapter (as
 35 appropriate) allocated to each applicable school corporation or civil
 36 taxing unit in existence on January 1 of the immediately preceding
 37 calendar year prior to the merger or consolidation.
 38 (c) The department of local government finance shall make
 39 adjustments to civil taxing units in accordance with IC 6-1.1-18.5-7.
 40 SECTION 127. IC 6-3.6-6-22 IS ADDED TO THE INDIANA
 41 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2026]: **Sec. 22. (a) As used in this section,**



1 **"municipality" means only a city or town that:**
 2 **(1) has a population of three thousand five hundred (3,500) or**
 3 **more; and**
 4 **(2) in the case of a city or town whose population decreased in**
 5 **the most recent federal decennial census from three thousand**
 6 **five hundred (3,500) or more to less than three thousand five**
 7 **hundred (3,500), has elected by ordinance to continue to use**
 8 **its previous population of three thousand five hundred (3,500)**
 9 **or more as set forth in section 23(b)(2) of this chapter for**
 10 **purposes of the allocation determination under section 6.1 of**
 11 **this chapter.**
 12 **The term does not include a city or town that has made an election**
 13 **under section 23(b)(3) of this chapter.**
 14 **(b) Beginning after December 31, 2026, the fiscal body of a**
 15 **municipality may by ordinance and subject to subsection (e),**
 16 **impose a local income tax rate on the adjusted gross income of**
 17 **local taxpayers in the municipality that does not exceed one and**
 18 **two-tenths percent (1.2%).**
 19 **(c) The following apply if a municipality imposes a local income**
 20 **tax rate under this section:**
 21 **(1) A local income tax rate imposed by a municipality under**
 22 **this section applies only to local taxpayers within the territory**
 23 **of the municipality.**
 24 **(2) The local income tax is imposed in addition to a tax**
 25 **imposed by the county in which the municipality is located in**
 26 **accordance with IC 6-3.6-4-1(a) and IC 6-3.6-4-1(c).**
 27 **(3) The following provisions of this article apply to a local**
 28 **income tax rate imposed by a municipality under subsection**
 29 **(b):**
 30 **(A) IC 6-3.6-3 (adoption of the tax), including the effective**
 31 **date of an ordinance under IC 6-3.6-3-3.3.**
 32 **(B) IC 6-3.6-4 (imposition of the tax), except that**
 33 **IC 6-3.6-4-2 and IC 6-3.6-4-3 do not apply.**
 34 **(C) IC 6-3.6-8 (administration of the tax).**
 35 **(4) A local income tax rate imposed by a municipality shall**
 36 **apply to professional athletes who compete in the**
 37 **municipality, unless exempted under IC 6-3-2-27.5 or other**
 38 **provision of law.**
 39 **(d) The amount of the tax revenue that is from the local income**
 40 **tax rate imposed under this section and that is collected for a**
 41 **calendar year shall be treated as general purpose revenue and**
 42 **must be distributed to the fiscal officer of the municipality that**



1 imposed the tax before July 1 of the next calendar year.

2 (e) Beginning after December 31, 2029, a tax rate imposed under
 3 subsection (b) shall expire on December 31 of each calendar year.
 4 A municipality wishing to continue, increase, or decrease a tax rate
 5 in the succeeding year must pass an ordinance to readopt a tax rate
 6 in accordance with IC 6-3.6-3-3.3. This subsection applies
 7 regardless of whether there is a modification in the tax rate or the
 8 rate is unchanged from the previous year.

9 SECTION 128. IC 6-3.6-6-23 IS ADDED TO THE INDIANA
 10 CODE AS A NEW SECTION TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2026]: Sec. 23. (a) This section applies in
 12 determining the population of a city or town for the purposes of
 13 this chapter.

14 (b) The following apply:

15 (1) Except as provided in subdivisions (2) and (3), the
 16 population of a city or town is the population of the city or
 17 town that is reported by the 2020 federal decennial census.

18 (2) Beginning after 2030, if the population of a city or town:

19 (A) increases from a population of less than three thousand
 20 five hundred (3,500) as reported by the immediately
 21 preceding federal decennial census to a population of three
 22 thousand five hundred (3,500) or more as reported by the
 23 most recent federal decennial census, or, if applicable, any
 24 corrected population count (as defined in IC 1-1-3.5-1.5)
 25 issued for the city or town in the year succeeding the most
 26 recent federal decennial census; or

27 (B) decreases from a population of three thousand five
 28 hundred (3,500) or more as reported by the immediately
 29 preceding federal decennial census to a population of less
 30 than three thousand five hundred (3,500) as reported by
 31 the most recent federal decennial census, or, if applicable,
 32 any corrected population count (as defined in
 33 IC 1-1-3.5-1.5) issued for the city or town in the year
 34 succeeding the most recent federal decennial census;

35 the fiscal body of the city or town may adopt an ordinance on
 36 or before September 1 of the calendar year immediately
 37 succeeding the most recent federal decennial census to
 38 continue to use the population of the city or town as reported
 39 by the immediately preceding federal decennial census and
 40 the resulting determination for the city or town under section
 41 22 of this chapter, notwithstanding the increase or decrease in
 42 its population as reported by the most recent federal



1 decennial census as described in this subdivision. An
2 ordinance adopted under this subdivision shall take effect on
3 January 1 of the calendar year that immediately succeeds the
4 year in which the ordinance is adopted. The fiscal officer of
5 the city or town shall provide a certified copy of an ordinance
6 adopted under this subdivision to the department of local
7 government finance.

8 **(3) This subdivision applies only to cities and towns with a**
9 **population of more than three thousand five hundred (3,500)**
10 **but less than seven thousand (7,000). Notwithstanding any**
11 **other provision, a fiscal body of a city or town may adopt an**
12 **ordinance to elect to be treated as if the city's or town's**
13 **population is less than three thousand five hundred (3,500) for**
14 **purposes of a county local income tax rate and distribution**
15 **under this chapter. An ordinance adopted under this**
16 **subdivision shall take effect on January 1 of the calendar year**
17 **that immediately succeeds the year in which the ordinance is**
18 **adopted. The fiscal officer of the city or town shall provide a**
19 **certified copy of an ordinance adopted under this subdivision**
20 **to the department of local government finance. An ordinance**
21 **adopted by a city or town under this subdivision is not**
22 **revocable and shall not expire following the next federal**
23 **decennial census.**

24 SECTION 129. IC 6-3.6-7-9, AS AMENDED BY P.L.239-2023,
25 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2026]: Sec. 9. (a) This section applies only to Hancock
27 County.

28 (b) The county fiscal body may, by ordinance, allocate part of the
29 tax rate imposed under IC 6-3.6-5 **(before its expiration)**, not to
30 exceed a tax rate of fifteen hundredths percent (0.15%), to a property
31 tax credit against the property tax liability imposed for public libraries
32 in the county, if all territory in the county is included in a library
33 district. The county treasurer shall establish a library property tax
34 replacement fund to be used only for the purposes described in this
35 section. Tax revenues derived from the part of the tax rate imposed
36 under ~~IC 6-3-5~~ **IC 6-3.6-5 (before its expiration)** that is designated for
37 property tax replacement credits under this section shall be deposited
38 in the library property tax replacement fund. Any interest earned on
39 money in the library property tax replacement fund shall be credited to
40 the library property tax replacement fund.

41 (c) The amount of property tax replacement credits that each public
42 library in the county is entitled to receive during a calendar year under



- 1 this section (**before the expiration of IC 6-3.6-5**) equals the lesser of:
 2 (1) the product of:
 3 (A) the amount of revenue deposited by the county auditor in
 4 the library property tax replacement fund; multiplied by
 5 (B) a fraction described as follows:
 6 (i) The numerator of the fraction equals the sum of the total
 7 property taxes that would have been collected by the public
 8 library during the previous calendar year from taxpayers
 9 located within the library district if the property tax
 10 replacement under this section had not been in effect.
 11 (ii) The denominator of the fraction equals the sum of the
 12 total property taxes that would have been collected during
 13 the previous year from taxpayers located within the county
 14 by all public libraries that are eligible to receive property tax
 15 replacement credits under this section if the property tax
 16 replacement under this section had not been in effect; or
 17 (2) the total property taxes that would otherwise be collected by
 18 the public library for the calendar year if the property tax
 19 replacement credit under this section were not in effect.

20 The department of local government finance shall make any
 21 adjustments necessary to account for the expansion of a library district.
 22 However, a public library is eligible to receive property tax
 23 replacement credits under this section only if it has entered into
 24 reciprocal borrowing agreements with all other public libraries in the
 25 county. If the total amount of tax revenue deposited by the county
 26 auditor in the library property tax replacement fund for a calendar year
 27 exceeds the total property tax liability that would otherwise be imposed
 28 for public libraries in the county for the year, the excess must remain
 29 in the library property tax replacement fund and may be used for library
 30 property tax replacement purposes in the following calendar year.

31 (d) A public library receiving property tax replacement credits under
 32 this section shall allocate the credits among each fund for which a
 33 distinct property tax levy is imposed in proportion to the property taxes
 34 levied for each fund. However, if a public library did not impose a
 35 property tax levy during the previous calendar year or did not impose
 36 a property tax levy for a particular fund during the previous calendar
 37 year, but the public library is imposing a property tax levy in the
 38 current calendar year or is imposing a property tax levy for the
 39 particular fund in the current calendar year, the department of local
 40 government finance shall adjust the amount of property tax
 41 replacement credits allocated among the various funds of the public
 42 library and shall provide the adjustment to the county auditor. If a



1 public library receiving property tax replacement credits under this
 2 section does not impose a property tax levy for a particular fund that is
 3 first due and payable in a calendar year in which the property tax
 4 replacement credits are being distributed, the public library is not
 5 required to allocate to that fund a part of the property tax replacement
 6 credits to be distributed to the public library. Notwithstanding
 7 IC 6-1.1-20-1.1(a)(1), a public library that receives property tax
 8 replacement credits under this section is subject to the procedures for
 9 the issuance of bonds set forth in IC 6-1.1-20.

10 (e) A public library shall treat property tax replacement credits
 11 received during a particular calendar year under this section as a part
 12 of the public library's property tax levy for each fund for that same
 13 calendar year for purposes of fixing the public library's budget and for
 14 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

15 (f) For the purpose of allocating tax revenue under IC 6-3.6-6 and
 16 computing and distributing tax revenue under IC 6-5.5 or IC 6-6-5, the
 17 property tax replacement credits that are received under this section
 18 shall be treated as though they were property taxes that were due and
 19 payable during that same calendar year.

20 SECTION 130. IC 6-3.6-7-28, AS AMENDED BY P.L.136-2024,
 21 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2026]: Sec. 28. (a) This section applies to Grant County and
 23 only if the ~~local income tax council~~ **county adopting body** repeals
 24 provisions of its local income tax ordinance providing that under
 25 IC 6-3.6-10-2(7) one-hundredth of one percent (0.01%) of the county's
 26 special purpose rate revenue is used to fund the Grant County
 27 Economic Growth Council, Inc.

28 (b) The ~~local income tax council~~ **county adopting body** may, by
 29 ordinance, determine that additional local income tax revenue is
 30 needed in the county to do the following:

31 (1) Finance, construct, acquire, improve, renovate, and equip the
 32 county jail, including costs related to the demolition of existing
 33 buildings, the acquisition of land, and any other reasonably
 34 related costs.

35 (2) Repay bonds issued or leases entered into for the purposes
 36 described in subdivision (1).

37 (c) If the ~~local income tax council~~ **county adopting body** makes the
 38 determination set forth in subsection (b), the ~~local income tax council~~
 39 **county adopting body** may impose a tax on the adjusted gross income
 40 of local taxpayers at a tax rate that does not exceed the lesser of the
 41 following:

42 (1) Five-tenths percent (0.5%).



- 1 (2) The rate necessary to carry out the purposes described in this
2 section.
3 The tax rate may not be greater than the rate necessary to pay for the
4 purposes described in subsection (b).
5 (d) The tax rate used to pay for the purposes described in subsection
6 (b)(1) and (b)(2) may be imposed only until the latest of the following
7 dates:
8 (1) The date on which the financing, construction, acquisition,
9 improvement, renovation, and equipping of the facilities as
10 described in subsection (b) are completed.
11 (2) The date on which the last of any bonds issued (including
12 refunding bonds) or leases entered into to finance the
13 construction, acquisition, improvement, renovation, and
14 equipping of the facilities described in subsection (b) are fully
15 paid.
16 (3) The date on which an ordinance adopted under subsection (c)
17 is rescinded.
18 (e) The tax rate under this section may be imposed beginning in the
19 year following the year the ordinance is adopted and until the date on
20 which the ordinance adopted under this section is rescinded.
21 (f) The term of a bond issued (including any refunding bond) or a
22 lease entered into under subsection (b) may not exceed twenty-five (25)
23 years.
24 (g) The county treasurer shall establish a county jail revenue fund
25 to be used only for the purposes described in this section. Local income
26 tax revenues derived from the tax rate imposed under this section shall
27 be deposited in the county jail revenue fund.
28 (h) Local income tax revenues derived from the tax rate imposed
29 under this section:
30 (1) may be used only for the purposes described in this section;
31 (2) may not be considered by the department of local government
32 finance in determining the county's maximum permissible
33 property tax levy limit under IC 6-1.1-18.5; and
34 (3) may be pledged to the repayment of bonds issued or leases
35 entered into for the purposes described in subsection (b).
36 (i) Grant County possesses unique governmental challenges and
37 opportunities due to deficiencies in the current county jail. The use of
38 local income tax revenues as provided in this section is necessary for
39 the county to provide adequate jail capacity in the county and to
40 maintain low property tax rates essential to economic development.
41 The use of local income tax revenues as provided in this section to pay
42 any bonds issued or leases entered into to finance the construction,



1 acquisition, improvement, renovation, and equipping of the facilities
 2 described in subsection (b), rather than the use of property taxes,
 3 promotes those purposes.

4 (j) Money accumulated from the local income tax rate imposed
 5 under this section after the termination of the tax under this section
 6 shall be transferred to the county rainy day fund under IC 36-1-8-5.1.

7 SECTION 131. IC 6-3.6-8-3, AS ADDED BY P.L.243-2015,
 8 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2027]: Sec. 3. (a) For purposes of this article, an
 10 individual shall be treated as a resident of the county **(or the**
 11 **municipality in the case of a local income tax imposed under**
 12 **IC 6-3.6-6-22)** in which the individual:

- 13 (1) maintains a home, if the individual maintains only one (1)
 14 home in Indiana;
- 15 (2) if subdivision (1) does not apply, is registered to vote;
- 16 (3) if subdivision (1) or (2) does not apply, registers the
 17 individual's personal automobile; or
- 18 (4) spent the majority of the individual's time in Indiana during
 19 the taxable year in question, if subdivision (1), (2), or (3) does not
 20 apply.

21 (b) The residence ~~or principal place of business or employment~~ of
 22 an individual is to be determined on January 1 of the calendar year in
 23 which the individual's taxable year commences. If an individual
 24 changes the location of the individual's residence ~~or principal place of~~
 25 ~~employment or business~~ to another county **(or municipality in the**
 26 **case of a local income tax imposed under IC 6-3.6-6-22)** in Indiana
 27 during a calendar year, the individual's liability for tax is not affected.

28 (c) Notwithstanding subsection (b), if an individual becomes a local
 29 taxpayer for purposes of IC 36-7-27 during a calendar year because the
 30 individual

- 31 ~~(1) changes the location of the individual's residence to a county~~
 32 **or municipality** in which the individual begins employment or
 33 business at a qualified economic development tax project (as
 34 defined in IC 36-7-27-9), ~~or~~
- 35 ~~(2) changes the location of the individual's principal place of~~
 36 ~~employment or business to a qualified economic development tax~~
 37 ~~project and does not reside in another county in which a tax is in~~
 38 ~~effect;~~

39 the individual's adjusted gross income attributable to employment or
 40 business at the qualified economic development tax project is taxable
 41 only by the county **or municipality** containing the qualified economic
 42 development tax project.



1 SECTION 132. IC 6-3.6-8-4, AS ADDED BY P.L.243-2015,
 2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2026]: Sec. 4. (a) Using procedures provided under this
 4 chapter, the adopting body of any adopting county **or municipality**
 5 may pass an ordinance to enter into reciprocity agreements with the
 6 taxing authority of any city, town, municipality, county, or other similar
 7 local governmental entity of any other state. The reciprocity
 8 agreements must provide that the income of resident local taxpayers is
 9 exempt from income taxation by the other local governmental entity to
 10 the extent income of the residents of the other local governmental
 11 entity is exempt from the tax in the adopting county **or municipality**.

12 (b) A reciprocity agreement adopted under this section may not
 13 become effective until it is also made effective in the other local
 14 governmental entity that is a party to the agreement.

15 (c) The form and effective date of any reciprocity agreement
 16 described in this section must be approved by the department.

17 SECTION 133. IC 6-3.6-8-5, AS AMENDED BY P.L.197-2016,
 18 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JANUARY 1, 2027]: Sec. 5. (a) Except as otherwise provided in
 20 subsection (b) and the other provisions of this article, all provisions of
 21 the adjusted gross income tax law (IC 6-3) concerning:

- 22 (1) definitions;
- 23 (2) declarations of estimated tax;
- 24 (3) filing of returns;
- 25 (4) deductions or exemptions from adjusted gross income;
- 26 (5) remittances;
- 27 (6) incorporation of the provisions of the Internal Revenue Code;
- 28 (7) penalties and interest; and
- 29 (8) exclusion of military pay credits for withholding;

30 apply to the imposition, collection, and administration of the tax
 31 imposed by this article.

32 (b) IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the tax
 33 imposed by this article.

34 (c) Notwithstanding subsections (a) and (b), each employer shall
 35 report to the department of state revenue the amount of withholdings
 36 attributable to each county **(or each municipality in the case of a**
 37 **local income tax imposed under IC 6-3.6-6-22)**. This report shall be
 38 submitted to the department of state revenue:

- 39 (1) each time the employer remits to the department the tax that
 40 is withheld; and
- 41 (2) annually along with the employer's annual withholding report.

42 SECTION 134. IC 6-3.6-9-1, AS AMENDED BY P.L.165-2021,



1 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 2026]: Sec. 1. (a) The budget agency shall maintain an
 3 accounting for each county imposing a tax based on annual returns
 4 filed by or for county taxpayers. Any undistributed amounts so
 5 accounted for shall be held in reserve for the respective counties
 6 separate from the state general fund.

7 (b) Undistributed amounts shall be invested by the treasurer of state
 8 and the income earned shall be credited to the counties based on each
 9 county's undistributed amount.

10 (c) **This section expires December 31, 2026.**

11 SECTION 135. IC 6-3.6-9-1.1 IS ADDED TO THE INDIANA
 12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2026]: **Sec. 1.1. As used in this chapter, "local
 14 income tax holding account" refers to the local income tax holding
 15 account established by section 20 of this chapter.**

16 SECTION 136. IC 6-3.6-9-4, AS AMENDED BY P.L.137-2022,
 17 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2026]: Sec. 4. Revenue derived from the imposition of the tax
 19 shall, in the manner prescribed by this chapter, be distributed to the
 20 county that imposed it. The amount that is to be distributed to a county
 21 during an ensuing calendar year equals the amount of tax revenue that
 22 the budget agency determines has been:

23 (1) attributed to that county for a taxable year ending in a calendar
 24 year preceding the calendar year in which the determination is
 25 made; and

26 (2) reported on an annual return or amended return filed by or for
 27 a county taxpayer and processed by the department in the state
 28 fiscal year ending before July 1, or for a federal income tax
 29 deadline set after July 1, a date set by the department for a period
 30 of not more than sixty (60) days beyond the federal deadline, of
 31 the calendar year in which the determination is made;

32 **without adjustment based on the enactment of a tax rate change
 33 under IC 6-3.6-6-2 or IC 6-3.6-6-22 in the first preceding calendar
 34 year it becomes effective.**

35 SECTION 137. IC 6-3.6-9-4.1, AS ADDED BY P.L.165-2021,
 36 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2026]: Sec. 4.1. The budget agency shall adjust the amounts
 38 determined under section 4 of this chapter for the credits claimed
 39 against local income taxes under IC 6-3.6-8-6 and IC 6-3.1-19. The
 40 adjustments made by the budget agency may be phased-in over several
 41 ~~fiscal~~ **calendar** years until the credits are fully accounted for.

42 SECTION 138. IC 6-3.6-9-5, AS AMENDED BY P.L.32-2021,



1 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 2026]: Sec. 5. (a) Before August 2 of each calendar year, the
 3 budget agency shall provide to the department of local government
 4 finance and the county auditor of each adopting county an estimate of
 5 the amount determined under section 4 of this chapter that will be
 6 distributed to the county, based on known tax rates. Subject to
 7 subsection (c), not later than fifteen (15) days after receiving the
 8 estimate of the certified distribution, the department of local
 9 government finance shall determine for each taxing unit and notify the
 10 county auditor of the estimated amount of property tax credits, school
 11 distributions, public safety revenue, economic development revenue,
 12 certified shares, and special purpose revenue that will be distributed to
 13 the taxing unit under this chapter during the ensuing calendar year. Not
 14 later than thirty (30) days after receiving the department's estimate, the
 15 county auditor shall notify each taxing unit of the amounts estimated
 16 for the taxing unit.

17 (b) (a) Before October 1 of each calendar year, the budget agency
 18 shall certify to the department of local government finance and the
 19 county auditor of each adopting county

20 (1) the amount determined under ~~section sections~~ **sections 4 and 4.1** of
 21 this chapter. ~~and~~

22 (2) the amount of interest in the county's account that has accrued
 23 and has not been included in a certification made in a preceding
 24 year.

25 The amount certified is the county's certified distribution for the
 26 immediately succeeding calendar year. The amount certified shall be
 27 adjusted, as necessary, under sections ~~6, 7, and 8~~ **6 and 7** of this
 28 chapter. Subject to subsection ~~(d); (b)~~, not later than ~~fifteen (15) days~~
 29 **thirty (30) days** after receiving the amount of the certified distribution,
 30 the department of local government finance shall determine for each
 31 taxing unit and notify the county auditor of the certified amount of
 32 property tax credits, school distributions, public safety revenue,
 33 economic development revenue, certified shares, and special purpose
 34 revenue that will be distributed to the taxing unit under this chapter
 35 during the ensuing calendar year. Not later than thirty (30) days after
 36 receiving the department's estimate, the county auditor shall notify each
 37 taxing unit of the certified amounts for the taxing unit.

38 (c) This subsection applies to Lake County. When the department
 39 of local government finance notifies the county auditor of the estimated
 40 amount of property tax credits, school distributions, public safety
 41 revenue, economic development revenue, certified shares, and special
 42 purpose revenue that will be distributed to the taxing unit under this



1 chapter during the ensuing calendar year; the department of local
 2 government finance shall also determine the amount of additional
 3 revenue allocated for economic development purposes that will be
 4 distributed to each civil taxing unit; reduced by an amount that is equal
 5 to the following percentages of the tax revenue that would otherwise be
 6 allocated for economic development purposes and distributed to the
 7 civil taxing unit:

8 (1) For Lake County, an amount equal to twenty-five percent
 9 (25%).

10 (2) For Crown Point, an amount equal to ten percent (10%).

11 (3) For Dyer, an amount equal to fifteen percent (15%).

12 (4) For Gary, an amount equal to seven and five-tenths percent
 13 (7.5%).

14 (5) For Hammond, an amount equal to fifteen percent (15%).

15 (6) For Highland, an amount equal to twelve percent (12%).

16 (7) For Hobart, an amount equal to eighteen percent (18%).

17 (8) For Lake Station, an amount equal to twenty percent (20%).

18 (9) For Lowell, an amount equal to fifteen percent (15%).

19 (10) For Merrillville, an amount equal to twenty-two percent
 20 (22%).

21 (11) For Munster, an amount equal to thirty-four percent (34%).

22 (12) For New Chicago, an amount equal to one percent (1%).

23 (13) For Schererville, an amount equal to ten percent (10%).

24 (14) For Schneider, an amount equal to twenty percent (20%).

25 (15) For Whiting, an amount equal to twenty-five percent (25%).

26 (16) For Winfield, an amount equal to fifteen percent (15%).

27 The department of local government finance shall notify the county
 28 auditor of the amounts of the reductions and the remaining amounts to
 29 be distributed:

30 (d) (b) This subsection applies to Lake County. When the
 31 department of local government finance notifies the county auditor of
 32 the certified amount of ~~property tax credits, school distributions, public~~
 33 ~~safety revenue, economic development revenue, certified shares, and~~
 34 ~~special purpose revenue~~ that will be distributed to the taxing unit under
 35 this chapter during the ensuing calendar year, the department of local
 36 government finance shall also determine the amount of ~~additional~~
 37 ~~revenue general purpose revenue~~ allocated for economic development
 38 purposes that will be distributed to each civil taxing unit, reduced by
 39 an amount that is equal to the following percentages of the tax revenue
 40 that would otherwise be allocated for economic development purposes
 41 and distributed to the civil taxing unit:

42 (1) For Lake County, an amount equal to twenty-five percent



- 1 (25%).
- 2 (2) For Crown Point, an amount equal to ten percent (10%).
- 3 (3) For Dyer, an amount equal to fifteen percent (15%).
- 4 (4) For Gary, an amount equal to seven and five-tenths percent
- 5 (7.5%).
- 6 (5) For Hammond, an amount equal to fifteen percent (15%).
- 7 (6) For Highland, an amount equal to twelve percent (12%).
- 8 (7) For Hobart, an amount equal to eighteen percent (18%).
- 9 (8) For Lake Station, an amount equal to twenty percent (20%).
- 10 (9) For Lowell, an amount equal to fifteen percent (15%).
- 11 (10) For Merrillville, an amount equal to twenty-two percent
- 12 (22%).
- 13 (11) For Munster, an amount equal to thirty-four percent (34%).
- 14 (12) For New Chicago, an amount equal to one percent (1%).
- 15 (13) For Schererville, an amount equal to ten percent (10%).
- 16 (14) For Schneider, an amount equal to twenty percent (20%).
- 17 (15) For Whiting, an amount equal to twenty-five percent (25%).
- 18 (16) For Winfield, an amount equal to fifteen percent (15%).

19 The department of local government finance shall notify the county
 20 auditor of the remaining amounts to be distributed and the amounts of
 21 the reductions that will be withheld under IC 6-3.6-11-5.5.

22 SECTION 139. IC 6-3.6-9-6, AS ADDED BY P.L.243-2015,
 23 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2026]: Sec. 6. The budget agency shall certify an amount less
 25 than the amount determined under section ~~5(b)~~ **5(a)** of this chapter if
 26 the budget agency determines that the reduced distribution is necessary
 27 to offset overpayments made in a calendar year before the calendar year
 28 of the distribution. The budget agency may reduce the amount of the
 29 certified distribution over several calendar years so that any
 30 overpayments are offset over several years rather than in one (1) lump
 31 sum.

32 SECTION 140. IC 6-3.6-9-7, AS ADDED BY P.L.243-2015,
 33 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2026]: Sec. 7. **(a)** The budget agency shall adjust the certified
 35 distribution of a county to correct for any clerical or mathematical
 36 errors made in any previous certification under this section. The budget
 37 agency may reduce the amount of the certified distribution over several
 38 calendar years so that any adjustment under this subsection is offset
 39 over several years rather than in one (1) lump sum.

40 **(b) The budget agency may not reduce, adjust, or modify a**
 41 **certified distribution of a county after it has been presented as part**
 42 **of the report to the budget committee for the immediately**



1 **succeeding calendar year under section 21 of this chapter, except**
 2 **in the case of clerical and mathematical errors.**

3 SECTION 141. IC 6-3.6-9-8 IS REPEALED [EFFECTIVE JULY
 4 1, 2026]. Sec. 8. This section applies to a county that imposes,
 5 increases, decreases, or rescinds a tax or tax rate under this article
 6 before November 1 in the same calendar year in which the budget
 7 agency makes a certification under this section. The budget agency
 8 shall adjust the certified distribution of a county to provide for a
 9 distribution in the immediately following calendar year and in each
 10 calendar year thereafter. The budget agency shall provide for a full
 11 transition to certification of distributions as provided in section 4(1)
 12 through 4(2) of this chapter in the manner provided in section 6 of this
 13 chapter. If the county imposes, increases, decreases, or rescinds a tax
 14 or tax rate under this article after the date for which a certification
 15 under section 5(b) of this chapter is based, the budget agency shall
 16 adjust the certified distribution of the county after October 1 and before
 17 December 1 of the calendar year. The adjustment must reflect any other
 18 adjustment required under sections 6 and 7 of this chapter. The
 19 adjusted certification shall be treated as the county's certified
 20 distribution for the immediately succeeding calendar year. The budget
 21 agency shall certify the adjusted certified distribution to the county
 22 auditor for the county and provide the county council with an
 23 informative summary of the calculations that revises the informative
 24 summary provided in section 9 of this chapter and reflects the changes
 25 made in the adjustment.

26 SECTION 142. IC 6-3.6-9-8.5 IS REPEALED [EFFECTIVE JULY
 27 1, 2026]. Sec. 8.5: (a) The budget agency shall before February 1,
 28 2018, transfer to the state general fund from each county's trust account
 29 established under IC 6-3.6 an amount equal to:

30 (1) the amount of the county's certified distribution under IC 6-3.6
 31 that is allocated to certified shares under IC 6-3.6-6 for calendar
 32 year 2017; multiplied by

33 (2) five-tenths of one percent (0.5%);

34 to reimburse the state general fund for expenditures related to the
 35 department's information technology modernization project.

36 (b) To the extent that the balance in a county's trust account is
 37 insufficient for the budget agency to make the entire amount of the
 38 transfer required under subsection (a) before February 1, 2018; the
 39 budget agency shall make any remaining part of the required transfer
 40 from the county's trust account in subsequent years on a schedule
 41 determined by the budget agency until the entire amount of the
 42 required transfer has been made.



1 SECTION 143. IC 6-3.6-9-9, AS AMENDED BY P.L.257-2019,
 2 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2026]: Sec. 9. The budget agency shall provide the adopting
 4 body with an informative summary of the calculations used to
 5 determine the certified distribution. The summary of calculations must
 6 include:

- 7 (1) the amount reported on individual income tax returns
 8 processed by the department during the previous fiscal year;
 9 (2) adjustments for over distributions in prior years; **and**
 10 (3) adjustments for clerical or mathematical errors in prior years.
 11 **and**
 12 ~~(4) adjustments for tax rate changes.~~

13 SECTION 144. IC 6-3.6-9-10, AS AMENDED BY P.L.137-2024,
 14 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2026]: Sec. 10. The budget agency shall also certify
 16 information concerning the part of the certified distribution that is
 17 attributable to each of the following:

- 18 (1) The tax rate imposed under IC 6-3.6-5 **(before its expiration).**
 19 **This subdivision expires July 1, 2027.**
 20 (2) The tax rate imposed under IC 6-3.6-6, separately stating:
 21 (A) the part of the distribution attributable to a tax rate
 22 imposed under IC 6-3.6-6-2.5 **(before its repeal);**
 23 (B) the part of the distribution attributable to a tax rate
 24 imposed under IC 6-3.6-6-2.6 **(before its repeal); and**
 25 (C) the part of the distribution attributable to a tax rate
 26 imposed under IC 6-3.6-6-2.7 **(before its repeal);**
 27 **(D) the part of the distribution attributable to a tax rate**
 28 **imposed under IC 6-3.6-6-2.8 (before its repeal); and**
 29 **(E) the part of the distribution attributable to a tax rate**
 30 **imposed under IC 6-3.6-6-2.9 (before its repeal).**
 31 (3) Each tax rate imposed under IC 6-3.6-7.
 32 (4) In the case of Marion County, the local income taxes paid by
 33 local taxpayers described in IC 6-3.6-2-13(3) **(before January 1,**
 34 **2027) or IC 6-3.6-2-13(2) (after December 31, 2026).**

35 The amount certified shall be adjusted to reflect any adjustment in the
 36 certified distribution under this chapter.

37 SECTION 145. IC 6-3.6-9-11, AS AMENDED BY P.L.197-2016,
 38 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2026]: Sec. 11. The information described in sections 9 and
 40 10 of this chapter must be certified to the county auditor, to the fiscal
 41 officer of each taxing unit in the county, and to the department of local
 42 government finance not later than ~~the later of the following:~~



1 (†) October 1 of each calendar year.
2 (2) ~~Thirty (30) days after the adopting body certifies a new rate to~~
3 ~~the budget agency.~~
4 SECTION 146. IC 6-3.6-9-12, AS ADDED BY P.L.243-2015,
5 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2026]: Sec. 12. One-twelfth (1/12) of each adopting county's
7 certified distribution for a calendar year shall be distributed:
8 **(1) before January 1, 2027**, from its trust account established
9 under this chapter; **and**
10 **(2) after December 31, 2026, from the local income tax**
11 **holding account established under this chapter;**
12 to the appropriate county treasurer on the first regular business day of
13 each month of that calendar year.
14 SECTION 147. IC 6-3.6-9-13, AS AMENDED BY P.L.9-2024,
15 SECTION 192, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2026]: Sec. 13. **(a)** All distributions from a trust
17 account established under this chapter shall be made by warrants issued
18 by the state comptroller to the treasurer of state ordering the
19 appropriate payments.
20 **(b) This section expires December 31, 2026.**
21 SECTION 148. IC 6-3.6-9-14 IS REPEALED [EFFECTIVE JULY
22 1, 2026]. ~~Sec. 14. Before November 2 of each year, the budget agency~~
23 ~~shall submit a report to each county auditor indicating the balance in~~
24 ~~the county's trust account as of the cutoff date set by the budget agency.~~
25 SECTION 149. IC 6-3.6-9-15 IS REPEALED [EFFECTIVE
26 JANUARY 1, 2027]. ~~Sec. 15. (a) If the budget agency determines that~~
27 ~~the balance in a county trust account exceeds fifteen percent (15%) of~~
28 ~~the certified distributions to be made to the county in the determination~~
29 ~~year, the budget agency shall make a supplemental distribution to the~~
30 ~~county from the county's trust account. The budget agency shall use the~~
31 ~~trust account balance as of December 31 of the year that precedes the~~
32 ~~determination year by two (2) years (referred to as the "trust account~~
33 ~~balance year" in this section):~~
34 ~~(b) A supplemental distribution described in subsection (a) must be:~~
35 ~~(1) made at the same time as the determinations are provided to~~
36 ~~the county auditor under subsection (d)(3); and~~
37 ~~(2) allocated in the same manner as certified distributions for the~~
38 ~~purposes described in this article.~~
39 ~~(c) The amount of a supplemental distribution described in~~
40 ~~subsection (a) is equal to the amount by which:~~
41 ~~(1) the balance in the county trust account; minus~~
42 ~~(2) the amount of any supplemental or special distribution that has~~



1 not yet been accounted for in the last known balance of the
2 county's trust account;
3 exceeds fifteen percent (15%) of the certified distributions to be made
4 to the county in the determination year.

5 (d) For a county that qualifies for a supplemental distribution under
6 this section in a year, the following apply:

7 (1) Before February 15, the budget agency shall update the
8 information described in section 9 of this chapter to include the
9 excess account balances to be distributed under this section.

10 (2) Before May 2, the budget agency shall provide the amount of
11 the supplemental distribution for the county to the department of
12 local government finance and to the county auditor.

13 (3) The department of local government finance shall determine
14 for the county and each taxing unit within the county:

15 (A) the amount and allocation of the supplemental distribution
16 attributable to the taxes that were imposed as of December 31
17 of the trust account balance year, including any specific
18 distributions for that year; and

19 (B) the amount of the allocation for each of the purposes set
20 forth in this article, using the allocation percentages in effect
21 in the trust account balance year.

22 The department of local government finance shall provide these
23 determinations to the county auditor before May 16 of the
24 determination year.

25 (4) Before June 1, the county auditor shall distribute to each
26 taxing unit the amount of the supplemental distribution that is
27 allocated to the taxing unit under subdivision (3). However, for a
28 county with a former tax to provide for a levy freeze under
29 IC 6-3.6-11-1, the supplemental distribution shall first be
30 distributed as determined in any resolution adopted under
31 IC 6-3.6-11-1(d).

32 For determinations before 2019, the tax rates in effect under and the
33 allocation methods specified in the former income tax laws shall be
34 used for the determinations under subdivision (3).

35 (e) For any part of a supplemental distribution attributable to
36 property tax credits under a former income tax or IC 6-3.6-5, the
37 adopting body for the county may allocate the supplemental
38 distribution to property tax credits for not more than the three (3) years
39 after the year the supplemental distribution is received.

40 (f) Any income earned on money held in a trust account established
41 for a county under this chapter shall be deposited in that trust account.

42 SECTION 150. IC 6-3.6-9-16, AS ADDED BY P.L.243-2015,



1 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2026]: Sec. 16. Upon receipt, each monthly payment of a
3 county's certified distribution ~~or supplemental distribution~~ shall be
4 allocated and distributed to the appropriate entities in accordance with
5 this article and the allocation ordinances adopted under this article.

6 SECTION 151. IC 6-3.6-9-17.5 IS ADDED TO THE INDIANA
7 CODE AS A NEW SECTION TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2026]: **Sec. 17.5. (a) As used in this section,**
9 **"trust account" refers to a trust account maintained for a county**
10 **under this chapter before January 1, 2027.**

11 **(b) Before December 1, 2026, the budget agency shall determine**
12 **the greater of zero (0) or the result of the difference between:**

13 **(1) the county's trust account balance as of December 31,**
14 **2025; minus**

15 **(2) the county's certified distribution amount for 2027;**
16 **and distribute that amount as set forth in this section.**

17 **(c) Before May 1, 2027, and before May 1 of each calendar year**
18 **through 2031, the budget agency shall make an annual special**
19 **distribution to each county equal to twenty percent (20%) of the**
20 **amount determined for the county under subsection (b).**

21 **(d) Before May 1, 2027, and before May 1 of each calendar year**
22 **through 2031, the budget agency and the department of local**
23 **government finance shall jointly determine and provide to the**
24 **county auditor the following:**

25 **(1) The county's trust account balance.**

26 **(2) Each taxing unit's allocation amount as determined under**
27 **this article.**

28 **(e) Before June 1, 2027, and before June 1 of each calendar year**
29 **through 2031, the county auditor shall distribute to each taxing**
30 **unit an amount equal to the taxing unit's allocation amount.**

31 **(f) Money distributed to a county, city, or town may be used by**
32 **the county, city, or town for any of the purposes of the county, city,**
33 **or town.**

34 **(g) After December 31, 2026, the county's certified distribution**
35 **amount for 2027 shall be maintained in the accounting for the**
36 **county under section 21 of this chapter and transferred as set forth**
37 **in section 21 of this chapter.**

38 **(h) This section expires January 1, 2032.**

39 SECTION 152. IC 6-3.6-9-20 IS ADDED TO THE INDIANA
40 CODE AS A NEW SECTION TO READ AS FOLLOWS
41 [EFFECTIVE JULY 1, 2026]: **Sec. 20. (a) The local income tax**
42 **holding account is established within the state general fund for the**



1 purposes of this chapter. The budget agency shall administer the
 2 account. The account consists of the following:
 3 (1) Money transferred to the account under section 21 of this
 4 chapter.
 5 (2) Money transferred to the account from any other source.
 6 (3) Interest that accrues from money in the account.
 7 (b) The treasurer of state shall invest the money in the account
 8 not currently needed for the purposes of the account in the same
 9 manner as other public funds may be invested.
 10 (c) Money in the account is continuously appropriated for the
 11 purposes of this chapter.
 12 (d) Money in the account at the end of a state fiscal year does
 13 not revert to the state general fund.
 14 (e) Money transferred to the account shall be distributed and
 15 allocated as set forth in this chapter.
 16 SECTION 153. IC 6-3.6-9-21 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2026]: Sec. 21. (a) The budget agency shall
 19 maintain an accounting for each county imposing a tax based on
 20 annual returns filed by or for county taxpayers. Beginning after
 21 December 31, 2026, any undistributed amounts so accounted shall
 22 be held for purposes of the local income tax holding account.
 23 (b) After December 1, but before December 31 of each year, the
 24 budget agency shall present to the budget committee a report of the
 25 following:
 26 (1) An estimate of the monthly certified distribution amounts
 27 for the immediately succeeding calendar year.
 28 (2) A description of the method used to determine the monthly
 29 estimates under subdivision (1).
 30 (3) The balance in the local income tax holding account, which
 31 shall include an accounting of the undistributed amounts held
 32 for each county under subsection (a).
 33 (c) Beginning in 2027, and in each calendar year thereafter, the
 34 budget agency shall each month transfer to the local income tax
 35 holding account the amount determined for the month under
 36 subsection (b)(1) for distribution under this chapter.
 37 SECTION 154. IC 6-3.6-10-2, AS AMENDED BY P.L.247-2017,
 38 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2027]: Sec. 2. A county, city, or town may use revenue
 40 allocated for economic development purposes under ~~IC 6-3.6-6-9~~
 41 **IC 6-3.6-6** for any combination of the following purposes:
 42 (1) To pay all or a part of the interest owed by a private developer



- 1 or user on a loan extended by a financial institution or other
- 2 lender to the developer or user if the proceeds of the loan are or
- 3 are to be used to finance an economic development project.
- 4 (2) For the retirement of bonds for economic development
- 5 projects.
- 6 (3) For leases or for leases or bonds entered into or issued before
- 7 the date the county economic development income tax (IC 6-3.5-7
- 8 repealed) was imposed if the purpose of the lease or bonds would
- 9 have qualified as a purpose under this article at the time the lease
- 10 was entered into or the bonds were issued.
- 11 (4) The construction or acquisition of, or remedial action with
- 12 respect to, a capital project for which the unit is empowered to
- 13 issue general obligation bonds or establish a fund under any
- 14 statute listed in IC 6-1.1-18.5-9.8.
- 15 (5) The retirement of bonds issued under any provision of Indiana
- 16 law for a capital project.
- 17 (6) The payment of lease rentals under any statute for a capital
- 18 project.
- 19 (7) Contract payments to a nonprofit corporation whose primary
- 20 corporate purpose is to assist government in planning and
- 21 implementing economic development projects.
- 22 (8) Operating expenses of a governmental entity that plans or
- 23 implements economic development projects.
- 24 (9) Funding of a revolving fund established under IC 5-1-14-14.
- 25 (10) For a regional venture capital fund or a local venture capital
- 26 fund.
- 27 (11) For any lawful purpose for which money in any of its other
- 28 funds may be used.

29 SECTION 155. IC 6-3.6-10-3, AS ADDED BY P.L.243-2015,
 30 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JANUARY 1, 2027]: Sec. 3. (a) The fiscal body of a county, city, or
 32 town may issue bonds payable from revenue under IC 6-3.6-6. The
 33 bonds must be for economic development projects.

34 (b) The fiscal body of a county, city, or town may issue bonds
 35 payable from revenue described in section 2 of this chapter for any
 36 capital project for which the fiscal body is authorized to issue general
 37 obligation bonds. The bonds issued under this section may be payable
 38 from the tax if the county option income tax (IC 6-3.5-6 repealed), the
 39 county adjusted gross income tax (IC 6-3.5-1.1 repealed), or a tax
 40 under IC 6-3.6-6 is also in effect in the county at the time the bonds are
 41 issued.

42 (c) If there are bonds outstanding that have been issued under this



1 section, or leases in effect under section 4 of this chapter, the adopting
 2 body may not reduce the tax imposed under IC 6-3.6-6, or an allocation
 3 under ~~IC 6-3.6-6-9~~, **IC 6-3.6-6**, or ~~certified shares general purpose~~
 4 **revenue** pledged to repay bonds, as appropriate, below a rate that
 5 would produce one and twenty-five hundredths (1.25) times the total
 6 of the highest annual debt service on the bonds to their final maturity,
 7 plus the highest annual lease payments, unless:

- 8 (1) the body that imposed a tax under IC 6-3.6-6; or
 9 (2) any city, town, or county;

10 pledges all or a part of its ~~certified shares general purpose revenue~~ for
 11 the life of the bonds or the term of the lease, in an amount that is
 12 sufficient, when combined with the amount pledged by the city, town,
 13 or county that issued the bonds, to produce one and twenty-five
 14 hundredths (1.25) times the total of the highest outstanding annual debt
 15 service plus the highest annual lease payments.

16 (d) For purposes of subsection (c), the determination of a tax rate
 17 sufficient to produce one and twenty-five hundredths (1.25) times the
 18 total of the highest outstanding annual debt service plus the highest
 19 annual lease payments must be based on an average of the immediately
 20 preceding three (3) years tax collections, if the tax has been imposed
 21 for the last preceding three (3) years. If the tax has not been imposed
 22 for the last preceding three (3) years, the body that imposed the tax may
 23 not reduce the rate below a rate that would produce one and twenty-five
 24 hundredths (1.25) times the total of the highest annual debt service,
 25 plus the highest annual lease payments, based upon a study by a
 26 qualified public accountant or financial advisor.

27 (e) IC 6-1.1-20 does not apply to the issuance of bonds under this
 28 section.

29 (f) Bonds issued under this section may be sold at a public sale in
 30 accordance with IC 5-1-11 or may be sold at a negotiated sale.

31 (g) After a sale of bonds under this section, the county auditor shall
 32 prepare a debt service schedule for the bonds.

33 (h) The general assembly covenants that it will not repeal or amend
 34 this article in a manner that would adversely affect owners of
 35 outstanding bonds issued, or payment of any lease rentals due, under
 36 this section.

37 SECTION 156. IC 6-3.6-10-5, AS ADDED BY P.L.243-2015,
 38 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2027]: Sec. 5. Notwithstanding any other law **and**
 40 **subject to IC 6-3.6-18(b)**, if a civil taxing unit desires to issue
 41 obligations, or enter into leases, payable wholly or in part by the taxes
 42 imposed under IC 6-3.6-6 or IC 6-3.6-7, (~~but not IC 6-3.6-5~~); the



1 obligations of the civil taxing unit or any lessor may be sold at public
2 sale in accordance with IC 5-1-11 or at negotiated sale.

3 SECTION 157. IC 6-3.6-10-6, AS ADDED BY P.L.243-2015,
4 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2027]: Sec. 6. (a) A pledge of revenues from a tax
6 imposed under IC 6-3.6-6 or IC 6-3.6-7 (but not IC 6-3.6-5 **before its**
7 **expiration**) is enforceable in accordance with IC 5-1-14.

8 (b) With respect to obligations for which a pledge has been made
9 under IC 6-3.6-6 or IC 6-3.6-7 (but not IC 6-3.6-5 **before its**
10 **expiration**), the general assembly covenants with the county and the
11 purchasers or owners of those obligations that this article will not be
12 repealed or amended in any manner that will adversely affect the tax
13 collected under this article as long as the principal of or interest on
14 those obligations is unpaid.

15 SECTION 158. IC 6-3.6-11-1 IS REPEALED [EFFECTIVE
16 JANUARY 1, 2027]. Sec. 4. (a) ~~This section applies to any county that~~
17 ~~imposed a former tax to provide for a levy freeze.~~

18 (b) ~~The tax rate used to provide for a levy freeze shall be part of the~~
19 ~~tax rate under IC 6-3.6-6. The maximum tax rate that may be applied~~
20 ~~for a levy freeze is one percent (1%). The levy freeze tax rate may be~~
21 ~~increased but not decreased or rescinded unless an adopting body~~
22 ~~adopts a resolution to request approval from the department of local~~
23 ~~government finance to lower the levy freeze tax rate.~~

24 (c) ~~The department of local government finance shall approve a~~
25 ~~lower levy freeze tax rate if it finds that the lower rate, in addition to:~~

26 (1) ~~the supplemental distribution as determined in a resolution~~
27 ~~adopted under subsection (d); and~~

28 (2) ~~the amount in the stabilization fund established under~~
29 ~~IC 6-3.5-1.1-24 (repeated) or IC 6-3.5-6-30 (repeated), as~~
30 ~~applicable;~~

31 ~~would fund the levy freeze dollar amount (the total amount of foregone~~
32 ~~maximum levy increases for all taxing units for all years): If the~~
33 ~~department approves a lower levy freeze tax rate, the adopting body~~
34 ~~must adopt an ordinance to lower the levy freeze tax rate before the~~
35 ~~lower rate may take effect. The county shall provide the department~~
36 ~~with a determination of the amount in the stabilization funds for~~
37 ~~purposes of this subsection.~~

38 (d) ~~A county may adopt a resolution to require that a supplemental~~
39 ~~distribution amount to be distributed under IC 6-3.6-9-15(d)(4) shall~~
40 ~~first be used to lower the levy freeze tax rate in subsection (c). If a~~
41 ~~resolution is adopted, the supplemental distribution under~~
42 ~~IC 6-3.6-9-15(d)(4) shall first be used to lower a county's levy freeze~~



1 tax rate and any additional supplemental distribution calculated that is
 2 above the amount needed to lower the levy freeze tax rate shall be
 3 distributed to each taxing unit as provided under IC 6-3.6-9-15(d)(4).

4 (e) The revenue from the tax rate shall continue to be applied under
 5 this article as it was applied under the former tax, including the use of
 6 a stabilization fund.

7 (f) The distributions of income tax revenue attributable to a levy
 8 freeze tax rate shall be made before allocating or distributing the
 9 remaining revenue under IC 6-3.6-6 or applying the property tax credits
 10 funded by a tax rate under IC 6-3.6-5.

11 SECTION 159. IC 6-3.6-11-3, AS AMENDED BY P.L.197-2016,
 12 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2026]: Sec. 3. (a) This section applies to Lake County's
 14 categorizations, allocations, and distributions under IC 6-3.6-5 (**before**
 15 **its expiration**).

16 (b) The rate under the former tax in Lake County that was used for
 17 any of the following shall be categorized under IC 6-3.6-5 (**before its**
 18 **expiration**), and the Lake County council may adopt an ordinance
 19 providing that the revenue from the tax rate under this section may be
 20 used for any of the following:

21 (1) To reduce all property tax levies imposed by the county by the
 22 granting of property tax replacement credits against those
 23 property tax levies.

24 (2) To provide local property tax replacement credits in Lake
 25 County in the following manner:

26 (A) The tax revenue under this section that is collected from
 27 taxpayers within a particular municipality in Lake County (as
 28 determined by the department of state revenue based on the
 29 department's best estimate) shall be used only to provide a
 30 local property tax credit against property taxes imposed by that
 31 municipality.

32 (B) The tax revenue under this section that is collected from
 33 taxpayers within the unincorporated area of Lake County (as
 34 determined by the department of state revenue) shall be used
 35 only to provide a local property tax credit against property
 36 taxes imposed by the county. The local property tax credit for
 37 the unincorporated area of Lake County shall be available only
 38 to those taxpayers within the unincorporated area of the
 39 county.

40 (3) To provide property tax credits in the following manner:

41 (A) Sixty percent (60%) of the tax revenue shall be used as
 42 provided in subdivision (2).



1 (B) Forty percent (40%) of the tax revenue shall be used to
 2 provide property tax replacement credits against property tax
 3 levies of the county and each township and municipality in the
 4 county. The percentage of the tax revenue distributed under
 5 this item that shall be used as credits against the county's
 6 levies or against a particular township's or municipality's levies
 7 is equal to the percentage determined by dividing the
 8 population of the county, township, or municipality by the sum
 9 of the total population of the county, each township in the
 10 county, and each municipality in the county.

11 The Lake County council shall determine whether the credits under
 12 subdivision (1), (2), or (3) shall be provided to homesteads, to all
 13 qualified residential property, or to all taxpayers. The department of
 14 local government finance, with the assistance of the budget agency,
 15 shall certify to the county auditor and the fiscal body of the county and
 16 each township and municipality in the county the amount of property
 17 tax credits under this section. The tax revenue under this section that
 18 is used to provide credits under this section shall be treated for all
 19 purposes as property tax levies but shall not be considered for purposes
 20 of computing the maximum permissible property tax levy under
 21 IC 6-1.1-18.5-3 or the credit under IC 6-1.1-20.6.

22 (c) **Any ordinance adopted under subsection (b) expires**
 23 **December 31, 2026.**

24 (d) **This section expires July 1, 2027.**

25 SECTION 160. IC 6-3.6-11-4, AS AMENDED BY P.L.247-2017,
 26 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2027]: Sec. 4. This section applies to the allocation of
 28 the tax revenue under IC 6-3.6-6 that is dedicated to public safety and
 29 funding for a PSAP (as defined in IC 36-8-16.7-20) that is part of the
 30 statewide 911 system (as defined in IC 36-8-16.7-22) and located
 31 within the county. ~~as provided in IC 6-3.6-6-8.~~ This tax revenue shall
 32 be allocated and distributed to the PSAP before the allocation and
 33 distribution to any taxing units of the remaining tax revenue allocated
 34 to public safety as provided in IC 6-3.6-6.

35 SECTION 161. IC 6-3.6-11-5.5, AS AMENDED BY P.L.9-2024,
 36 SECTION 193, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JANUARY 1, 2027]: Sec. 5.5. (a) This section applies
 38 to Lake County for purposes of categorizations, allocations, and
 39 distributions of ~~additional revenue~~ **general purpose revenue** that is
 40 allocated each year for economic development purposes. ~~under~~
 41 ~~IC 6-3.6-6-9 and of certified shares under IC 6-3.6-6.~~ ~~Additional~~
 42 ~~revenue~~ **General purpose revenue** that is allocated each year for



1 economic development purposes by a civil taxing unit listed in
2 ~~IC 6-3.6-9-5(d)~~ **IC 6-3.6-9-5(b)** must first be used to provide funding
3 for a rail project (as defined in IC 36-7.5-1-13.5).

4 (b) Before the state comptroller may make a certified distribution of
5 ~~additional revenue~~ **general purpose revenue** allocated for economic
6 development purposes, ~~under IC 6-3.6-6-9~~, the state comptroller shall
7 withhold the total amount determined by the department of local
8 government finance under ~~IC 6-3.6-9-5(d)~~ **IC 6-3.6-9-5(b)** from the
9 certified distribution allocated to economic development. The amount
10 withheld by the state comptroller under this section shall be paid to the
11 secretary-treasurer of the northwest Indiana regional development
12 authority (IC 36-7.5) before a certified distribution allocated to
13 economic development is made to the county and before the county
14 auditor may otherwise allocate or distribute tax revenue under this
15 article.

16 SECTION 162. IC 6-3.6-11-6, AS AMENDED BY P.L.9-2024,
17 SECTION 194, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JANUARY 1, 2027]: Sec. 6. (a) This section applies to
19 Lake County, LaPorte County, Porter County, and any municipality in
20 those counties that is a member of the northwest Indiana regional
21 development authority (IC 36-7.5) for purposes of categorizations,
22 allocations, and distributions of ~~additional revenue~~ **general purpose**
23 **revenue** that is allocated each year for economic development purposes
24 under ~~IC 6-3.6-6-9~~ **IC 6-3.6-6**.

25 (b) This subsection applies only to Lake County. The county or a
26 city described in IC 36-7.5-2-3(b) may use ~~additional revenue~~ **general**
27 **purpose revenue** that is allocated each year for economic development
28 purposes under ~~IC 6-3.6-6-9~~ **IC 6-3.6-6** for making transfers required
29 by IC 36-7.5-4-2 or to provide rail project funding under IC 36-7.5-4.5.
30 The ~~additional revenue~~ **general purpose revenue** allocated for
31 economic development and used to make the transfers required by
32 IC 36-7.5-4-2 or to provide rail project funding shall be paid by the
33 treasurer of state to the treasurer of the northwest Indiana regional
34 development authority before certified distributions are made to the
35 county or any cities or towns in the county. ~~The county or a city or town~~
36 ~~in the county may use additional revenue that is allocated each year for~~
37 ~~economic development purposes under IC 6-3.6-6-9 to provide~~
38 ~~homestead credits in the county, city, or town. The following apply to~~
39 ~~homestead credits provided under this subsection:~~

40 (1) The county, city, or town fiscal body must adopt an ordinance
41 authorizing the homestead credits. The ordinance must specify the
42 amount of additional revenue that will be used to provide



- 1 homestead credits in the following year:
- 2 (2) The county, city, or town fiscal body that adopts an ordinance
- 3 under this subsection must forward a copy of the ordinance to the
- 4 county auditor and the department of local government finance
- 5 not more than thirty (30) days after the ordinance is adopted.
- 6 (3) The homestead credits must be applied uniformly to provide
- 7 a homestead credit for homesteads in the county, city, or town.
- 8 (4) The homestead credits shall be treated for all purposes as
- 9 property tax levies.
- 10 (5) The homestead credits shall be applied to the net property
- 11 taxes due on the homestead after the application of all other
- 12 assessed value deductions or property tax deductions and credits
- 13 that apply to the amount owed under IC 6-1-1.
- 14 (6) The state comptroller shall determine the homestead credit
- 15 percentage for a particular year based on the amount of additional
- 16 revenue that will be used under this subsection to provide
- 17 homestead credits in that year.
- 18 (c) This subsection applies only to LaPorte County as follows:
- 19 (1) This subsection applies if:
- 20 (A) the county fiscal body has adopted an ordinance under
- 21 IC 36-7.5-2-3(d) providing that the county is joining the
- 22 northwest Indiana regional development authority; and
- 23 (B) the fiscal body of the city described in IC 36-7.5-2-3(d)
- 24 has adopted an ordinance under IC 36-7.5-2-3(d) providing
- 25 that the city is joining the development authority.
- 26 (2) Additional revenue that is allocated each year for economic
- 27 development purposes under IC 6-3-6-6-9 may be used by a
- 28 county or a city described in IC 36-7.5-2-3(d) for making transfers
- 29 required by IC 36-7.5-4-2. In addition, if the allocation of
- 30 additional revenue for economic development purposes under
- 31 IC 6-3-6-6-9 is increased in the county, the first three million five
- 32 hundred thousand dollars (\$3,500,000) of the tax revenue that
- 33 results each year from the allocation increase shall be used by the
- 34 county only to make the county's transfer required by
- 35 IC 36-7.5-4-2 and shall be paid by the treasurer of state to the
- 36 treasurer of the northwest Indiana regional development authority
- 37 under IC 36-7.5-4-2 before certified distributions are made to the
- 38 county or any cities or towns in the county.
- 39 (3) All of the additional revenue allocated for economic
- 40 development purposes under IC 6-3-6-6-9 that results each year
- 41 from an allocation increase described in subdivision (2) and that
- 42 is in excess of the first three million five hundred thousand dollars



1 (\$3,500,000) must be used by the county and cities and towns in
 2 the county for homestead credits under this subsection. The
 3 following apply to homestead credits provided under this
 4 subsection:
 5 (A) The homestead credits must be applied uniformly to
 6 provide a homestead credit for homesteads in the county, city,
 7 or town.
 8 (B) The homestead credits shall be treated for all purposes as
 9 property tax levies.
 10 (C) The homestead credits shall be applied to the net property
 11 taxes due on the homestead after the application of all other
 12 assessed value deductions or property tax deductions and
 13 credits that apply to the amount owed under IC 6-1.1.
 14 (D) The state comptroller shall determine the homestead credit
 15 percentage for a particular year based on the amount of
 16 additional revenue that will be used under this subdivision to
 17 provide homestead credits in that year.
 18 (d) This subsection applies only to Porter County. The additional
 19 revenue designated each year for economic development purposes
 20 under IC 6-3.6-6 shall be allocated and used as follows:
 21 (1) First, the revenue attributable to an income tax rate of
 22 twenty-five hundredths percent (0.25%) shall be allocated to the
 23 county and cities and towns as provided in IC 6-3.6-6-9.
 24 (2) Second, the next three million five hundred thousand dollars
 25 (\$3,500,000) of the revenue shall be used for the county or for
 26 eligible municipalities (as defined in IC 36-7.5-1-11.3) in the
 27 county, to make transfers as provided in and required under
 28 IC 36-7.5-4-2. The additional revenue used to make the transfers
 29 as provided in IC 36-7.5-4-2 shall be paid by the treasurer of state
 30 to the treasurer of the northwest Indiana regional development
 31 authority before certified distributions are made to the county or
 32 any taxing unit in the county. If Porter County ceases to be a
 33 member of the northwest Indiana regional development authority
 34 under IC 36-7.5 but two (2) or more municipalities in the county
 35 have become members of the northwest Indiana regional
 36 development authority as authorized by IC 36-7.5-2-3(h), the
 37 treasurer of state shall continue to transfer this amount to the
 38 treasurer of the northwest Indiana regional development authority
 39 under IC 36-7.5-4-2.
 40 (3) Third, except as provided in IC 36-7.5-3-5, all of the revenue
 41 each year that is in excess of the amounts described in
 42 subdivisions (1) and (2) must be used by the county and cities and



- 1 towns in the county for homestead credits. The following apply to
- 2 homestead credits provided under this subdivision:
- 3 (A) The homestead credits must be applied uniformly to
- 4 provide a homestead credit for homesteads in the county, city,
- 5 or town.
- 6 (B) The homestead credits shall be treated for all purposes as
- 7 property tax levies.
- 8 (C) The homestead credits shall be applied to the net property
- 9 taxes due on the homestead after the application of all other
- 10 assessed value deductions or property tax deductions and
- 11 credits that apply to the amount owed under IC 6-1.1.
- 12 (D) The state comptroller shall determine the homestead credit
- 13 percentage for a particular year based on the amount of
- 14 additional revenue that will be used under this subdivision to
- 15 provide homestead credits in that year.
- 16 (e) (c) A transfer made on behalf of a city, town, or county under
- 17 this section after December 31, 2018, is to be considered a payment for
- 18 services provided to residents by a rail project as those services are
- 19 rendered.
- 20 (f) (d) A pledge by the northwest Indiana regional development
- 21 authority of transferred revenue under this section to the payment of
- 22 bonds, leases, or obligations under this article or IC 5-1.3:
- 23 (1) constitutes the obligations of the northwest Indiana regional
- 24 development authority; and
- 25 (2) does not constitute an indebtedness of:
- 26 (A) a county or municipality described in this section; or
- 27 (B) the state;
- 28 within the meaning or application of any constitutional or
- 29 statutory provision or limitation.
- 30 (g) (e) Neither the transfer of revenue nor the pledge of revenue
- 31 transferred under this section is an impairment of contract within the
- 32 meaning or application of any constitutional provision or limitation
- 33 because of the following:
- 34 (1) The statutes governing local income taxes, including the
- 35 transferred revenue, have been the subject of legislation annually
- 36 since 1973, and during that time the statutes have been revised,
- 37 amended, expanded, limited, and recodified dozens of times.
- 38 (2) Owners of bonds, leases, or other obligations to which local
- 39 income tax revenues have been pledged recognize that the
- 40 regulation of local income taxes has been extensive and
- 41 consistent.
- 42 (3) All bonds, leases, or other obligations, due to their essential



1 contractual nature, are subject to relevant state and federal law
 2 that is enacted after the date of a contract.
 3 (4) The state has a legitimate interest in assisting the northwest
 4 Indiana regional development authority in financing rail projects
 5 (as defined in IC 36-7.5-1-13.5).
 6 ~~(h)~~ (f) All proceedings had and actions described in this section are
 7 valid pledges under IC 5-1-14-4 as of the date of those pledges or
 8 actions and are hereby legalized and declared valid if taken before
 9 March 15, 2018.
 10 SECTION 163. IC 6-3.6-11-7, AS AMENDED BY P.L.9-2024,
 11 SECTION 195, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JANUARY 1, 2027]: Sec. 7. (a) This section applies to
 13 a civil taxing unit that has previously:
 14 (1) entered into an interlocal cooperation or similar agreement;
 15 (2) adopted an ordinance or resolution; or
 16 (3) taken any other action;
 17 offering to provide revenue to support and finance a rail project or rail
 18 projects (as defined under IC 36-7.5-1-13.5).
 19 (b) The ~~additional revenue~~ **general purpose revenue** that would
 20 otherwise be allocated to a civil taxing unit described in subsection (a)
 21 shall be withheld under section 5.5 of this chapter by the state
 22 comptroller and shall be paid by the state comptroller to the
 23 secretary-treasurer of the northwest Indiana regional development
 24 authority under IC 36-7.5-4-2 before certified distributions are made to
 25 the county and before the county auditor may allocate or distribute tax
 26 revenue under this article to any civil taxing unit in the county or
 27 counties in which the unit is located.
 28 (c) Amounts:
 29 (1) withheld under section 5.5 of this chapter; and
 30 (2) transferred on behalf of a civil taxing unit under this section;
 31 after December 31, 2018, are considered to be a payment for services
 32 provided to residents by a rail project as such services are rendered.
 33 (d) A pledge by the northwest Indiana regional development
 34 authority of withheld or transferred revenue received under this chapter
 35 to the payment of bonds, leases, or obligations under IC 36-7.5 or
 36 IC 5-1.3:
 37 (1) constitutes the obligations of the northwest Indiana regional
 38 development authority; and
 39 (2) does not constitute an indebtedness of:
 40 (A) a unit described in this section; or
 41 (B) the state;
 42 within the meaning or application of any constitutional or



1 statutory provision or limitation.

2 (e) Neither the withholding or transfer of revenue nor the pledge of

3 revenue withheld or transferred under this chapter is an impairment of

4 contract within the meaning or application of any constitutional

5 provision or limitation because of the following:

6 (1) The statutes governing local income taxes, including the

7 withheld or transferred revenue, have been the subject of

8 legislation annually since 1973, and during that time the statutes

9 have been revised, amended, expanded, limited, and recodified

10 dozens of times.

11 (2) Owners of bonds, leases, or other obligations to which local

12 income tax revenues have been pledged recognize that the

13 regulation of local income taxes has been extensive and

14 consistent.

15 (3) All bonds, leases, or other obligations, due to their essential

16 contractual nature, are subject to relevant state and federal law

17 that is enacted after the date of a contract.

18 (4) The state has a legitimate interest in assisting the northwest

19 Indiana regional development authority in financing rail projects

20 (as defined in IC 36-7.5-1-13.5).

21 (f) All:

22 (1) agreements;

23 (2) ordinances or resolutions; and

24 (3) proceedings had and actions described in this chapter;

25 are valid pledges under IC 5-1-14-4 as of the date of those pledges or

26 actions and are hereby legalized and declared valid if taken before

27 April 30, 2019.

28 SECTION 164. IC 6-3.6-11-7.5, AS AMENDED BY P.L.9-2024,

29 SECTION 196, IS AMENDED TO READ AS FOLLOWS

30 [EFFECTIVE JANUARY 1, 2027]: Sec. 7.5. (a) An action challenging

31 any action taken under section 5.5, 5.7, 6, or 7 of this chapter to

32 withhold or transfer revenue to the secretary-treasurer of the northwest

33 Indiana regional developmental authority (IC 36-7.5) from a county's

34 certified distribution must be brought within ten (10) days after the date

35 on which the county auditor notifies the secretary-treasurer of the

36 northwest Indiana regional development authority (IC 36-7.5) of the

37 amount of certified tax revenue that will be distributed under

38 ~~IC 6-3.6-9-5(d)~~. **IC 6-3.6-9-5(b)**.

39 (b) A court shall require a plaintiff to provide a bond with surety in

40 an amount equal to the total amounts of tax revenue estimated to be

41 withheld or transferred by the state comptroller from the date of the

42 filing until December 31, 2049.



1 (c) The burden of proof in an action under this section is on the
2 plaintiff.

3 (d) If the defendant prevails in an action under this section, the court
4 shall award attorney's fees to the defendant.

5 SECTION 165. IC 6-6-5-5, AS AMENDED BY P.L.256-2017,
6 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2027]: Sec. 5. A person that owns a vehicle and that is
8 entitled to a property tax deduction under IC 6-1.1-12-13,
9 IC 6-1.1-12-14, or IC 6-1.1-12-16 (**before their expiration**) is entitled
10 to a credit against the vehicle excise tax as follows: Any remaining
11 deduction from assessed valuation to which the person is entitled,
12 applicable to property taxes payable in the year in which the excise tax
13 imposed by this chapter is due, after allowance of the deduction on real
14 estate and personal property owned by the person, shall reduce the
15 vehicle excise tax in the amount of two dollars (\$2) on each one
16 hundred dollars (\$100) of taxable value or major portion thereof. The
17 county auditor shall, upon request, furnish a certified statement to the
18 person verifying the credit allowable under this section, and the
19 statement shall be presented to and retained by the bureau to support
20 the credit.

21 SECTION 166. IC 6-6-5-5.2, AS AMENDED BY P.L.256-2017,
22 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JANUARY 1, 2027]: Sec. 5.2. (a) This section applies to a registration
24 year beginning after December 31, 2013.

25 (b) Subject to subsection (d), an individual may claim a credit
26 against the tax imposed by this chapter upon a vehicle owned by the
27 individual if the individual is eligible for the credit under any of the
28 following:

29 (1) The individual meets all the following requirements:

30 (A) The individual served in the military or naval forces of the
31 United States during any of its wars.

32 (B) The individual received an honorable discharge.

33 (C) The individual has a disability with a service connected
34 disability of ten percent (10%) or more.

35 (D) The individual's disability is evidenced by:

36 (i) a pension certificate, an award of compensation, or a
37 disability compensation check issued by the United States
38 Department of Veterans Affairs; or

39 (ii) a certificate of eligibility issued to the individual by the
40 Indiana department of veterans' affairs after the Indiana
41 department of veterans' affairs has determined that the
42 individual's disability qualifies the individual to receive a



- 1 credit under this section.
- 2 (E) The individual does not own property to which a property
3 tax deduction may be applied under IC 6-1.1-12-13 **(before its
4 expiration)**.
- 5 (2) The individual meets all the following requirements:
- 6 (A) The individual served in the military or naval forces of the
7 United States for at least ninety (90) days.
- 8 (B) The individual received an honorable discharge.
- 9 (C) The individual either:
- 10 (i) has a total disability; or
- 11 (ii) is at least sixty-two (62) years of age and has a disability
12 of at least ten percent (10%).
- 13 (D) The individual's disability is evidenced by:
- 14 (i) a pension certificate or an award of compensation issued
15 by the United States Department of Veterans Affairs; or
- 16 (ii) a certificate of eligibility issued to the individual by the
17 Indiana department of veterans' affairs after the Indiana
18 department of veterans' affairs has determined that the
19 individual's disability qualifies the individual to receive a
20 credit under this section.
- 21 (E) The individual does not own property to which a property
22 tax deduction may be applied under IC 6-1.1-12-14 **(before its
23 expiration)**.
- 24 (3) The individual meets both of the following requirements:
- 25 (A) The individual is the surviving spouse of any of the
26 following:
- 27 (i) An individual who would have been eligible for a credit
28 under this section if the individual had been alive in 2013
29 and this section had been in effect in 2013.
- 30 (ii) An individual who received a credit under this section in
31 the previous calendar year.
- 32 (iii) A World War I veteran.
- 33 (B) The individual does not own property to which a property
34 tax deduction may be applied under IC 6-1.1-12-13,
35 IC 6-1.1-12-14, or IC 6-1.1-12-16 **(before their expiration)**.
- 36 (c) The amount of the credit that may be claimed under this section
37 is equal to the lesser of the following:
- 38 (1) The amount of the excise tax liability for the individual's
39 vehicle as determined under section 3 or 3.5 of this chapter, as
40 applicable.
- 41 (2) Seventy dollars (\$70).
- 42 (d) The maximum number of motor vehicles for which an individual



1 may claim a credit under this section is two (2).
 2 (e) An individual may not claim a credit under both:
 3 (1) this section; and
 4 (2) section 5 of this chapter.
 5 (f) The credit allowed by this section must be claimed on a form
 6 prescribed by the bureau. An individual claiming the credit must attach
 7 to the form an affidavit from the county auditor stating that the
 8 claimant does not own property to which a property tax deduction may
 9 be applied under IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16
 10 **(before their expiration).**

11 SECTION 167. IC 6-6-6.5-13, AS AMENDED BY P.L.1-2009,
 12 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2027]: Sec. 13. (a) As the basis for measuring the tax
 14 imposed by this chapter, the department shall classify every taxable
 15 aircraft in its proper class according to the following classification
 16 plan:

17	CLASS	DESCRIPTION
18	A	Piston-driven
19	B	Piston-driven,
20		and Pressurized
21	C	Turbine driven
22		or other Powered
23	D	Homebuilt, Gliders, or
24		Hot Air Balloons

25 (b) The tax imposed under this chapter is based on the age, class,
 26 and maximum landing weight of the taxable aircraft. The amount of tax
 27 imposed on the taxable aircraft is based on the following table:

28	Age	Class A	Class B	Class C	Class D
29	0-4	\$.04/lb	\$.065/lb	\$.09/lb	\$.0175/lb
30	5-8	\$.035/lb	\$.055/lb	\$.08/lb	\$.015/lb
31	9-12	\$.03/lb	\$.05/lb	\$.07/lb	\$.0125/lb
32	13-16	\$.025/lb	\$.025/lb	\$.025/lb	\$.01/lb
33	17-25	\$.02/lb	\$.02/lb	\$.02/lb	\$.0075/lb
34	over 25	\$.01/lb	\$.01/lb	\$.01/lb	\$.005/lb

35 (c) An aircraft owner, who sells an aircraft on which the owner has
 36 paid the tax imposed under this chapter, is entitled to a credit for the
 37 tax paid. The credit equals excise tax paid on the aircraft that was sold,
 38 times the lesser of:

- 39 (1) ninety percent (90%); or
- 40 (2) ten percent (10%) times the number of months remaining in
 41 the registration year after the sale of the aircraft.

42 The credit may only be used to reduce the tax imposed under this



1 chapter on another aircraft purchased by that owner during the
 2 registration year in which the credit accrues. A person may not receive
 3 a refund for a credit under this subsection.

4 (d) A person who is entitled to a property tax deduction under
 5 IC 6-1.1-12-13 or IC 6-1.1-12-14 **(before their expiration)** is entitled
 6 to a credit against the tax imposed on the person's aircraft under this
 7 chapter. The credit equals the amount of the property tax deduction to
 8 which the person is entitled under IC 6-1.1-12-13 and IC 6-1.1-12-14
 9 **(before their expiration)** minus the amount of that deduction used to
 10 offset the person's property taxes or vehicle excise taxes, times seven
 11 hundredths (.07). The credit may not exceed the amount of the tax due
 12 under this chapter. The county auditor shall, upon the person's request,
 13 furnish a certified statement showing the credit allowable under this
 14 subsection. The department may not allow a credit under this
 15 subsection until the auditor's statement has been filed in the
 16 department's office.

17 SECTION 168. IC 6-9-10.5-8, AS AMENDED BY P.L.197-2016,
 18 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2026]: Sec. 8. (a) If the tax levied under section 6 of this
 20 chapter is increased by an ordinance adopted by the county fiscal body
 21 after June 30, 2011, the county treasurer shall establish a county
 22 promotion fund. The county treasurer shall deposit in the county
 23 promotion fund the difference between:

- 24 (1) the amount received under section 6 of this chapter; minus
- 25 (2) the amount deposited in the lake enhancement fund under
 26 section 7(c) of this chapter.

27 (b) In a county in which a commission has been established under
 28 section 9 of this chapter, the county auditor shall issue a warrant
 29 directing the county treasurer to transfer money from the county
 30 promotion fund to the commission's treasurer if the commission
 31 submits a written request for the transfer.

32 (c) Money in a county promotion fund, or money transferred from
 33 such a fund under subsection (b), may be expended only to promote
 34 and encourage conventions, visitors, tourism, and economic
 35 development within the county. Expenditures that may be made under
 36 this subsection include expenditures for advertising, promotional
 37 activities, trade shows, special events, and recreation, and expenditures
 38 that are authorized by IC 6-3.6-10-2 with respect to the county's
 39 additional revenue that is allocated for economic development
 40 purposes under ~~IC 6-3.6-6-9~~ **IC 6-3.6-6**.

41 SECTION 169. IC 8-9.5-8-17, AS AMENDED BY P.L.99-2007,
 42 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2027]: Sec. 17. The authority shall study and implement
 2 programs to assist in the transportation of military veterans or
 3 individuals with a disability (as defined in IC 6-1.1-12-11 **before its**
 4 **expiration**) who travel on a toll road to or from a hospital for
 5 treatment. However, a program may not be inconsistent with the trust
 6 indenture securing the bonds of the toll road.

7 SECTION 170. IC 8-18-22-6, AS AMENDED BY P.L.256-2017,
 8 SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2026]: Sec. 6. (a) Except as provided in subsection (b), the
 10 county fiscal body may pledge revenues for the payment of principal
 11 and interest on the bonds and for other purposes under the ordinance
 12 as provided by IC 5-1-14-4, including revenues from the following
 13 sources:

- 14 (1) The motor vehicle highway account.
- 15 (2) The local road and street account.
- 16 (3) The county vehicle excise tax.
- 17 (4) The county wheel tax.
- 18 (5) The local income tax (IC 6-3.6).
- 19 (6) Assessments.
- 20 (7) Any other unappropriated or unencumbered money.

21 (b) The county fiscal body may not pledge to levy ad valorem
 22 property taxes for these purposes, except for revenues from the
 23 following:

- 24 (1) IC 8-16-3.
- 25 (2) IC 8-16-3.1.

26 (c) If the county fiscal body has pledged revenues from the local
 27 income tax as set forth in subsection (a), the ~~local income tax council~~
 28 ~~(as defined in IC 6-3.6-2-12)~~ **county fiscal body** may covenant that the
 29 ~~council~~ **county fiscal body** will not repeal or modify the tax in a
 30 manner that would adversely affect owners of outstanding bonds issued
 31 under this chapter. The ~~local income tax council~~ **county fiscal body**
 32 may make the covenant by adopting an ordinance using procedures
 33 described in IC 6-3.6-3.

34 SECTION 171. IC 8-22-3.5-9, AS AMENDED BY P.L.174-2022,
 35 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2026]: Sec. 9. (a) As used in this section, "base assessed
 37 value" means, subject to subsection (k):

- 38 (1) the net assessed value of all the tangible property as finally
 39 determined for the assessment date immediately preceding the
 40 effective date of the allocation provision of the commission's
 41 resolution adopted under section 5 or 9.5 of this chapter,
 42 notwithstanding the date of the final action taken under section 6



1 of this chapter; plus

2 (2) to the extent it is not included in subdivision (1), the net
3 assessed value of property that is assessed as residential property
4 under the rules of the department of local government finance,
5 within the airport development zone, as finally determined for the
6 current assessment date.

7 However, subdivision (2) applies only to an airport development zone
8 established after June 30, 1997, and the portion of an airport
9 development zone established before June 30, 1997, that is added to an
10 existing airport development zone.

11 (b) A resolution adopted under section 5 of this chapter and
12 confirmed under section 6 of this chapter must include a provision with
13 respect to the allocation and distribution of property taxes for the
14 purposes and in the manner provided in this section.

15 (c) The allocation provision must:

16 (1) apply to the entire airport development zone; and

17 (2) require that any property tax on taxable tangible property
18 subsequently levied by or for the benefit of any public body
19 entitled to a distribution of property taxes in the airport
20 development zone be allocated and distributed as provided in
21 subsections (d) and (e).

22 (d) Except as otherwise provided in this section:

23 (1) the proceeds of the taxes attributable to the lesser of:

24 (A) the assessed value of the tangible property for the
25 assessment date with respect to which the allocation and
26 distribution is made; or

27 (B) the base assessed value;

28 shall be allocated and, when collected, paid into the funds of the
29 respective taxing units; and

30 (2) the excess of the proceeds of the property taxes imposed for
31 the assessment date with respect to which the allocation and
32 distribution are made that are attributable to taxes imposed after
33 being approved by the voters in a referendum or local public
34 question conducted after April 30, 2010, not otherwise included
35 in subdivision (1) shall be allocated to and, when collected, paid
36 into the funds of the taxing unit for which the referendum or local
37 public question was conducted.

38 (e) All of the property tax proceeds in excess of those described in
39 subsection (d) shall be allocated to the eligible entity for the airport
40 development zone and, when collected, paid into special funds as
41 follows:

42 (1) The commission may determine that a portion of tax proceeds



1 shall be allocated to a training grant fund to be expended by the
 2 commission without appropriation solely for the purpose of
 3 reimbursing training expenses incurred by public or private
 4 entities in the training of employees for the qualified airport
 5 development project.

6 (2) The commission may determine that a portion of tax proceeds
 7 shall be allocated to a debt service fund and dedicated to the
 8 payment of principal and interest on revenue bonds or a loan
 9 contract of the board of aviation commissioners or airport
 10 authority for a qualified airport development project, to the
 11 payment of leases for a qualified airport development project, or
 12 to the payment of principal and interest on bonds issued by an
 13 eligible entity to pay for qualified airport development projects in
 14 the airport development zone or serving the airport development
 15 zone.

16 (3) The commission may determine that a part of the tax proceeds
 17 shall be allocated to a project fund and used to pay expenses
 18 incurred by the commission for a qualified airport development
 19 project that is in the airport development zone or is serving the
 20 airport development zone.

21 (4) Except as provided in subsection (f), all remaining tax
 22 proceeds after allocations are made under subdivisions (1), (2),
 23 and (3) shall be allocated to a project fund and dedicated to the
 24 reimbursement of expenditures made by the commission for a
 25 qualified airport development project that is in the airport
 26 development zone or is serving the airport development zone.

27 (f) Before July 15 of each year, the commission shall do the
 28 following:

29 (1) Determine the amount, if any, by which tax proceeds allocated
 30 to the project fund in subsection (e)(3) in the following year will
 31 exceed the amount necessary to satisfy amounts required under
 32 subsection (e).

33 (2) Provide a written notice to the county auditor and the officers
 34 who are authorized to fix budgets, tax rates, and tax levies under
 35 IC 6-1.1-17-5 for each of the other taxing units that is wholly or
 36 partly located within the allocation area. The notice must:

- 37 (A) state the amount, if any, of excess tax proceeds that the
 38 commission has determined may be allocated to the respective
 39 taxing units in the manner prescribed in subsection (d)(1); or
 40 (B) state that the commission has determined that there are no
 41 excess tax proceeds that may be allocated to the respective
 42 taxing units in the manner prescribed in subsection (d)(1).



- 1 The county auditor shall allocate to the respective taxing units the
2 amount, if any, of excess tax proceeds determined by the
3 commission.
- 4 (g) When money in the debt service fund and in the project fund is
5 sufficient to pay all outstanding principal and interest (to the earliest
6 date on which the obligations can be redeemed) on revenue bonds
7 issued by the board of aviation commissioners or airport authority for
8 the financing of qualified airport development projects, all lease rentals
9 payable on leases of qualified airport development projects, and all
10 costs and expenditures associated with all qualified airport
11 development projects, money in the debt service fund and in the project
12 fund in excess of those amounts shall be paid to the respective taxing
13 units in the manner prescribed by subsection (d)(1).
- 14 (h) Property tax proceeds allocable to the debt service fund under
15 subsection (e)(2) must, subject to subsection (g), be irrevocably
16 pledged by the eligible entity for the purpose set forth in subsection
17 (e)(2).
- 18 (i) Notwithstanding any other law, each assessor shall, upon petition
19 of the commission, reassess the taxable tangible property situated upon
20 or in, or added to, the airport development zone effective on the next
21 assessment date after the petition.
- 22 (j) Notwithstanding any other law, the assessed value of all taxable
23 tangible property in the airport development zone, for purposes of tax
24 limitation, property tax replacement, and formulation of the budget, tax
25 rate, and tax levy for each political subdivision in which the property
26 is located is the lesser of:
- 27 (1) the assessed value of the tangible property as valued without
28 regard to this section; or
29 (2) the base assessed value.
- 30 (k) If the commission confirms, or modifies and confirms, a
31 resolution under section 6 of this chapter and the commission makes
32 either of the filings required under section 6(c) of this chapter after the
33 first anniversary of the effective date of the allocation provision, the
34 auditor of the county in which the airport development zone is located
35 shall compute the base assessed value for the allocation area using the
36 assessment date immediately preceding the later of:
- 37 (1) the date on which the documents are filed with the county
38 auditor; or
39 (2) the date on which the documents are filed with the department
40 of local government finance.
- 41 (l) For an airport development zone established after June 30, 2024,
42 "residential property" refers to the assessed value of property that is



1 allocated to the one percent (1%) homestead land and improvement
 2 categories in the county tax and billing software system, along with the
 3 residential assessed value as defined for purposes of calculating the
 4 rate for the local income tax property tax relief credit designated for
 5 residential property under IC 6-3.6-5-6(d)(3) **(before its expiration)**.

6 SECTION 172. IC 12-20-25-34, AS AMENDED BY P.L.197-2016,
 7 SECTION 103, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2026]: Sec. 34. The financial plan adopted
 9 under section 33 of this chapter may include the following:

- 10 (1) The adoption in the current year of a local income tax rate
 11 under IC 6-3.6 not to exceed one percent (1%). If a local income
 12 tax rate is imposed under this chapter, the ordinance must specify
 13 whether any revenue in excess of the rate needed to carry out the
 14 financial plan is to be used for property tax relief (IC 6-3.6-5)
 15 **(before its expiration)** or as additional revenue (IC 6-3.6-6). The
 16 revenue from the tax rate under this section shall be distributed as
 17 provided in this chapter. The adoption of a local income tax rate
 18 under this chapter is in addition to the local income tax rate under
 19 IC 6-3.6 that may already be in effect in the county.
- 20 (2) The payment of township assistance with county money.
- 21 (3) The elimination or reduction of township assistance services
 22 not required under this article.

23 SECTION 173. IC 12-20-25-35, AS AMENDED BY P.L.197-2016,
 24 SECTION 104, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2026]: Sec. 35. (a) The control board shall
 26 report the following to the county fiscal body:

- 27 (1) The audit findings of the management committee.
- 28 (2) The financial plan adopted under section 33 of this chapter.
- 29 (b) Not more than thirty (30) days after notice, the county fiscal
 30 body shall adopt one (1) of the following:
 - 31 (1) An ordinance adopting the financial plan adopted by the
 32 control board.
 - 33 (2) An ordinance rejecting the financial plan adopted by the
 34 control board.
- 35 (c) Notwithstanding IC 6-3.6-3, if:
 - 36 (1) the financial plan adopted under section 33 of this chapter
 37 includes a local income tax rate; and
 - 38 (2) the fiscal body adopts an ordinance adopting the financial plan
 39 under subsection (b);

40 the local income tax rate is imposed at the rate adopted in the financial
 41 plan. ~~Subject to the requirements of this chapter and notwithstanding~~
 42 ~~that the local income tax council may be the adopting body specified~~



1 in IC 6-3-6-3-1, the county fiscal body, rather than the local income tax
 2 council, has the authority granted to a local income tax council by
 3 IC 6-3-6-3 as long as the local income tax rate imposed under this
 4 chapter remains in effect.

5 SECTION 174. IC 36-1-8-5.1, AS AMENDED BY P.L.38-2021,
 6 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2026]: Sec. 5.1. (a) A political subdivision may establish a
 8 rainy day fund by the adoption of:

- 9 (1) an ordinance, in the case of a county, city, or town; or
- 10 (2) a resolution, in the case of any other political subdivision.

11 (b) An ordinance or a resolution adopted under this section must
 12 specify the following:

- 13 (1) The purposes of the rainy day fund.
- 14 (2) The sources of funding for the rainy day fund, which may
 15 include the following:

16 (A) Unused and unencumbered funds under

- 17 (i) section 5 of this chapter. ~~or~~
- 18 (ii) ~~IC 6-3-6-9-15.~~

19 (B) Any other funding source:

- 20 (i) specified in the ordinance or resolution adopted under
 21 this section; and
- 22 (ii) not otherwise prohibited by law.

23 (c) The rainy day fund is subject to the same appropriation process
 24 as other funds that receive tax money.

25 (d) In any fiscal year, a political subdivision may, at any time, do the
 26 following:

- 27 (1) Transfer any unused and unencumbered funds specified in
 28 subsection (b)(2)(A) from any fiscal year to the rainy day fund.
- 29 (2) Transfer any other unobligated cash balances from any fiscal
 30 year that are not otherwise identified in subsection (b)(2)(A) or
 31 section 5 of this chapter to the rainy day fund as long as the
 32 transfer satisfies the following requirements:

33 (A) The amount of the transfer is authorized by and identified
 34 in an ordinance or resolution.

35 (B) The amount of the transfer is not more than:

- 36 (i) before January 1, 2021, ten percent (10%);
- 37 (ii) after December 31, 2020, and before January 1, 2025,
 38 fifteen percent (15%); and
- 39 (iii) after December 31, 2024, ten percent (10%);

40 of the political subdivision's total annual budget adopted under
 41 IC 6-1.1-17 for that fiscal year.

42 (C) The transfer is not made from a debt service fund.



1 (e) A political subdivision may use only the funding sources
 2 specified in subsection (b)(2)(A) or in the ordinance or resolution
 3 establishing the rainy day fund. The political subdivision may adopt a
 4 subsequent ordinance or resolution authorizing the use of another
 5 funding source.

6 (f) The department of local government finance may not reduce the
 7 actual or maximum permissible levy of a political subdivision as a
 8 result of a balance in the rainy day fund of the political subdivision.

9 (g) A county, city, or town may at any time, by ordinance or
 10 resolution, transfer to:

11 (1) its general fund; or

12 (2) any other appropriated funds of the county, city, or town;
 13 money that has been deposited in the rainy day fund of the county, city,
 14 or town.

15 (h) A school corporation may at any time, by resolution, transfer to
 16 its education fund or operations fund money that has been deposited in
 17 its rainy day fund.

18 SECTION 175. IC 36-4-14 IS ADDED TO THE INDIANA CODE
 19 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2027]:

21 **Chapter 14. Operating Referendum Tax Levy for Certain Small**
 22 **Cities and Towns**

23 **Sec. 1. This chapter applies only to eligible municipalities and**
 24 **only if a local income tax rate is not imposed by the county for the**
 25 **eligible municipality under IC 6-3.6-6-2(b)(4).**

26 **Sec. 2. As used in this chapter, "eligible municipality" refers**
 27 **only to a city or town that:**

28 (1) has a population of less than three thousand five hundred
 29 (3,500);

30 (2) has a population of three thousand five hundred (3,500) or
 31 more, but that adopted an ordinance to continue to use the
 32 population of the city or town as reported by the immediately
 33 preceding federal decennial census of less than three thousand
 34 five hundred (3,500) for purposes of the local income tax
 35 allocation factor under IC 6-3.6-6-23(b)(2); or

36 (3) does not impose a local income tax rate under
 37 IC 6-3.6-6-22.

38 **Sec. 3. As used in this chapter, "referendum" refers to a**
 39 **referendum under this chapter.**

40 **Sec. 4. (a) A fiscal body of an eligible municipality may adopt a**
 41 **resolution to place a referendum under this chapter on the ballot**
 42 **for any of the following purposes:**



1 (1) The fiscal body of the eligible municipality determines that
2 it cannot, in a calendar year, carry out its public duties unless
3 it imposes an operating referendum tax levy under this
4 chapter.

5 (2) The fiscal body of the eligible municipality determines that
6 an operating referendum tax levy under this chapter should
7 be imposed to replace property tax revenue that the eligible
8 municipality will not receive because of the application of the
9 credit under IC 6-1.1-20.6.

10 (b) The fiscal body of the eligible municipality shall certify a
11 copy of the resolution to place a referendum on the ballot to the
12 following:

13 (1) The department of local government finance, including the
14 language for the question required by section 5 of this
15 chapter. The department shall review the language for
16 compliance with section 5 of this chapter and either approve
17 or reject the language. The department shall send its decision
18 to the county fiscal body not more than ten (10) days after the
19 resolution is submitted to the department. If the language is
20 approved, the fiscal body of the eligible municipality shall
21 certify a copy of the resolution, including the language for the
22 question and the department's approval.

23 (2) The county fiscal body of each county in which the eligible
24 municipality is located (for informational purposes only).

25 (3) The circuit court clerk of each county in which the eligible
26 municipality is located.

27 Sec. 5. (a) The question to be submitted to the voters in the
28 referendum must read as follows:

29 "For the __ (insert number not exceeding eight (8)) calendar
30 year or years immediately following the holding of the
31 referendum, shall the eligible municipality impose a property
32 tax rate that does not exceed _____ (insert amount)
33 cents (\$0.__) (insert amount) on each one hundred dollars
34 (\$100) of assessed valuation and that is in addition to all other
35 property taxes imposed by the eligible municipality for the
36 purpose of funding _____ (insert short
37 description of applicable purposes under section 12(c) of this
38 chapter)?".

39 (b) The voters in a referendum may not approve a levy that is
40 imposed for more than the following eight (8) years.

41 Sec. 6. Each circuit court clerk shall, upon receiving the
42 question certified by the fiscal body of the eligible municipality



1 under this chapter, call a meeting of the county election board to
2 make arrangements for the referendum.

3 **Sec. 7.** The referendum shall be held in the next general
4 municipal election in which all the registered voters who are
5 residents of the eligible municipality are entitled to vote after
6 certification of the question under IC 3-10-9-3. The certification of
7 the question must occur not later than noon on August 1 of the
8 year in which the referendum is held.

9 **Sec. 8.** Each county election board shall cause:

10 (1) the question certified to the circuit court clerk by the
11 county fiscal body to be placed on the ballot in the form
12 prescribed by IC 3-10-9-4; and

13 (2) an adequate supply of ballots and voting equipment to be
14 delivered to the precinct election board of each precinct in
15 which the referendum is to be held.

16 **Sec. 9.** The individuals entitled to vote in the referendum are all
17 of the registered voters resident in the eligible municipality to
18 which the referendum applies.

19 **Sec. 10.** Each precinct election board shall count the affirmative
20 votes and the negative votes cast in the referendum and shall
21 certify those two (2) totals to the county election board of each
22 county in which the referendum is held. The circuit court clerk of
23 each county shall, immediately after the votes cast in the
24 referendum have been counted, certify the results of the
25 referendum to the department of local government finance. If a
26 majority of the individuals who voted in the referendum voted
27 "yes" on the referendum question:

28 (1) the department of local government finance shall promptly
29 notify the eligible municipality that the eligible municipality
30 is authorized to collect, for the calendar year that next follows
31 the calendar year in which the referendum is held, a levy not
32 greater than the amount approved in the referendum;

33 (2) the levy may be imposed for the number of calendar years
34 approved by the voters following the referendum for the
35 eligible municipality in which the referendum is held; and

36 (3) the eligible municipality shall establish an operating
37 referendum tax levy fund under section 12 of this chapter.

38 **Sec. 11. (a)** If a majority of the persons who voted in the
39 referendum did not vote "yes" on the referendum question:

40 (1) the eligible municipality may not make any levy for its
41 operating referendum tax levy fund; and

42 (2) another referendum under this section may not be held



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earlier than:

(A) except as provided in clause (B), seven hundred (700) days after the date of the referendum; or

(B) three hundred fifty (350) days after the date of the referendum, if a petition that meets the requirements of subsection (b) is submitted to the county auditor.

(b) If a majority of the persons who voted in the referendum did not vote "yes" on the referendum question, a petition may be submitted to the county auditor to request that the limit under subsection (a)(2)(B) apply to the holding of a subsequent referendum by the eligible municipality. If such a petition is submitted to the county auditor and is signed by at least:

(1) five hundred (500) persons who are either owners of property within the eligible municipality or registered voters residing within the eligible municipality; or

(2) five percent (5%) of the registered voters residing within the eligible municipality;

the limit under subsection (a)(2)(B) applies to the holding of a second referendum by the eligible municipality, and the limit under subsection (a)(2)(A) does not apply to the holding of a second referendum by the eligible municipality.

Sec. 12. (a) If a referendum is approved by the voters in an eligible municipality under this chapter, the fiscal officer of the eligible municipality shall establish an operating referendum tax levy fund.

(b) All property tax revenue collected from a levy imposed under this chapter shall be transferred to the operating referendum tax levy fund of the eligible municipality in which the levy is imposed.

(c) Money in an operating referendum tax levy fund of an eligible municipality may be used to pay the general operating, administrative, and capital expenses of the eligible municipality.

Sec. 13. Notwithstanding any other provision of this chapter, the authority conveyed in a referendum that is approved by the voters under this chapter ceases if a local income tax rate is subsequently imposed by the county for the eligible municipality under IC 6-3.6-6-2(b)(4). In that case, the levy imposed under the referendum shall cease and shall not be collected beginning with the assessment date that immediately succeeds the date the local income tax rate is first imposed.

SECTION 176. IC 36-7-14-39, AS AMENDED BY P.L.136-2024, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



- 1 JULY 1, 2026]: Sec. 39. (a) As used in this section:
 2 "Allocation area" means that part of a redevelopment project area
 3 to which an allocation provision of a declaratory resolution adopted
 4 under section 15 of this chapter refers for purposes of distribution and
 5 allocation of property taxes.
 6 "Base assessed value" means, subject to subsection (j), the
 7 following:
 8 (1) If an allocation provision is adopted after June 30, 1995, in a
 9 declaratory resolution or an amendment to a declaratory
 10 resolution establishing an economic development area:
 11 (A) the net assessed value of all the property as finally
 12 determined for the assessment date immediately preceding the
 13 effective date of the allocation provision of the declaratory
 14 resolution, as adjusted under subsection (h); plus
 15 (B) to the extent that it is not included in clause (A), the net
 16 assessed value of property that is assessed as residential
 17 property under the rules of the department of local government
 18 finance, within the allocation area, as finally determined for
 19 the current assessment date.
 20 (2) If an allocation provision is adopted after June 30, 1997, in a
 21 declaratory resolution or an amendment to a declaratory
 22 resolution establishing a redevelopment project area:
 23 (A) the net assessed value of all the property as finally
 24 determined for the assessment date immediately preceding the
 25 effective date of the allocation provision of the declaratory
 26 resolution, as adjusted under subsection (h); plus
 27 (B) to the extent that it is not included in clause (A), the net
 28 assessed value of property that is assessed as residential
 29 property under the rules of the department of local government
 30 finance, as finally determined for the current assessment date.
 31 (3) If:
 32 (A) an allocation provision adopted before June 30, 1995, in
 33 a declaratory resolution or an amendment to a declaratory
 34 resolution establishing a redevelopment project area expires
 35 after June 30, 1997; and
 36 (B) after June 30, 1997, a new allocation provision is included
 37 in an amendment to the declaratory resolution;
 38 the net assessed value of all the property as finally determined for
 39 the assessment date immediately preceding the effective date of
 40 the allocation provision adopted after June 30, 1997, as adjusted
 41 under subsection (h).
 42 (4) Except as provided in subdivision (5), for all other allocation



1 areas, the net assessed value of all the property as finally
2 determined for the assessment date immediately preceding the
3 effective date of the allocation provision of the declaratory
4 resolution, as adjusted under subsection (h).

5 (5) If an allocation area established in an economic development
6 area before July 1, 1995, is expanded after June 30, 1995, the
7 definition in subdivision (1) applies to the expanded part of the
8 area added after June 30, 1995.

9 (6) If an allocation area established in a redevelopment project
10 area before July 1, 1997, is expanded after June 30, 1997, the
11 definition in subdivision (2) applies to the expanded part of the
12 area added after June 30, 1997.

13 Except as provided in section 39.3 of this chapter, "property taxes"
14 means taxes imposed under IC 6-1.1 on real property. However, upon
15 approval by a resolution of the redevelopment commission adopted
16 before June 1, 1987, "property taxes" also includes taxes imposed
17 under IC 6-1.1 on depreciable personal property. If a redevelopment
18 commission adopted before June 1, 1987, a resolution to include within
19 the definition of property taxes, taxes imposed under IC 6-1.1 on
20 depreciable personal property that has a useful life in excess of eight
21 (8) years, the commission may by resolution determine the percentage
22 of taxes imposed under IC 6-1.1 on all depreciable personal property
23 that will be included within the definition of property taxes. However,
24 the percentage included must not exceed twenty-five percent (25%) of
25 the taxes imposed under IC 6-1.1 on all depreciable personal property.

26 (b) A declaratory resolution adopted under section 15 of this chapter
27 on or before the allocation deadline determined under subsection (i)
28 may include a provision with respect to the allocation and distribution
29 of property taxes for the purposes and in the manner provided in this
30 section. A declaratory resolution previously adopted may include an
31 allocation provision by the amendment of that declaratory resolution on
32 or before the allocation deadline determined under subsection (i) in
33 accordance with the procedures required for its original adoption. A
34 declaratory resolution or amendment that establishes an allocation
35 provision must include a specific finding of fact, supported by
36 evidence, that the adoption of the allocation provision will result in
37 new property taxes in the area that would not have been generated but
38 for the adoption of the allocation provision. For an allocation area
39 established before July 1, 1995, the expiration date of any allocation
40 provisions for the allocation area is June 30, 2025, or the last date of
41 any obligations that are outstanding on July 1, 2015, whichever is later.
42 A declaratory resolution or an amendment that establishes an allocation



1 provision after June 30, 1995, must specify an expiration date for the
2 allocation provision. For an allocation area established before July 1,
3 2008, the expiration date may not be more than thirty (30) years after
4 the date on which the allocation provision is established. For an
5 allocation area established after June 30, 2008, the expiration date may
6 not be more than twenty-five (25) years after the date on which the first
7 obligation was incurred to pay principal and interest on bonds or lease
8 rentals on leases payable from tax increment revenues. However, with
9 respect to bonds or other obligations that were issued before July 1,
10 2008, if any of the bonds or other obligations that were scheduled when
11 issued to mature before the specified expiration date and that are
12 payable only from allocated tax proceeds with respect to the allocation
13 area remain outstanding as of the expiration date, the allocation
14 provision does not expire until all of the bonds or other obligations are
15 no longer outstanding. Notwithstanding any other law, in the case of an
16 allocation area that is established after June 30, 2019, and that is
17 located in a redevelopment project area described in section
18 25.1(c)(3)(C) of this chapter, an economic development area described
19 in section 25.1(c)(3)(C) of this chapter, or an urban renewal project
20 area described in section 25.1(c)(3)(C) of this chapter, the expiration
21 date of the allocation provision may not be more than thirty-five (35)
22 years after the date on which the allocation provision is established.
23 The allocation provision may apply to all or part of the redevelopment
24 project area. The allocation provision must require that any property
25 taxes subsequently levied by or for the benefit of any public body
26 entitled to a distribution of property taxes on taxable property in the
27 allocation area be allocated and distributed as follows:

28 (1) Except as otherwise provided in this section, the proceeds of
29 the taxes attributable to the lesser of:

30 (A) the assessed value of the property for the assessment date
31 with respect to which the allocation and distribution is made;

32 or

33 (B) the base assessed value;

34 shall be allocated to and, when collected, paid into the funds of
35 the respective taxing units.

36 (2) This subdivision applies to a fire protection territory
37 established after December 31, 2022. If a unit becomes a
38 participating unit of a fire protection territory that is established
39 after a declaratory resolution is adopted under section 15 of this
40 chapter, the excess of the proceeds of the property taxes
41 attributable to an increase in the property tax rate for the
42 participating unit of a fire protection territory:



1 (A) except as otherwise provided by this subdivision, shall be
2 determined as follows:

3 STEP ONE: Divide the unit's tax rate for fire protection for
4 the year before the establishment of the fire protection
5 territory by the participating unit's tax rate as part of the fire
6 protection territory.

7 STEP TWO: Subtract the STEP ONE amount from one (1).

8 STEP THREE: Multiply the STEP TWO amount by the
9 allocated property tax attributable to the participating unit of
10 the fire protection territory; and

11 (B) to the extent not otherwise included in subdivisions (1)
12 and (3), the amount determined under STEP THREE of clause
13 (A) shall be allocated to and distributed in the form of an
14 allocated property tax revenue pass back to the participating
15 unit of the fire protection territory for the assessment date with
16 respect to which the allocation is made.

17 However, if the redevelopment commission determines that it is
18 unable to meet its debt service obligations with regards to the
19 allocation area without all or part of the allocated property tax
20 revenue pass back to the participating unit of a fire protection area
21 under this subdivision, then the allocated property tax revenue
22 pass back under this subdivision shall be reduced by the amount
23 necessary for the redevelopment commission to meet its debt
24 service obligations of the allocation area. The calculation under
25 this subdivision must be made by the redevelopment commission
26 in collaboration with the county auditor and the applicable fire
27 protection territory. Any calculation determined according to
28 clause (A) must be submitted to the department of local
29 government finance in the manner prescribed by the department
30 of local government finance. The department of local government
31 finance shall verify the accuracy of each calculation.

32 (3) The excess of the proceeds of the property taxes imposed for
33 the assessment date with respect to which the allocation and
34 distribution is made that are attributable to taxes imposed after
35 being approved by the voters in a referendum or local public
36 question conducted after April 30, 2010, not otherwise included
37 in subdivisions (1) and (2) shall be allocated to and, when
38 collected, paid into the funds of the taxing unit for which the
39 referendum or local public question was conducted.

40 (4) Except as otherwise provided in this section, property tax
41 proceeds in excess of those described in subdivisions (1), (2), and
42 (3) shall be allocated to the redevelopment district and, when



1 collected, paid into an allocation fund for that allocation area that
 2 may be used by the redevelopment district only to do one (1) or
 3 more of the following:

4 (A) Pay the principal of and interest on any obligations
 5 payable solely from allocated tax proceeds which are incurred
 6 by the redevelopment district for the purpose of financing or
 7 refinancing the redevelopment of that allocation area.

8 (B) Establish, augment, or restore the debt service reserve for
 9 bonds payable solely or in part from allocated tax proceeds in
 10 that allocation area.

11 (C) Pay the principal of and interest on bonds payable from
 12 allocated tax proceeds in that allocation area and from the
 13 special tax levied under section 27 of this chapter.

14 (D) Pay the principal of and interest on bonds issued by the
 15 unit to pay for local public improvements that are physically
 16 located in or physically connected to that allocation area.

17 (E) Pay premiums on the redemption before maturity of bonds
 18 payable solely or in part from allocated tax proceeds in that
 19 allocation area.

20 (F) Make payments on leases payable from allocated tax
 21 proceeds in that allocation area under section 25.2 of this
 22 chapter.

23 (G) Reimburse the unit for expenditures made by it for local
 24 public improvements (which include buildings, parking
 25 facilities, and other items described in section 25.1(a) of this
 26 chapter) that are physically located in or physically connected
 27 to that allocation area.

28 (H) Reimburse the unit for rentals paid by it for a building or
 29 parking facility that is physically located in or physically
 30 connected to that allocation area under any lease entered into
 31 under IC 36-1-10.

32 (I) For property taxes first due and payable before January 1,
 33 2009, pay all or a part of a property tax replacement credit to
 34 taxpayers in an allocation area as determined by the
 35 redevelopment commission. This credit equals the amount
 36 determined under the following STEPS for each taxpayer in a
 37 taxing district (as defined in IC 6-1.1-1-20) that contains all or
 38 part of the allocation area:

39 STEP ONE: Determine that part of the sum of the amounts
 40 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 41 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 42 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to



1 the taxing district.
 2 STEP TWO: Divide:
 3 (i) that part of each county's eligible property tax
 4 replacement amount (as defined in IC 6-1.1-21-2 (before its
 5 repeal)) for that year as determined under IC 6-1.1-21-4
 6 (before its repeal) that is attributable to the taxing district;
 7 by
 8 (ii) the STEP ONE sum.
 9 STEP THREE: Multiply:
 10 (i) the STEP TWO quotient; times
 11 (ii) the total amount of the taxpayer's taxes (as defined in
 12 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
 13 that have been allocated during that year to an allocation
 14 fund under this section.
 15 If not all the taxpayers in an allocation area receive the credit
 16 in full, each taxpayer in the allocation area is entitled to
 17 receive the same proportion of the credit. A taxpayer may not
 18 receive a credit under this section and a credit under section
 19 39.5 of this chapter (before its repeal) in the same year.
 20 (J) Pay expenses incurred by the redevelopment commission
 21 for local public improvements that are in the allocation area or
 22 serving the allocation area. Public improvements include
 23 buildings, parking facilities, and other items described in
 24 section 25.1(a) of this chapter.
 25 (K) Reimburse public and private entities for expenses
 26 incurred in training employees of industrial facilities that are
 27 located:
 28 (i) in the allocation area; and
 29 (ii) on a parcel of real property that has been classified as
 30 industrial property under the rules of the department of local
 31 government finance.
 32 However, the total amount of money spent for this purpose in
 33 any year may not exceed the total amount of money in the
 34 allocation fund that is attributable to property taxes paid by the
 35 industrial facilities described in this clause. The
 36 reimbursements under this clause must be made within three
 37 (3) years after the date on which the investments that are the
 38 basis for the increment financing are made.
 39 (L) Pay the costs of carrying out an eligible efficiency project
 40 (as defined in IC 36-9-41-1.5) within the unit that established
 41 the redevelopment commission. However, property tax
 42 proceeds may be used under this clause to pay the costs of



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carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

(M) Expend money and provide financial assistance as authorized in section 12.2(a)(27) of this chapter.

(N) Expend revenues that are allocated for police and fire services on both capital expenditures and operating expenses as authorized in section 12.2(a)(28) of this chapter.

The allocation fund may not be used for operating expenses of the commission.

(5) Except as provided in subsection (g), before June 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (4), plus the amount necessary for other purposes described in subdivision (4).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The county auditor, upon receiving the notice, shall forward this notice (in an electronic format) to the department of local government finance not later than June 15 of each year. The notice must:

- (i) state the amount, if any, of excess assessed value that the



1 commission has determined may be allocated to the
 2 respective taxing units in the manner prescribed in
 3 subdivision (1); or

4 (ii) state that the commission has determined that there is no
 5 excess assessed value that may be allocated to the respective
 6 taxing units in the manner prescribed in subdivision (1).

7 The county auditor shall allocate to the respective taxing units
 8 the amount, if any, of excess assessed value determined by the
 9 commission. The commission may not authorize an allocation
 10 of assessed value to the respective taxing units under this
 11 subdivision if to do so would endanger the interests of the
 12 holders of bonds described in subdivision (4) or lessors under
 13 section 25.3 of this chapter.

14 (C) If:

15 (i) the amount of excess assessed value determined by the
 16 commission is expected to generate more than two hundred
 17 percent (200%) of the amount of allocated tax proceeds
 18 necessary to make, when due, principal and interest
 19 payments on bonds described in subdivision (4); plus

20 (ii) the amount necessary for other purposes described in
 21 subdivision (4);

22 the commission shall submit to the legislative body of the unit
 23 its determination of the excess assessed value that the
 24 commission proposes to allocate to the respective taxing units
 25 in the manner prescribed in subdivision (1). The legislative
 26 body of the unit may approve the commission's determination
 27 or modify the amount of the excess assessed value that will be
 28 allocated to the respective taxing units in the manner
 29 prescribed in subdivision (1).

30 (6) Notwithstanding subdivision (5), in the case of an allocation
 31 area that is established after June 30, 2019, and that is located in
 32 a redevelopment project area described in section 25.1(c)(3)(C)
 33 of this chapter, an economic development area described in
 34 section 25.1(c)(3)(C) of this chapter, or an urban renewal project
 35 area described in section 25.1(c)(3)(C) of this chapter, for each
 36 year the allocation provision is in effect, if the amount of excess
 37 assessed value determined by the commission under subdivision
 38 (5)(A) is expected to generate more than two hundred percent
 39 (200%) of:

40 (A) the amount of allocated tax proceeds necessary to make,
 41 when due, principal and interest payments on bonds described
 42 in subdivision (4) for the project; plus



- 1 (B) the amount necessary for other purposes described in
 2 subdivision (4) for the project;
 3 the amount of the excess assessed value that generates more than
 4 two hundred percent (200%) of the amounts described in clauses
 5 (A) and (B) shall be allocated to the respective taxing units in the
 6 manner prescribed by subdivision (1).
- 7 (c) For the purpose of allocating taxes levied by or for any taxing
 8 unit or units, the assessed value of taxable property in a territory in the
 9 allocation area that is annexed by any taxing unit after the effective
 10 date of the allocation provision of the declaratory resolution is the
 11 lesser of:
 12 (1) the assessed value of the property for the assessment date with
 13 respect to which the allocation and distribution is made; or
 14 (2) the base assessed value.
- 15 (d) Property tax proceeds allocable to the redevelopment district
 16 under subsection (b)(4) may, subject to subsection (b)(5), be
 17 irrevocably pledged by the redevelopment district for payment as set
 18 forth in subsection (b)(4).
- 19 (e) Notwithstanding any other law, each assessor shall, upon
 20 petition of the redevelopment commission, reassess the taxable
 21 property situated upon or in, or added to, the allocation area, effective
 22 on the next assessment date after the petition.
- 23 (f) Notwithstanding any other law, the assessed value of all taxable
 24 property in the allocation area, for purposes of tax limitation, property
 25 tax replacement, and formulation of the budget, tax rate, and tax levy
 26 for each political subdivision in which the property is located is the
 27 lesser of:
 28 (1) the assessed value of the property as valued without regard to
 29 this section; or
 30 (2) the base assessed value.
- 31 (g) If any part of the allocation area is located in an enterprise zone
 32 created under IC 5-28-15, the unit that designated the allocation area
 33 shall create funds as specified in this subsection. A unit that has
 34 obligations, bonds, or leases payable from allocated tax proceeds under
 35 subsection (b)(4) shall establish an allocation fund for the purposes
 36 specified in subsection (b)(4) and a special zone fund. Such a unit
 37 shall, until the end of the enterprise zone phase out period, deposit each
 38 year in the special zone fund any amount in the allocation fund derived
 39 from property tax proceeds in excess of those described in subsection
 40 (b)(1), (b)(2), and (b)(3) from property located in the enterprise zone
 41 that exceeds the amount sufficient for the purposes specified in
 42 subsection (b)(4) for the year. The amount sufficient for purposes



1 specified in subsection (b)(4) for the year shall be determined based on
2 the pro rata portion of such current property tax proceeds from the part
3 of the enterprise zone that is within the allocation area as compared to
4 all such current property tax proceeds derived from the allocation area.
5 A unit that has no obligations, bonds, or leases payable from allocated
6 tax proceeds under subsection (b)(4) shall establish a special zone fund
7 and deposit all the property tax proceeds in excess of those described
8 in subsection (b)(1), (b)(2), and (b)(3) in the fund derived from
9 property tax proceeds in excess of those described in subsection (b)(1),
10 (b)(2), and (b)(3) from property located in the enterprise zone. The unit
11 that creates the special zone fund shall use the fund (based on the
12 recommendations of the urban enterprise association) for programs in
13 job training, job enrichment, and basic skill development that are
14 designed to benefit residents and employers in the enterprise zone or
15 other purposes specified in subsection (b)(4), except that where
16 reference is made in subsection (b)(4) to allocation area it shall refer
17 for purposes of payments from the special zone fund only to that part
18 of the allocation area that is also located in the enterprise zone. Those
19 programs shall reserve at least one-half (1/2) of their enrollment in any
20 session for residents of the enterprise zone.

21 (h) The state board of accounts and department of local government
22 finance shall make the rules and prescribe the forms and procedures
23 that they consider expedient for the implementation of this chapter.
24 After each reassessment in an area under a reassessment plan prepared
25 under IC 6-1.1-4-4.2, the department of local government finance shall
26 adjust the base assessed value one (1) time to neutralize any effect of
27 the reassessment of the real property in the area on the property tax
28 proceeds allocated to the redevelopment district under this section.
29 After each annual adjustment under IC 6-1.1-4-4.5, the department of
30 local government finance shall adjust the base assessed value one (1)
31 time to neutralize any effect of the annual adjustment on the property
32 tax proceeds allocated to the redevelopment district under this section.

33 However, the adjustments under this subsection:

- 34 (1) may not include the effect of phasing in assessed value due to
35 property tax abatements under IC 6-1.1-12.1;
36 (2) may not produce less property tax proceeds allocable to the
37 redevelopment district under subsection (b)(4) than would
38 otherwise have been received if the reassessment under the
39 reassessment plan or the annual adjustment had not occurred; and
40 (3) may decrease base assessed value only to the extent that
41 assessed values in the allocation area have been decreased due to
42 annual adjustments or the reassessment under the reassessment



1 plan.

2 Assessed value increases attributable to the application of an abatement

3 schedule under IC 6-1.1-12.1 may not be included in the base assessed

4 value of an allocation area. The department of local government

5 finance may prescribe procedures for county and township officials to

6 follow to assist the department in making the adjustments.

7 (i) The allocation deadline referred to in subsection (b) is

8 determined in the following manner:

9 (1) The initial allocation deadline is December 31, 2011.

10 (2) Subject to subdivision (3), the initial allocation deadline and

11 subsequent allocation deadlines are automatically extended in

12 increments of five (5) years, so that allocation deadlines

13 subsequent to the initial allocation deadline fall on December 31,

14 2016, and December 31 of each fifth year thereafter.

15 (3) At least one (1) year before the date of an allocation deadline

16 determined under subdivision (2), the general assembly may enact

17 a law that:

18 (A) terminates the automatic extension of allocation deadlines

19 under subdivision (2); and

20 (B) specifically designates a particular date as the final

21 allocation deadline.

22 (j) If a redevelopment commission adopts a declaratory resolution

23 or an amendment to a declaratory resolution that contains an allocation

24 provision and the redevelopment commission makes either of the

25 filings required under section 17(e) of this chapter after the first

26 anniversary of the effective date of the allocation provision, the auditor

27 of the county in which the unit is located shall compute the base

28 assessed value for the allocation area using the assessment date

29 immediately preceding the later of:

30 (1) the date on which the documents are filed with the county

31 auditor; or

32 (2) the date on which the documents are filed with the department

33 of local government finance.

34 (k) For an allocation area established after June 30, 2025,

35 "residential property" refers to the assessed value of property that is

36 allocated to the one percent (1%) homestead land and improvement

37 categories in the county tax and billing software system, along with the

38 residential assessed value as defined for purposes of calculating the

39 rate for the local income tax property tax relief credit designated for

40 residential property under IC 6-3.6-5-6(d)(3) **(before its expiration)**.

41 SECTION 177. IC 36-7-15.1-26, AS AMENDED BY P.L. 174-2022,

42 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



- 1 JULY 1, 2026]: Sec. 26. (a) As used in this section:
2 "Allocation area" means that part of a redevelopment project area
3 to which an allocation provision of a resolution adopted under section
4 8 of this chapter refers for purposes of distribution and allocation of
5 property taxes.
6 "Base assessed value" means, subject to subsection (j), the
7 following:
8 (1) If an allocation provision is adopted after June 30, 1995, in a
9 declaratory resolution or an amendment to a declaratory
10 resolution establishing an economic development area:
11 (A) the net assessed value of all the property as finally
12 determined for the assessment date immediately preceding the
13 effective date of the allocation provision of the declaratory
14 resolution, as adjusted under subsection (h); plus
15 (B) to the extent that it is not included in clause (A), the net
16 assessed value of property that is assessed as residential
17 property under the rules of the department of local government
18 finance, within the allocation area, as finally determined for
19 the current assessment date.
20 (2) If an allocation provision is adopted after June 30, 1997, in a
21 declaratory resolution or an amendment to a declaratory
22 resolution establishing a redevelopment project area:
23 (A) the net assessed value of all the property as finally
24 determined for the assessment date immediately preceding the
25 effective date of the allocation provision of the declaratory
26 resolution, as adjusted under subsection (h); plus
27 (B) to the extent that it is not included in clause (A), the net
28 assessed value of property that is assessed as residential
29 property under the rules of the department of local government
30 finance, within the allocation area, as finally determined for
31 the current assessment date.
32 (3) If:
33 (A) an allocation provision adopted before June 30, 1995, in
34 a declaratory resolution or an amendment to a declaratory
35 resolution establishing a redevelopment project area expires
36 after June 30, 1997; and
37 (B) after June 30, 1997, a new allocation provision is included
38 in an amendment to the declaratory resolution;
39 the net assessed value of all the property as finally determined for
40 the assessment date immediately preceding the effective date of
41 the allocation provision adopted after June 30, 1997, as adjusted
42 under subsection (h).



1 (4) Except as provided in subdivision (5), for all other allocation
2 areas, the net assessed value of all the property as finally
3 determined for the assessment date immediately preceding the
4 effective date of the allocation provision of the declaratory
5 resolution, as adjusted under subsection (h).

6 (5) If an allocation area established in an economic development
7 area before July 1, 1995, is expanded after June 30, 1995, the
8 definition in subdivision (1) applies to the expanded part of the
9 area added after June 30, 1995.

10 (6) If an allocation area established in a redevelopment project
11 area before July 1, 1997, is expanded after June 30, 1997, the
12 definition in subdivision (2) applies to the expanded part of the
13 area added after June 30, 1997.

14 Except as provided in section 26.2 of this chapter, "property taxes"
15 means taxes imposed under IC 6-1.1 on real property. However, upon
16 approval by a resolution of the redevelopment commission adopted
17 before June 1, 1987, "property taxes" also includes taxes imposed
18 under IC 6-1.1 on depreciable personal property. If a redevelopment
19 commission adopted before June 1, 1987, a resolution to include within
20 the definition of property taxes, taxes imposed under IC 6-1.1 on
21 depreciable personal property that has a useful life in excess of eight
22 (8) years, the commission may by resolution determine the percentage
23 of taxes imposed under IC 6-1.1 on all depreciable personal property
24 that will be included within the definition of property taxes. However,
25 the percentage included must not exceed twenty-five percent (25%) of
26 the taxes imposed under IC 6-1.1 on all depreciable personal property.

27 (b) A resolution adopted under section 8 of this chapter on or before
28 the allocation deadline determined under subsection (i) may include a
29 provision with respect to the allocation and distribution of property
30 taxes for the purposes and in the manner provided in this section. A
31 resolution previously adopted may include an allocation provision by
32 the amendment of that resolution on or before the allocation deadline
33 determined under subsection (i) in accordance with the procedures
34 required for its original adoption. A declaratory resolution or
35 amendment that establishes an allocation provision must include a
36 specific finding of fact, supported by evidence, that the adoption of the
37 allocation provision will result in new property taxes in the area that
38 would not have been generated but for the adoption of the allocation
39 provision. For an allocation area established before July 1, 1995, the
40 expiration date of any allocation provisions for the allocation area is
41 June 30, 2025, or the last date of any obligations that are outstanding
42 on July 1, 2015, whichever is later. However, for an allocation area



1 identified as the Consolidated Allocation Area in the report submitted
2 in 2013 to the fiscal body under section 36.3 of this chapter, the
3 expiration date of any allocation provisions for the allocation area is
4 January 1, 2051. A declaratory resolution or an amendment that
5 establishes an allocation provision after June 30, 1995, must specify an
6 expiration date for the allocation provision. For an allocation area
7 established before July 1, 2008, the expiration date may not be more
8 than thirty (30) years after the date on which the allocation provision
9 is established. For an allocation area established after June 30, 2008,
10 the expiration date may not be more than twenty-five (25) years after
11 the date on which the first obligation was incurred to pay principal and
12 interest on bonds or lease rentals on leases payable from tax increment
13 revenues. However, with respect to bonds or other obligations that were
14 issued before July 1, 2008, if any of the bonds or other obligations that
15 were scheduled when issued to mature before the specified expiration
16 date and that are payable only from allocated tax proceeds with respect
17 to the allocation area remain outstanding as of the expiration date, the
18 allocation provision does not expire until all of the bonds or other
19 obligations are no longer outstanding. The allocation provision may
20 apply to all or part of the redevelopment project area. The allocation
21 provision must require that any property taxes subsequently levied by
22 or for the benefit of any public body entitled to a distribution of
23 property taxes on taxable property in the allocation area be allocated
24 and distributed as follows:

25 (1) Except as otherwise provided in this section, the proceeds of
26 the taxes attributable to the lesser of:

27 (A) the assessed value of the property for the assessment date
28 with respect to which the allocation and distribution is made;
29 or

30 (B) the base assessed value;

31 shall be allocated to and, when collected, paid into the funds of
32 the respective taxing units.

33 (2) The excess of the proceeds of the property taxes imposed for
34 the assessment date with respect to which the allocation and
35 distribution is made that are attributable to taxes imposed after
36 being approved by the voters in a referendum or local public
37 question conducted after April 30, 2010, not otherwise included
38 in subdivision (1) shall be allocated to and, when collected, paid
39 into the funds of the taxing unit for which the referendum or local
40 public question was conducted.

41 (3) Except as otherwise provided in this section, property tax
42 proceeds in excess of those described in subdivisions (1) and (2)



1 shall be allocated to the redevelopment district and, when
 2 collected, paid into a special fund for that allocation area that may
 3 be used by the redevelopment district only to do one (1) or more
 4 of the following:

5 (A) Pay the principal of and interest on any obligations
 6 payable solely from allocated tax proceeds that are incurred by
 7 the redevelopment district for the purpose of financing or
 8 refinancing the redevelopment of that allocation area.

9 (B) Establish, augment, or restore the debt service reserve for
 10 bonds payable solely or in part from allocated tax proceeds in
 11 that allocation area.

12 (C) Pay the principal of and interest on bonds payable from
 13 allocated tax proceeds in that allocation area and from the
 14 special tax levied under section 19 of this chapter.

15 (D) Pay the principal of and interest on bonds issued by the
 16 consolidated city to pay for local public improvements that are
 17 physically located in or physically connected to that allocation
 18 area.

19 (E) Pay premiums on the redemption before maturity of bonds
 20 payable solely or in part from allocated tax proceeds in that
 21 allocation area.

22 (F) Make payments on leases payable from allocated tax
 23 proceeds in that allocation area under section 17.1 of this
 24 chapter.

25 (G) Reimburse the consolidated city for expenditures for local
 26 public improvements (which include buildings, parking
 27 facilities, and other items set forth in section 17 of this
 28 chapter) that are physically located in or physically connected
 29 to that allocation area.

30 (H) Reimburse the unit for rentals paid by it for a building or
 31 parking facility that is physically located in or physically
 32 connected to that allocation area under any lease entered into
 33 under IC 36-1-10.

34 (I) Reimburse public and private entities for expenses incurred
 35 in training employees of industrial facilities that are located:

36 (i) in the allocation area; and

37 (ii) on a parcel of real property that has been classified as
 38 industrial property under the rules of the department of local
 39 government finance.

40 However, the total amount of money spent for this purpose in
 41 any year may not exceed the total amount of money in the
 42 allocation fund that is attributable to property taxes paid by the



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industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

(K) Expend money and provide financial assistance as authorized in section 7(a)(21) of this chapter.

The special fund may not be used for operating expenses of the commission.

(4) Before June 15 of each year, the commission shall do the following:

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).
- (B) Provide a written notice to the county auditor, the legislative body of the consolidated city, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an



1 electronic format) the department of local government finance.

2 The notice must:

3 (i) state the amount, if any, of excess assessed value that the
4 commission has determined may be allocated to the
5 respective taxing units in the manner prescribed in
6 subdivision (1); or

7 (ii) state that the commission has determined that there is no
8 excess assessed value that may be allocated to the respective
9 taxing units in the manner prescribed in subdivision (1).

10 The county auditor shall allocate to the respective taxing units
11 the amount, if any, of excess assessed value determined by the
12 commission. The commission may not authorize an allocation
13 to the respective taxing units under this subdivision if to do so
14 would endanger the interests of the holders of bonds described
15 in subdivision (3).

16 (C) If:

17 (i) the amount of excess assessed value determined by the
18 commission is expected to generate more than two hundred
19 percent (200%) of the amount of allocated tax proceeds
20 necessary to make, when due, principal and interest
21 payments on bonds described in subdivision (3); plus

22 (ii) the amount necessary for other purposes described in
23 subdivision (3) and subsection (g);

24 the commission shall submit to the legislative body of the unit
25 the commission's determination of the excess assessed value
26 that the commission proposes to allocate to the respective
27 taxing units in the manner prescribed in subdivision (1). The
28 legislative body of the unit may approve the commission's
29 determination or modify the amount of the excess assessed
30 value that will be allocated to the respective taxing units in the
31 manner prescribed in subdivision (1).

32 (c) For the purpose of allocating taxes levied by or for any taxing
33 unit or units, the assessed value of taxable property in a territory in the
34 allocation area that is annexed by any taxing unit after the effective
35 date of the allocation provision of the resolution is the lesser of:

36 (1) the assessed value of the property for the assessment date with
37 respect to which the allocation and distribution is made; or

38 (2) the base assessed value.

39 (d) Property tax proceeds allocable to the redevelopment district
40 under subsection (b)(3) may, subject to subsection (b)(4), be
41 irrevocably pledged by the redevelopment district for payment as set
42 forth in subsection (b)(3).



1 (e) Notwithstanding any other law, each assessor shall, upon
 2 petition of the commission, reassess the taxable property situated upon
 3 or in, or added to, the allocation area, effective on the next assessment
 4 date after the petition.

5 (f) Notwithstanding any other law, the assessed value of all taxable
 6 property in the allocation area, for purposes of tax limitation, property
 7 tax replacement, and formulation of the budget, tax rate, and tax levy
 8 for each political subdivision in which the property is located is the
 9 lesser of:

- 10 (1) the assessed value of the property as valued without regard to
 11 this section; or
 12 (2) the base assessed value.

13 (g) If any part of the allocation area is located in an enterprise zone
 14 created under IC 5-28-15, the unit that designated the allocation area
 15 shall create funds as specified in this subsection. A unit that has
 16 obligations, bonds, or leases payable from allocated tax proceeds under
 17 subsection (b)(3) shall establish an allocation fund for the purposes
 18 specified in subsection (b)(3) and a special zone fund. Such a unit
 19 shall, until the end of the enterprise zone phase out period, deposit each
 20 year in the special zone fund the amount in the allocation fund derived
 21 from property tax proceeds in excess of those described in subsection
 22 (b)(1) and (b)(2) from property located in the enterprise zone that
 23 exceeds the amount sufficient for the purposes specified in subsection
 24 (b)(3) for the year. A unit that has no obligations, bonds, or leases
 25 payable from allocated tax proceeds under subsection (b)(3) shall
 26 establish a special zone fund and deposit all the property tax proceeds
 27 in excess of those described in subsection (b)(1) and (b)(2) in the fund
 28 derived from property tax proceeds in excess of those described in
 29 subsection (b)(1) and (b)(2) from property located in the enterprise
 30 zone. The unit that creates the special zone fund shall use the fund,
 31 based on the recommendations of the urban enterprise association, for
 32 one (1) or more of the following purposes:

- 33 (1) To pay for programs in job training, job enrichment, and basic
 34 skill development designed to benefit residents and employers in
 35 the enterprise zone. The programs must reserve at least one-half
 36 (1/2) of the enrollment in any session for residents of the
 37 enterprise zone.
 38 (2) To make loans and grants for the purpose of stimulating
 39 business activity in the enterprise zone or providing employment
 40 for enterprise zone residents in the enterprise zone. These loans
 41 and grants may be made to the following:
 42 (A) Businesses operating in the enterprise zone.



- 1 (B) Businesses that will move their operations to the enterprise
 2 zone if such a loan or grant is made.
- 3 (3) To provide funds to carry out other purposes specified in
 4 subsection (b)(3). However, where reference is made in
 5 subsection (b)(3) to the allocation area, the reference refers for
 6 purposes of payments from the special zone fund only to that part
 7 of the allocation area that is also located in the enterprise zone.
- 8 (h) The state board of accounts and department of local government
 9 finance shall make the rules and prescribe the forms and procedures
 10 that they consider expedient for the implementation of this chapter.
 11 After each reassessment under a reassessment plan prepared under
 12 IC 6-1.1-4-4.2, the department of local government finance shall adjust
 13 the base assessed value one (1) time to neutralize any effect of the
 14 reassessment of the real property in the area on the property tax
 15 proceeds allocated to the redevelopment district under this section.
 16 After each annual adjustment under IC 6-1.1-4-4.5, the department of
 17 local government finance shall adjust the base assessed value to
 18 neutralize any effect of the annual adjustment on the property tax
 19 proceeds allocated to the redevelopment district under this section.
 20 However, the adjustments under this subsection may not include the
 21 effect of property tax abatements under IC 6-1.1-12.1, and these
 22 adjustments may not produce less property tax proceeds allocable to
 23 the redevelopment district under subsection (b)(3) than would
 24 otherwise have been received if the reassessment under the
 25 reassessment plan or annual adjustment had not occurred. The
 26 department of local government finance may prescribe procedures for
 27 county and township officials to follow to assist the department in
 28 making the adjustments.
- 29 (i) The allocation deadline referred to in subsection (b) is
 30 determined in the following manner:
- 31 (1) The initial allocation deadline is December 31, 2011.
- 32 (2) Subject to subdivision (3), the initial allocation deadline and
 33 subsequent allocation deadlines are automatically extended in
 34 increments of five (5) years, so that allocation deadlines
 35 subsequent to the initial allocation deadline fall on December 31,
 36 2016, and December 31 of each fifth year thereafter.
- 37 (3) At least one (1) year before the date of an allocation deadline
 38 determined under subdivision (2), the general assembly may enact
 39 a law that:
- 40 (A) terminates the automatic extension of allocation deadlines
 41 under subdivision (2); and
 42 (B) specifically designates a particular date as the final



1 allocation deadline.

2 (j) If the commission adopts a declaratory resolution or an
3 amendment to a declaratory resolution that contains an allocation
4 provision and the commission makes either of the filings required
5 under section 10(e) of this chapter after the first anniversary of the
6 effective date of the allocation provision, the auditor of the county in
7 which the unit is located shall compute the base assessed value for the
8 allocation area using the assessment date immediately preceding the
9 later of:

- 10 (1) the date on which the documents are filed with the county
11 auditor; or
12 (2) the date on which the documents are filed with the department
13 of local government finance.

14 (k) For an allocation area established after June 30, 2024,
15 "residential property" refers to the assessed value of property that is
16 allocated to the one percent (1%) homestead land and improvement
17 categories in the county tax and billing software system, along with the
18 residential assessed value as defined for purposes of calculating the
19 rate for the local income tax property tax relief credit designated for
20 residential property under IC 6-3.6-5-6(d)(3) **(before its expiration)**.

21 SECTION 178. IC 36-7-15.1-53, AS AMENDED BY P.L.174-2022,
22 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2026]: Sec. 53. (a) As used in this section:

24 "Allocation area" means that part of a redevelopment project area
25 to which an allocation provision of a resolution adopted under section
26 40 of this chapter refers for purposes of distribution and allocation of
27 property taxes.

28 "Base assessed value" means, subject to subsection (j):

- 29 (1) the net assessed value of all the property as finally determined
30 for the assessment date immediately preceding the effective date
31 of the allocation provision of the declaratory resolution, as
32 adjusted under subsection (h); plus
33 (2) to the extent that it is not included in subdivision (1), the net
34 assessed value of property that is assessed as residential property
35 under the rules of the department of local government finance, as
36 finally determined for the current assessment date.

37 Except as provided in section 55 of this chapter, "property taxes"
38 means taxes imposed under IC 6-1.1 on real property.

39 (b) A resolution adopted under section 40 of this chapter on or
40 before the allocation deadline determined under subsection (i) may
41 include a provision with respect to the allocation and distribution of
42 property taxes for the purposes and in the manner provided in this



1 section. A resolution previously adopted may include an allocation
 2 provision by the amendment of that resolution on or before the
 3 allocation deadline determined under subsection (i) in accordance with
 4 the procedures required for its original adoption. A declaratory
 5 resolution or an amendment that establishes an allocation provision
 6 must be approved by resolution of the legislative body of the excluded
 7 city and must specify an expiration date for the allocation provision.
 8 For an allocation area established before July 1, 2008, the expiration
 9 date may not be more than thirty (30) years after the date on which the
 10 allocation provision is established. For an allocation area established
 11 after June 30, 2008, the expiration date may not be more than
 12 twenty-five (25) years after the date on which the first obligation was
 13 incurred to pay principal and interest on bonds or lease rentals on
 14 leases payable from tax increment revenues. However, with respect to
 15 bonds or other obligations that were issued before July 1, 2008, if any
 16 of the bonds or other obligations that were scheduled when issued to
 17 mature before the specified expiration date and that are payable only
 18 from allocated tax proceeds with respect to the allocation area remain
 19 outstanding as of the expiration date, the allocation provision does not
 20 expire until all of the bonds or other obligations are no longer
 21 outstanding. The allocation provision may apply to all or part of the
 22 redevelopment project area. The allocation provision must require that
 23 any property taxes subsequently levied by or for the benefit of any
 24 public body entitled to a distribution of property taxes on taxable
 25 property in the allocation area be allocated and distributed as follows:

26 (1) Except as otherwise provided in this section, the proceeds of
 27 the taxes attributable to the lesser of:

28 (A) the assessed value of the property for the assessment date
 29 with respect to which the allocation and distribution is made;
 30 or

31 (B) the base assessed value;

32 shall be allocated to and, when collected, paid into the funds of
 33 the respective taxing units.

34 (2) The excess of the proceeds of the property taxes imposed for
 35 the assessment date with respect to which the allocation and
 36 distribution is made that are attributable to taxes imposed after
 37 being approved by the voters in a referendum or local public
 38 question conducted after April 30, 2010, not otherwise included
 39 in subdivision (1) shall be allocated to and, when collected, paid
 40 into the funds of the taxing unit for which the referendum or local
 41 public question was conducted.

42 (3) Except as otherwise provided in this section, property tax



1 proceeds in excess of those described in subdivisions (1) and (2)
 2 shall be allocated to the redevelopment district and, when
 3 collected, paid into a special fund for that allocation area that may
 4 be used by the redevelopment district only to do one (1) or more
 5 of the following:

6 (A) Pay the principal of and interest on any obligations
 7 payable solely from allocated tax proceeds that are incurred by
 8 the redevelopment district for the purpose of financing or
 9 refinancing the redevelopment of that allocation area.

10 (B) Establish, augment, or restore the debt service reserve for
 11 bonds payable solely or in part from allocated tax proceeds in
 12 that allocation area.

13 (C) Pay the principal of and interest on bonds payable from
 14 allocated tax proceeds in that allocation area and from the
 15 special tax levied under section 50 of this chapter.

16 (D) Pay the principal of and interest on bonds issued by the
 17 excluded city to pay for local public improvements that are
 18 physically located in or physically connected to that allocation
 19 area.

20 (E) Pay premiums on the redemption before maturity of bonds
 21 payable solely or in part from allocated tax proceeds in that
 22 allocation area.

23 (F) Make payments on leases payable from allocated tax
 24 proceeds in that allocation area under section 46 of this
 25 chapter.

26 (G) Reimburse the excluded city for expenditures for local
 27 public improvements (which include buildings, park facilities,
 28 and other items set forth in section 45 of this chapter) that are
 29 physically located in or physically connected to that allocation
 30 area.

31 (H) Reimburse the unit for rentals paid by it for a building or
 32 parking facility that is physically located in or physically
 33 connected to that allocation area under any lease entered into
 34 under IC 36-1-10.

35 (I) Reimburse public and private entities for expenses incurred
 36 in training employees of industrial facilities that are located:

37 (i) in the allocation area; and

38 (ii) on a parcel of real property that has been classified as
 39 industrial property under the rules of the department of local
 40 government finance.

41 However, the total amount of money spent for this purpose in
 42 any year may not exceed the total amount of money in the



1 allocation fund that is attributable to property taxes paid by the
 2 industrial facilities described in this clause. The
 3 reimbursements under this clause must be made within three
 4 (3) years after the date on which the investments that are the
 5 basis for the increment financing are made.

6 The special fund may not be used for operating expenses of the
 7 commission.

8 (4) Before June 15 of each year, the commission shall do the
 9 following:

10 (A) Determine the amount, if any, by which the assessed value
 11 of the taxable property in the allocation area for the most
 12 recent assessment date minus the base assessed value, when
 13 multiplied by the estimated tax rate of the allocation area, will
 14 exceed the amount of assessed value needed to provide the
 15 property taxes necessary to make, when due, principal and
 16 interest payments on bonds described in subdivision (3) plus
 17 the amount necessary for other purposes described in
 18 subdivision (3) and subsection (g).

19 (B) Provide a written notice to the county auditor, the fiscal
 20 body of the county or municipality that established the
 21 department of redevelopment, the officers who are authorized
 22 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for
 23 each of the other taxing units that is wholly or partly located
 24 within the allocation area, and (in an electronic format) the
 25 department of local government finance. The notice must:

26 (i) state the amount, if any, of excess assessed value that the
 27 commission has determined may be allocated to the
 28 respective taxing units in the manner prescribed in
 29 subdivision (1); or

30 (ii) state that the commission has determined that there is no
 31 excess assessed value that may be allocated to the respective
 32 taxing units in the manner prescribed in subdivision (1).

33 The county auditor shall allocate to the respective taxing units
 34 the amount, if any, of excess assessed value determined by the
 35 commission. The commission may not authorize an allocation
 36 to the respective taxing units under this subdivision if to do so
 37 would endanger the interests of the holders of bonds described
 38 in subdivision (3).

39 (c) For the purpose of allocating taxes levied by or for any taxing
 40 unit or units, the assessed value of taxable property in a territory in the
 41 allocation area that is annexed by any taxing unit after the effective
 42 date of the allocation provision of the resolution is the lesser of:



- 1 (1) the assessed value of the property for the assessment date with
2 respect to which the allocation and distribution is made; or
3 (2) the base assessed value.
- 4 (d) Property tax proceeds allocable to the redevelopment district
5 under subsection (b)(3) may, subject to subsection (b)(4), be
6 irrevocably pledged by the redevelopment district for payment as set
7 forth in subsection (b)(3).
- 8 (e) Notwithstanding any other law, each assessor shall, upon
9 petition of the commission, reassess the taxable property situated upon
10 or in, or added to, the allocation area, effective on the next assessment
11 date after the petition.
- 12 (f) Notwithstanding any other law, the assessed value of all taxable
13 property in the allocation area, for purposes of tax limitation, property
14 tax replacement, and formulation of the budget, tax rate, and tax levy
15 for each political subdivision in which the property is located, is the
16 lesser of:
- 17 (1) the assessed value of the property as valued without regard to
18 this section; or
19 (2) the base assessed value.
- 20 (g) If any part of the allocation area is located in an enterprise zone
21 created under IC 5-28-15, the unit that designated the allocation area
22 shall create funds as specified in this subsection. A unit that has
23 obligations, bonds, or leases payable from allocated tax proceeds under
24 subsection (b)(3) shall establish an allocation fund for the purposes
25 specified in subsection (b)(3) and a special zone fund. Such a unit
26 shall, until the end of the enterprise zone phase out period, deposit each
27 year in the special zone fund the amount in the allocation fund derived
28 from property tax proceeds in excess of those described in subsection
29 (b)(1) and (b)(2) from property located in the enterprise zone that
30 exceeds the amount sufficient for the purposes specified in subsection
31 (b)(3) for the year. A unit that has no obligations, bonds, or leases
32 payable from allocated tax proceeds under subsection (b)(3) shall
33 establish a special zone fund and deposit all the property tax proceeds
34 in excess of those described in subsection (b)(1) and (b)(2) in the fund
35 derived from property tax proceeds in excess of those described in
36 subsection (b)(1) and (b)(2) from property located in the enterprise
37 zone. The unit that creates the special zone fund shall use the fund,
38 based on the recommendations of the urban enterprise association, for
39 one (1) or more of the following purposes:
- 40 (1) To pay for programs in job training, job enrichment, and basic
41 skill development designed to benefit residents and employers in
42 the enterprise zone. The programs must reserve at least one-half



- 1 (1/2) of the enrollment in any session for residents of the
 2 enterprise zone.
- 3 (2) To make loans and grants for the purpose of stimulating
 4 business activity in the enterprise zone or providing employment
 5 for enterprise zone residents in an enterprise zone. These loans
 6 and grants may be made to the following:
- 7 (A) Businesses operating in the enterprise zone.
- 8 (B) Businesses that will move their operations to the enterprise
 9 zone if such a loan or grant is made.
- 10 (3) To provide funds to carry out other purposes specified in
 11 subsection (b)(3). However, where reference is made in
 12 subsection (b)(3) to the allocation area, the reference refers, for
 13 purposes of payments from the special zone fund, only to that part
 14 of the allocation area that is also located in the enterprise zone.
- 15 (h) The state board of accounts and department of local government
 16 finance shall make the rules and prescribe the forms and procedures
 17 that they consider expedient for the implementation of this chapter.
 18 After each reassessment of real property in an area under a county's
 19 reassessment plan prepared under IC 6-1.1-4-4.2, the department of
 20 local government finance shall adjust the base assessed value one (1)
 21 time to neutralize any effect of the reassessment of the real property in
 22 the area on the property tax proceeds allocated to the redevelopment
 23 district under this section. After each annual adjustment under
 24 IC 6-1.1-4-4.5, the department of local government finance shall adjust
 25 the base assessed value to neutralize any effect of the annual
 26 adjustment on the property tax proceeds allocated to the redevelopment
 27 district under this section. However, the adjustments under this
 28 subsection may not include the effect of property tax abatements under
 29 IC 6-1.1-12.1, and these adjustments may not produce less property tax
 30 proceeds allocable to the redevelopment district under subsection
 31 (b)(3) than would otherwise have been received if the reassessment
 32 under the county's reassessment plan or annual adjustment had not
 33 occurred. The department of local government finance may prescribe
 34 procedures for county and township officials to follow to assist the
 35 department in making the adjustments.
- 36 (i) The allocation deadline referred to in subsection (b) is
 37 determined in the following manner:
- 38 (1) The initial allocation deadline is December 31, 2011.
- 39 (2) Subject to subdivision (3), the initial allocation deadline and
 40 subsequent allocation deadlines are automatically extended in
 41 increments of five (5) years, so that allocation deadlines
 42 subsequent to the initial allocation deadline fall on December 31,



1 2016, and December 31 of each fifth year thereafter.

2 (3) At least one (1) year before the date of an allocation deadline

3 determined under subdivision (2), the general assembly may enact

4 a law that:

5 (A) terminates the automatic extension of allocation deadlines

6 under subdivision (2); and

7 (B) specifically designates a particular date as the final

8 allocation deadline.

9 (j) If the commission adopts a declaratory resolution or an

10 amendment to a declaratory resolution that contains an allocation

11 provision and the commission makes either of the filings required

12 under section 10(e) of this chapter after the first anniversary of the

13 effective date of the allocation provision, the auditor of the county in

14 which the unit is located shall compute the base assessed value for the

15 allocation area using the assessment date immediately preceding the

16 later of:

17 (1) the date on which the documents are filed with the county

18 auditor; or

19 (2) the date on which the documents are filed with the department

20 of local government finance.

21 (k) For an allocation area established after June 30, 2024,

22 "residential property" refers to the assessed value of property that is

23 allocated to the one percent (1%) homestead land and improvement

24 categories in the county tax and billing software system, along with the

25 residential assessed value as defined for purposes of calculating the

26 rate for the local income tax property tax relief credit designated for

27 residential property under IC 6-3.6-5-6(d)(3) **(before its expiration)**.

28 SECTION 179. IC 36-7-30-25, AS AMENDED BY P.L.174-2022,

29 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

30 JULY 1, 2026]: Sec. 25. (a) The following definitions apply throughout

31 this section:

32 (1) "Allocation area" means that part of a military base reuse area

33 to which an allocation provision of a declaratory resolution

34 adopted under section 10 of this chapter refers for purposes of

35 distribution and allocation of property taxes.

36 (2) "Base assessed value" means, subject to subsection (i):

37 (A) the net assessed value of all the property as finally

38 determined for the assessment date immediately preceding the

39 adoption date of the allocation provision of the declaratory

40 resolution, as adjusted under subsection (h); plus

41 (B) to the extent that it is not included in clause (A) or (C), the

42 net assessed value of any and all parcels or classes of parcels



- 1 identified as part of the base assessed value in the declaratory
 2 resolution or an amendment thereto, as finally determined for
 3 any subsequent assessment date; plus
 4 (C) to the extent that it is not included in clause (A) or (B), the
 5 net assessed value of property that is assessed as residential
 6 property under the rules of the department of local government
 7 finance, within the allocation area, as finally determined for
 8 the current assessment date.
- 9 Clause (C) applies only to allocation areas established in a
 10 military reuse area after June 30, 1997, and to the part of an
 11 allocation area that was established before June 30, 1997, and that
 12 is added to an existing allocation area after June 30, 1997.
- 13 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 14 property.
- 15 (b) A declaratory resolution adopted under section 10 of this chapter
 16 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 17 resolutions adopted under IC 36-7-14-15 may include a provision with
 18 respect to the allocation and distribution of property taxes for the
 19 purposes and in the manner provided in this section. A declaratory
 20 resolution previously adopted may include an allocation provision by
 21 the amendment of that declaratory resolution in accordance with the
 22 procedures set forth in section 13 of this chapter. The allocation
 23 provision may apply to all or part of the military base reuse area. The
 24 allocation provision must require that any property taxes subsequently
 25 levied by or for the benefit of any public body entitled to a distribution
 26 of property taxes on taxable property in the allocation area be allocated
 27 and distributed as follows:
- 28 (1) Except as otherwise provided in this section, the proceeds of
 29 the taxes attributable to the lesser of:
- 30 (A) the assessed value of the property for the assessment date
 31 with respect to which the allocation and distribution is made;
 32 or
 33 (B) the base assessed value;
- 34 shall be allocated to and, when collected, paid into the funds of
 35 the respective taxing units.
- 36 (2) The excess of the proceeds of the property taxes imposed for
 37 the assessment date with respect to which the allocation and
 38 distribution are made that are attributable to taxes imposed after
 39 being approved by the voters in a referendum or local public
 40 question conducted after April 30, 2010, not otherwise included
 41 in subdivision (1) shall be allocated to and, when collected, paid
 42 into the funds of the taxing unit for which the referendum or local



1 public question was conducted.

2 (3) Except as otherwise provided in this section, property tax
3 proceeds in excess of those described in subdivisions (1) and (2)
4 shall be allocated to the military base reuse district and, when
5 collected, paid into an allocation fund for that allocation area that
6 may be used by the military base reuse district and only to do one
7 (1) or more of the following:

8 (A) Pay the principal of and interest and redemption premium
9 on any obligations incurred by the military base reuse district
10 or any other entity for the purpose of financing or refinancing
11 military base reuse activities in or directly serving or
12 benefiting that allocation area.

13 (B) Establish, augment, or restore the debt service reserve for
14 bonds payable solely or in part from allocated tax proceeds in
15 that allocation area or from other revenues of the reuse
16 authority, including lease rental revenues.

17 (C) Make payments on leases payable solely or in part from
18 allocated tax proceeds in that allocation area.

19 (D) Reimburse any other governmental body for expenditures
20 made for local public improvements (or structures) in or
21 directly serving or benefiting that allocation area.

22 (E) Pay expenses incurred by the reuse authority, any other
23 department of the unit, or a department of another
24 governmental entity for local public improvements or
25 structures that are in the allocation area or directly serving or
26 benefiting the allocation area, including expenses for the
27 operation and maintenance of these local public improvements
28 or structures if the reuse authority determines those operation
29 and maintenance expenses are necessary or desirable to carry
30 out the purposes of this chapter.

31 (F) Reimburse public and private entities for expenses
32 incurred in training employees of industrial facilities that are
33 located:

34 (i) in the allocation area; and

35 (ii) on a parcel of real property that has been classified as
36 industrial property under the rules of the department of local
37 government finance.

38 However, the total amount of money spent for this purpose in
39 any year may not exceed the total amount of money in the
40 allocation fund that is attributable to property taxes paid by the
41 industrial facilities described in this clause. The
42 reimbursements under this clause must be made not more than



- 1 three (3) years after the date on which the investments that are
 2 the basis for the increment financing are made.
- 3 (G) Expend money and provide financial assistance as
 4 authorized in section 9(a)(25) of this chapter.
- 5 Except as provided in clause (E), the allocation fund may not be
 6 used for operating expenses of the reuse authority.
- 7 (4) Except as provided in subsection (g), before July 15 of each
 8 year the reuse authority shall do the following:
- 9 (A) Determine the amount, if any, by which property taxes
 10 payable to the allocation fund in the following year will exceed
 11 the amount of property taxes necessary to make, when due,
 12 principal and interest payments on bonds described in
 13 subdivision (3) plus the amount necessary for other purposes
 14 described in subdivision (3).
- 15 (B) Provide a written notice to the county auditor, the fiscal
 16 body of the unit that established the reuse authority, and the
 17 officers who are authorized to fix budgets, tax rates, and tax
 18 levies under IC 6-1.1-17-5 for each of the other taxing units
 19 that is wholly or partly located within the allocation area. The
 20 notice must:
- 21 (i) state the amount, if any, of excess property taxes that the
 22 reuse authority has determined may be paid to the respective
 23 taxing units in the manner prescribed in subdivision (1); or
 24 (ii) state that the reuse authority has determined that there
 25 are no excess property tax proceeds that may be allocated to
 26 the respective taxing units in the manner prescribed in
 27 subdivision (1).
- 28 The county auditor shall allocate to the respective taxing units
 29 the amount, if any, of excess property tax proceeds determined
 30 by the reuse authority. The reuse authority may not authorize
 31 a payment to the respective taxing units under this subdivision
 32 if to do so would endanger the interest of the holders of bonds
 33 described in subdivision (3) or lessors under section 19 of this
 34 chapter.
- 35 (c) For the purpose of allocating taxes levied by or for any taxing
 36 unit or units, the assessed value of taxable property in a territory in the
 37 allocation area that is annexed by a taxing unit after the effective date
 38 of the allocation provision of the declaratory resolution is the lesser of:
- 39 (1) the assessed value of the property for the assessment date with
 40 respect to which the allocation and distribution is made; or
 41 (2) the base assessed value.
- 42 (d) Property tax proceeds allocable to the military base reuse district



1 under subsection (b)(3) may, subject to subsection (b)(4), be
2 irrevocably pledged by the military base reuse district for payment as
3 set forth in subsection (b)(3).

4 (e) Notwithstanding any other law, each assessor shall, upon
5 petition of the reuse authority, reassess the taxable property situated
6 upon or in or added to the allocation area, effective on the next
7 assessment date after the petition.

8 (f) Notwithstanding any other law, the assessed value of all taxable
9 property in the allocation area, for purposes of tax limitation, property
10 tax replacement, and the making of the budget, tax rate, and tax levy
11 for each political subdivision in which the property is located is the
12 lesser of:

13 (1) the assessed value of the property as valued without regard to
14 this section; or

15 (2) the base assessed value.

16 (g) If any part of the allocation area is located in an enterprise zone
17 created under IC 5-28-15, the unit that designated the allocation area
18 shall create funds as specified in this subsection. A unit that has
19 obligations, bonds, or leases payable from allocated tax proceeds under
20 subsection (b)(3) shall establish an allocation fund for the purposes
21 specified in subsection (b)(3) and a special zone fund. Such a unit
22 shall, until the end of the enterprise zone phase out period, deposit each
23 year in the special zone fund any amount in the allocation fund derived
24 from property tax proceeds in excess of those described in subsection
25 (b)(1) and (b)(2) from property located in the enterprise zone that
26 exceeds the amount sufficient for the purposes specified in subsection
27 (b)(3) for the year. The amount sufficient for purposes specified in
28 subsection (b)(3) for the year shall be determined based on the pro rata
29 part of such current property tax proceeds from the part of the
30 enterprise zone that is within the allocation area as compared to all
31 such current property tax proceeds derived from the allocation area. A
32 unit that does not have obligations, bonds, or leases payable from
33 allocated tax proceeds under subsection (b)(3) shall establish a special
34 zone fund and deposit all the property tax proceeds in excess of those
35 described in subsection (b)(1) and (b)(2) that are derived from property
36 in the enterprise zone in the fund. The unit that creates the special zone
37 fund shall use the fund (based on the recommendations of the urban
38 enterprise association) for programs in job training, job enrichment,
39 and basic skill development that are designed to benefit residents and
40 employers in the enterprise zone or other purposes specified in
41 subsection (b)(3), except that where reference is made in subsection
42 (b)(3) to allocation area it shall refer for purposes of payments from the



1 special zone fund only to that part of the allocation area that is also
 2 located in the enterprise zone. The programs shall reserve at least
 3 one-half (1/2) of their enrollment in any session for residents of the
 4 enterprise zone.

5 (h) After each reassessment of real property in an area under the
 6 county's reassessment plan under IC 6-1.1-4-4.2, the department of
 7 local government finance shall adjust the base assessed value one (1)
 8 time to neutralize any effect of the reassessment of the real property in
 9 the area on the property tax proceeds allocated to the military base
 10 reuse district under this section. After each annual adjustment under
 11 IC 6-1.1-4-4.5, the department of local government finance shall adjust
 12 the base assessed value to neutralize any effect of the annual
 13 adjustment on the property tax proceeds allocated to the military base
 14 reuse district under this section. However, the adjustments under this
 15 subsection may not include the effect of property tax abatements under
 16 IC 6-1.1-12.1, and these adjustments may not produce less property tax
 17 proceeds allocable to the military base reuse district under subsection
 18 (b)(3) than would otherwise have been received if the reassessment
 19 under the county's reassessment plan or annual adjustment had not
 20 occurred. The department of local government finance may prescribe
 21 procedures for county and township officials to follow to assist the
 22 department in making the adjustments.

23 (i) If the reuse authority adopts a declaratory resolution or an
 24 amendment to a declaratory resolution that contains an allocation
 25 provision and the reuse authority makes either of the filings required
 26 under section 12(c) or 13(f) of this chapter after the first anniversary of
 27 the effective date of the allocation provision, the auditor of the county
 28 in which the military base reuse district is located shall compute the
 29 base assessed value for the allocation area using the assessment date
 30 immediately preceding the later of:

- 31 (1) the date on which the documents are filed with the county
- 32 auditor; or
- 33 (2) the date on which the documents are filed with the department
- 34 of local government finance.

35 (j) For an allocation area established after June 30, 2024,
 36 "residential property" refers to the assessed value of property that is
 37 allocated to the one percent (1%) homestead land and improvement
 38 categories in the county tax and billing software system, along with the
 39 residential assessed value as defined for purposes of calculating the
 40 rate for the local income tax property tax relief credit designated for
 41 residential property under IC 6-3.6-5-6(d)(3) **(before its expiration)**.

42 SECTION 180. IC 36-7-30.5-30, AS AMENDED BY P.L.174-2022,



1 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2026]: Sec. 30. (a) The following definitions apply throughout
3 this section:

4 (1) "Allocation area" means that part of a military base
5 development area to which an allocation provision of a
6 declaratory resolution adopted under section 16 of this chapter
7 refers for purposes of distribution and allocation of property taxes.

8 (2) "Base assessed value" means, subject to subsection (i):

9 (A) the net assessed value of all the property as finally
10 determined for the assessment date immediately preceding the
11 adoption date of the allocation provision of the declaratory
12 resolution, as adjusted under subsection (h); plus

13 (B) to the extent that it is not included in clause (A) or (C), the
14 net assessed value of any and all parcels or classes of parcels
15 identified as part of the base assessed value in the declaratory
16 resolution or an amendment to the declaratory resolution, as
17 finally determined for any subsequent assessment date; plus
18 (C) to the extent that it is not included in clause (A) or (B), the
19 net assessed value of property that is assessed as residential
20 property under the rules of the department of local government
21 finance, within the allocation area, as finally determined for
22 the current assessment date.

23 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
24 property.

25 (b) A declaratory resolution adopted under section 16 of this chapter
26 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
27 resolutions adopted under IC 36-7-14-15 may include a provision with
28 respect to the allocation and distribution of property taxes for the
29 purposes and in the manner provided in this section. A declaratory
30 resolution previously adopted may include an allocation provision by
31 the amendment of that declaratory resolution in accordance with the
32 procedures set forth in section 18 of this chapter. The allocation
33 provision may apply to all or part of the military base development
34 area. The allocation provision must require that any property taxes
35 subsequently levied by or for the benefit of any public body entitled to
36 a distribution of property taxes on taxable property in the allocation
37 area be allocated and distributed as follows:

38 (1) Except as otherwise provided in this section, the proceeds of
39 the taxes attributable to the lesser of:

40 (A) the assessed value of the property for the assessment date
41 with respect to which the allocation and distribution is made;
42 or



- 1 (B) the base assessed value;
 2 shall be allocated to and, when collected, paid into the funds of
 3 the respective taxing units.
- 4 (2) The excess of the proceeds of the property taxes imposed for
 5 the assessment date with respect to which the allocation and
 6 distribution is made that are attributable to taxes imposed after
 7 being approved by the voters in a referendum or local public
 8 question conducted after April 30, 2010, not otherwise included
 9 in subdivision (1) shall be allocated to and, when collected, paid
 10 into the funds of the taxing unit for which the referendum or local
 11 public question was conducted.
- 12 (3) Except as otherwise provided in this section, property tax
 13 proceeds in excess of those described in subdivisions (1) and (2)
 14 shall be allocated to the development authority and, when
 15 collected, paid into an allocation fund for that allocation area that
 16 may be used by the development authority and only to do one (1)
 17 or more of the following:
- 18 (A) Pay the principal of and interest and redemption premium
 19 on any obligations incurred by the development authority or
 20 any other entity for the purpose of financing or refinancing
 21 military base development or reuse activities in or directly
 22 serving or benefiting that allocation area.
- 23 (B) Establish, augment, or restore the debt service reserve for
 24 bonds payable solely or in part from allocated tax proceeds in
 25 that allocation area or from other revenues of the development
 26 authority, including lease rental revenues.
- 27 (C) Make payments on leases payable solely or in part from
 28 allocated tax proceeds in that allocation area.
- 29 (D) Reimburse any other governmental body for expenditures
 30 made for local public improvements (or structures) in or
 31 directly serving or benefiting that allocation area.
- 32 (E) For property taxes first due and payable before 2009, pay
 33 all or a part of a property tax replacement credit to taxpayers
 34 in an allocation area as determined by the development
 35 authority. This credit equals the amount determined under the
 36 following STEPS for each taxpayer in a taxing district (as
 37 defined in IC 6-1.1-1-20) that contains all or part of the
 38 allocation area:
- 39 STEP ONE: Determine that part of the sum of the amounts
 40 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 41 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 42 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to



1 the taxing district.

2 STEP TWO: Divide:

3 (i) that part of each county's eligible property tax
4 replacement amount (as defined in IC 6-1.1-21-2 (before its
5 repeal)) for that year as determined under IC 6-1.1-21-4
6 (before its repeal) that is attributable to the taxing district;
7 by

8 (ii) the STEP ONE sum.

9 STEP THREE: Multiply:

10 (i) the STEP TWO quotient; by

11 (ii) the total amount of the taxpayer's taxes (as defined in
12 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
13 that have been allocated during that year to an allocation
14 fund under this section.

15 If not all the taxpayers in an allocation area receive the credit
16 in full, each taxpayer in the allocation area is entitled to
17 receive the same proportion of the credit. A taxpayer may not
18 receive a credit under this section and a credit under section
19 32 of this chapter (before its repeal) in the same year.

20 (F) Pay expenses incurred by the development authority for
21 local public improvements or structures that were in the
22 allocation area or directly serving or benefiting the allocation
23 area.

24 (G) Reimburse public and private entities for expenses
25 incurred in training employees of industrial facilities that are
26 located:

27 (i) in the allocation area; and

28 (ii) on a parcel of real property that has been classified as
29 industrial property under the rules of the department of local
30 government finance.

31 However, the total amount of money spent for this purpose in
32 any year may not exceed the total amount of money in the
33 allocation fund that is attributable to property taxes paid by the
34 industrial facilities described in this clause. The
35 reimbursements under this clause must be made not more than
36 three (3) years after the date on which the investments that are
37 the basis for the increment financing are made.

38 (H) Expend money and provide financial assistance as
39 authorized in section 15(26) of this chapter.

40 The allocation fund may not be used for operating expenses of the
41 development authority.

42 (4) Except as provided in subsection (g), before July 15 of each



- 1 year the development authority shall do the following:
- 2 (A) Determine the amount, if any, by which property taxes
- 3 payable to the allocation fund in the following year will exceed
- 4 the amount of property taxes necessary to make, when due,
- 5 principal and interest payments on bonds described in
- 6 subdivision (3) plus the amount necessary for other purposes
- 7 described in subdivisions (2) and (3).
- 8 (B) Provide a written notice to the appropriate county auditors
- 9 and the fiscal bodies and other officers who are authorized to
- 10 fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for
- 11 each of the other taxing units that is wholly or partly located
- 12 within the allocation area. The notice must:
- 13 (i) state the amount, if any, of the excess property taxes that
- 14 the development authority has determined may be paid to
- 15 the respective taxing units in the manner prescribed in
- 16 subdivision (1); or
- 17 (ii) state that the development authority has determined that
- 18 there is no excess assessed value that may be allocated to the
- 19 respective taxing units in the manner prescribed in
- 20 subdivision (1).
- 21 The county auditors shall allocate to the respective taxing units
- 22 the amount, if any, of excess assessed value determined by the
- 23 development authority. The development authority may not
- 24 authorize a payment to the respective taxing units under this
- 25 subdivision if to do so would endanger the interest of the
- 26 holders of bonds described in subdivision (3) or lessors under
- 27 section 24 of this chapter. Property taxes received by a taxing
- 28 unit under this subdivision before 2009 are eligible for the
- 29 property tax replacement credit provided under IC 6-1.1-21
- 30 (before its repeal).
- 31 (c) For the purpose of allocating taxes levied by or for any taxing
- 32 unit or units, the assessed value of taxable property in a territory in the
- 33 allocation area that is annexed by a taxing unit after the effective date
- 34 of the allocation provision of the declaratory resolution is the lesser of:
- 35 (1) the assessed value of the property for the assessment date with
- 36 respect to which the allocation and distribution is made; or
- 37 (2) the base assessed value.
- 38 (d) Property tax proceeds allocable to the military base development
- 39 district under subsection (b)(3) may, subject to subsection (b)(4), be
- 40 irrevocably pledged by the military base development district for
- 41 payment as set forth in subsection (b)(3).
- 42 (e) Notwithstanding any other law, each assessor shall, upon



1 petition of the development authority, reassess the taxable property
2 situated upon or in or added to the allocation area, effective on the next
3 assessment date after the petition.

4 (f) Notwithstanding any other law, the assessed value of all taxable
5 property in the allocation area, for purposes of tax limitation, property
6 tax replacement, and the making of the budget, tax rate, and tax levy
7 for each political subdivision in which the property is located is the
8 lesser of:

9 (1) the assessed value of the property as valued without regard to
10 this section; or

11 (2) the base assessed value.

12 (g) If any part of the allocation area is located in an enterprise zone
13 created under IC 5-28-15, the development authority shall create funds
14 as specified in this subsection. A development authority that has
15 obligations, bonds, or leases payable from allocated tax proceeds under
16 subsection (b)(3) shall establish an allocation fund for the purposes
17 specified in subsection (b)(3) and a special zone fund. The
18 development authority shall, until the end of the enterprise zone phase
19 out period, deposit each year in the special zone fund any amount in the
20 allocation fund derived from property tax proceeds in excess of those
21 described in subsection (b)(1) and (b)(2) from property located in the
22 enterprise zone that exceeds the amount sufficient for the purposes
23 specified in subsection (b)(3) for the year. The amount sufficient for
24 purposes specified in subsection (b)(3) for the year shall be determined
25 based on the pro rata part of such current property tax proceeds from
26 the part of the enterprise zone that is within the allocation area as
27 compared to all such current property tax proceeds derived from the
28 allocation area. A development authority that does not have
29 obligations, bonds, or leases payable from allocated tax proceeds under
30 subsection (b)(3) shall establish a special zone fund and deposit all the
31 property tax proceeds in excess of those described in subsection (b)(1)
32 and (b)(2) that are derived from property in the enterprise zone in the
33 fund. The development authority that creates the special zone fund
34 shall use the fund (based on the recommendations of the urban
35 enterprise association) for programs in job training, job enrichment,
36 and basic skill development that are designed to benefit residents and
37 employers in the enterprise zone or for other purposes specified in
38 subsection (b)(3), except that where reference is made in subsection
39 (b)(3) to an allocation area it shall refer for purposes of payments from
40 the special zone fund only to that part of the allocation area that is also
41 located in the enterprise zone. The programs shall reserve at least
42 one-half (1/2) of their enrollment in any session for residents of the



- 1 enterprise zone.
- 2 (h) After each reassessment of real property in an area under a
 3 reassessment plan prepared under IC 6-1.1-4-4.2, the department of
 4 local government finance shall adjust the base assessed value one (1)
 5 time to neutralize any effect of the reassessment of the real property in
 6 the area on the property tax proceeds allocated to the military base
 7 development district under this section. After each annual adjustment
 8 under IC 6-1.1-4-4.5, the department of local government finance shall
 9 adjust the base assessed value to neutralize any effect of the annual
 10 adjustment on the property tax proceeds allocated to the military base
 11 development district under this section. However, the adjustments
 12 under this subsection may not include the effect of property tax
 13 abatements under IC 6-1.1-12.1, and these adjustments may not
 14 produce less property tax proceeds allocable to the military base
 15 development district under subsection (b)(3) than would otherwise
 16 have been received if the reassessment under the county's reassessment
 17 plan or annual adjustment had not occurred. The department of local
 18 government finance may prescribe procedures for county and township
 19 officials to follow to assist the department in making the adjustments.
- 20 (i) If the development authority adopts a declaratory resolution or
 21 an amendment to a declaratory resolution that contains an allocation
 22 provision and the development authority makes either of the filings
 23 required under section 17(e) or 18(f) of this chapter after the first
 24 anniversary of the effective date of the allocation provision, the auditor
 25 of the county in which the military base development district is located
 26 shall compute the base assessed value for the allocation area using the
 27 assessment date immediately preceding the later of:
- 28 (1) the date on which the documents are filed with the county
 - 29 auditor; or
 - 30 (2) the date on which the documents are filed with the department
 - 31 of local government finance.
- 32 (j) For an allocation area established after June 30, 2024,
 33 "residential property" refers to the assessed value of property that is
 34 allocated to the one percent (1%) homestead land and improvement
 35 categories in the county tax and billing software system, along with the
 36 residential assessed value as defined for purposes of calculating the
 37 rate for the local income tax property tax relief credit designated for
 38 residential property under IC 6-3.6-5-6(d)(3) **(before its expiration)**.
- 39 SECTION 181. IC 36-7-31-6, AS AMENDED BY P.L.239-2017,
 40 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2027]: Sec. 6. As used in this chapter, "covered taxes"
 42 means the following:



- 1 (1) With respect to the professional sports development area as it
 2 existed on December 31, 2008:
- 3 (A) The state gross retail tax imposed under IC 6-2.5-2-1 or
 4 use tax imposed under IC 6-2.5-3-2.
- 5 (B) An adjusted gross income tax imposed under IC 6-3-2-1
 6 on an individual.
- 7 (C) The local income tax imposed under IC 6-3.6, other than
 8 local income taxes that are paid by local taxpayers described
 9 in ~~IC 6-3.6-2-13(3)~~. **IC 6-3.6-2-13(2)**.
- 10 (D) A food and beverage tax imposed under IC 6-9.
- 11 (2) With respect to an addition to the professional sports
 12 development area after December 31, 2008:
- 13 (A) The state gross retail tax imposed under IC 6-2.5-2-1 or
 14 use tax imposed under IC 6-2.5-3-2.
- 15 (B) An adjusted gross income tax imposed under IC 6-3-2-1
 16 on an individual.
- 17 (C) The local income tax imposed under IC 6-3.6, other than
 18 local income taxes that are paid by local taxpayers described
 19 in ~~IC 6-3.6-2-13(3)~~. **IC 6-3.6-2-13(2)**.
- 20 SECTION 182. IC 36-7-31.5-2, AS ADDED BY P.L.109-2019,
 21 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2027]: Sec. 2. The following definitions apply
 23 throughout this chapter:
- 24 (1) "Bonds" means bonds, notes, or other evidence of
 25 indebtedness.
- 26 (2) "Budget agency" means the budget agency created by
 27 IC 4-12-1.
- 28 (3) "Budget committee" means the budget committee established
 29 by IC 4-12-1-3.
- 30 (4) "Capital improvement" means any facility or complex of
 31 facilities established as part of an additional professional sports
 32 development area under section 4 of this chapter.
- 33 (5) "Capital improvement board" refers to the capital
 34 improvement board of managers created by IC 36-10-9-3.
- 35 (6) "City" refers to the city of Indianapolis, Indiana.
- 36 (7) "Commission" refers to the metropolitan development
 37 commission acting as the redevelopment commission of a
 38 consolidated city.
- 39 (8) "Covered taxes" means the following:
- 40 (A) The state gross retail tax imposed under IC 6-2.5-2-1 or
 41 use tax imposed under IC 6-2.5-3-2.
- 42 (B) An adjusted gross income tax imposed under IC 6-3-2-1



- 1 on an individual.
- 2 (C) The local income tax imposed under IC 6-3.6, other than
- 3 local income taxes that are paid by local taxpayers described
- 4 in ~~IC 6-3.6-2-13(3)~~. **IC 6-3.6-2-13(2)**.
- 5 (D) A food and beverage tax imposed under IC 6-9.
- 6 (9) "Department" refers to the department of state revenue.
- 7 (10) "Facility" means all or any part of one (1) or more buildings,
- 8 structures, or improvements constituting a capital improvement.
- 9 The term refers to and includes a capital improvement.
- 10 (11) "Facilities authority" refers to the county convention and
- 11 recreational facilities authority created by IC 36-10-9.1.
- 12 (12) "Professional soccer team" means a professional soccer team
- 13 that holds its home professional sporting events in a facility
- 14 constituting a capital improvement.
- 15 (13) "Tax area" means a geographic area established by a
- 16 commission as an additional professional sports development area
- 17 under section 8 of this chapter.
- 18 (14) "Taxpayer" means a person that is liable for a covered tax.
- 19 SECTION 183. IC 36-7.5-4-2.5, AS ADDED BY P.L.189-2018,
- 20 SECTION 173, IS AMENDED TO READ AS FOLLOWS
- 21 [EFFECTIVE JULY 1, 2026]: Sec. 2.5. (a) This section applies to a
- 22 unit that has previously:
- 23 (1) entered into an interlocal cooperation or other similar
- 24 agreement;
- 25 (2) adopted an ordinance or resolution; or
- 26 (3) taken any other action offering to support and finance:
- 27 (A) a rail project or rail projects under this chapter; or
- 28 (B) the double tracking project under IC 36-7.5-4.5.
- 29 (b) The unit may use any legally available revenue to support and
- 30 finance the projects described in subsection (a)(3), including ~~additional~~
- 31 **revenue general purpose revenue** allocated each year for economic
- 32 development under ~~IC 6-3.6-6-9~~. **IC 6-3.6-6**.
- 33 (c) Additional revenue allocated for economic development to
- 34 support and finance the projects under this section shall be paid by the
- 35 treasurer of state to the treasurer of the northwest Indiana regional
- 36 development authority under section 2 of this chapter before certified
- 37 distributions are made to the county or any civil taxing unit in the
- 38 county or counties in which the unit is located.
- 39 (d) A transfer made on behalf of a unit under subsection (c) after
- 40 December 31, 2018, is considered to be a payment for services
- 41 provided to residents by a rail project as those services are rendered.
- 42 (e) A pledge by the development authority of transferred revenue



1 under this section to the payment of bonds, leases, or obligations under
2 this article or IC 5-1.3:

3 (1) constitutes the obligations of the northwest Indiana regional
4 development authority; and

5 (2) does not constitute an indebtedness of:

6 (A) a unit described in this section; or

7 (B) the state;

8 within the meaning or application of any constitutional or
9 statutory provision or limitation.

10 (f) Neither the transfer of revenue nor the pledge of revenue
11 transferred under this section is an impairment of contract within the
12 meaning or application of any constitutional provision or limitation
13 because of the following:

14 (1) The statutes governing local income taxes, including the
15 transferred revenue, have been the subject of legislation annually
16 since 1973, and during that time the statutes have been revised,
17 amended, expanded, limited, and recodified dozens of times.

18 (2) Owners of bonds, leases, or other obligations to which local
19 income tax revenues have been pledged recognize that the
20 regulation of local income taxes has been extensive and
21 consistent.

22 (3) All bonds, leases, or other obligations, due to their essential
23 contractual nature, are subject to relevant state and federal law
24 that is enacted after the date of a contract.

25 (4) The state of Indiana has a legitimate interest in assisting the
26 northwest Indiana regional development authority in financing
27 rail projects.

28 (g) All proceedings had and actions described in this section are
29 valid pledges under IC 5-1-14-4 as of the date of those proceedings or
30 actions and are hereby legalized and declared valid if taken before
31 March 15, 2018.

32 SECTION 184. IC 36-8-19-7.5, AS AMENDED BY P.L.38-2021,
33 SECTION 100, IS AMENDED TO READ AS FOLLOWS
34 [EFFECTIVE JANUARY 1, 2027]: Sec. 7.5. (a) This section applies
35 to:

36 (1) local income tax distributions; and

37 (2) excise tax distributions;

38 made after December 31, 2009.

39 (b) Except as provided in subsection (c), for purposes of allocating
40 local income tax distributions that are based on a taxing unit's
41 allocation amount **before January 1, 2027**, or that an adopting body
42 allocates under IC 6-3.6-6 to economic development **before January**



1 **1, 2027**, or excise tax distributions that are distributed based on the
 2 amount of a taxing unit's property tax levies, each participating unit in
 3 a territory is considered to have imposed a part of the property tax levy
 4 imposed for the territory. The part of the property tax levy imposed for
 5 the territory for a particular year that shall be attributed to a
 6 participating unit is equal to the amount determined in the following
 7 STEPS:

8 STEP ONE: Determine the total amount of all property taxes
 9 imposed by the participating unit in the year before the year in
 10 which a property tax levy was first imposed for the territory.

11 STEP TWO: Determine the sum of the STEP ONE amounts for
 12 all participating units.

13 STEP THREE: Divide the STEP ONE result by the STEP TWO
 14 result.

15 STEP FOUR: Multiply the STEP THREE result by the property
 16 tax levy imposed for the territory for the particular year.

17 (c) This subsection applies to a determination under subsection (b)
 18 made in calendar years 2018, 2019, and 2020. The department of local
 19 government finance may, for distributions made in calendar year 2022,
 20 adjust the allocation amount determined under subsection (b) to correct
 21 for any clerical or mathematical errors made in any determination for
 22 calendar year 2018, 2019, or 2020, as applicable, including the
 23 allocation amount for any taxing unit whose distribution was affected
 24 by the clerical or mathematical error in those years. The department of
 25 local government finance may apply the adjustment to the allocation
 26 amount for a taxing unit over a period not to exceed ten (10) years in
 27 order to offset the effect of the adjustment on the distribution.

28 SECTION 185. IC 36-8-19-8, AS AMENDED BY P.L.236-2023,
 29 SECTION 209, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2026]: Sec. 8. (a) Upon the adoption of
 31 identical ordinances or resolutions, or both, by the participating units
 32 under section 6 of this chapter, the designated provider unit must
 33 establish a fire protection territory fund from which all expenses of
 34 operating and maintaining the fire protection services within the
 35 territory, including repairs, fees, salaries, depreciation on all
 36 depreciable assets, rents, supplies, contingencies, and all other
 37 expenses lawfully incurred within the territory shall be paid. The
 38 purposes described in this subsection are the sole purposes of the fund,
 39 and money in the fund may not be used for any other expenses. Except
 40 as allowed in subsections (d) and (e) and section 8.5 of this chapter, the
 41 provider unit is not authorized to transfer money out of the fund at any
 42 time.



1 (b) The fund consists of the following:

2 (1) All receipts from the tax imposed under this section.

3 (2) Any money transferred to the fund by the provider unit as
4 authorized under subsection (d).

5 (3) Any receipts from a false alarm fee or service charge imposed
6 by the participating units under IC 36-8-13-4.

7 (4) Any money transferred to the fund by a participating unit
8 under section 8.6 of this chapter.

9 (5) Any receipts from a distribution made under ~~IC 6-3.6-6-8(d);~~
10 **IC 6-3.6-6-8(b)**, which shall be deposited in the fund.

11 (c) The provider unit, with the assistance of each of the other
12 participating units, shall annually budget the necessary money to meet
13 the expenses of operation and maintenance of the fire protection
14 services within the territory. The provider unit may maintain a
15 reasonable balance, not to exceed one hundred twenty percent (120%)
16 of the budgeted expenses. Except as provided in IC 6-1.1-18.5-10.5,
17 and subject to section 7(c) of this chapter, after estimating expenses
18 and receipts of money, the provider unit shall establish the tax levy
19 required to fund the estimated budget. Subject to IC 6-1.1-18.5-10.5(c),
20 the amount budgeted under this subsection shall be considered a part
21 of each of the participating unit's budget.

22 (d) If the amount levied in a particular year is insufficient to cover
23 the costs incurred in providing fire protection services within the
24 territory, the provider unit may transfer from available sources to the
25 fire protection territory fund the money needed to cover those costs. In
26 this case:

27 (1) the levy in the following year shall be increased by the amount
28 required to be transferred; and

29 (2) the provider unit is entitled to transfer the amount described
30 in subdivision (1) from the fund as reimbursement to the provider
31 unit.

32 (e) If the amount levied in a particular year exceeds the amount
33 necessary to cover the costs incurred in providing fire protection
34 services within the territory, the levy in the following year shall be
35 reduced by the amount of surplus money that is not transferred to the
36 equipment replacement fund established under section 8.5 of this
37 chapter. The amount that may be transferred to the equipment
38 replacement fund may not exceed five percent (5%) of the levy for that
39 fund for that year. Each participating unit must agree to the amount to
40 be transferred by adopting an ordinance (if the unit is a county or
41 municipality) or a resolution (if the unit is a township) that specifies an
42 identical amount to be transferred.



1 (f) The tax under this section is subject to the tax levy limitations
2 imposed under IC 6-1.1-18.5-10.5.

3 SECTION 186. [EFFECTIVE JANUARY 1, 2025
4 (RETROACTIVE)] (a) **IC 6-1.1-51, as added by this act, applies to
5 property taxes imposed for assessment dates on or after January
6 1, 2025.**

7 (b) **This SECTION expires June 30, 2029.**

8 SECTION 187. [EFFECTIVE JUNE 30, 2026] (a) **Notwithstanding
9 the July 1, 2026, effective date for IC 6-3.6-6-0.5, IC 6-3.6-6-4.3,
10 IC 6-3.6-6-4.5, and IC 6-3.6-6-6.1, all as added by this act; the July
11 1, 2026, effective date for IC 6-3.6-6-2, IC 6-3.6-6-3, IC 6-3.6-6-4,
12 IC 6-3.6-6-8, IC 6-3.6-6-8.5, IC 6-3.6-6-9.5, IC 6-3.6-6-17,
13 IC 6-3.6-6-18, IC 6-3.6-6-19, and IC 6-3.6-6-21, all as amended by
14 this act; and the July 1, 2026, or January 1, 2027, repeal of
15 IC 6-3.6-6-2.5, IC 6-3.6-6-2.6, IC 6-3.6-6-2.7, IC 6-3.6-6-2.8,
16 IC 6-3.6-6-2.9, IC 6-3.6-6-9, IC 6-3.6-6-10, IC 6-3.6-6-11,
17 IC 6-3.6-6-12, IC 6-3.6-6-14, IC 6-3.6-6-15, IC 6-3.6-6-16, and
18 IC 6-3.6-6-20, all as repealed by this act; the method used to
19 determine the amount of a particular distribution of revenue
20 before July 1, 2026, shall continue to be used for these
21 determinations for all of 2026.**

22 (b) **Notwithstanding the adoption of different tax rates by a
23 county applicable after 2026 or the adoption of municipal tax rates
24 under IC 6-3.6-6-22 applicable after 2026, or any other provision
25 of law, the certified distribution methodology calculation for local
26 income tax distributions made in 2026 shall continue for local
27 income tax distributions made in 2027 and 2028 to account for the
28 transition to any new tax rates.**

29 (c) **This SECTION expires June 30, 2029.**

30 SECTION 188. [EFFECTIVE JUNE 30, 2026] (a) **As used in this
31 SECTION, "local income tax council" means a local income tax
32 council established under IC 6-3.6-3-1, before its amendment by
33 this act.**

34 (b) **On July 1, 2026, all powers, duties, and authorities of a local
35 income tax council are transferred to the fiscal body of the county
36 in which it is located.**

37 (c) **An ordinance adopted by a local income tax council under
38 IC 6-3.6 before July 1, 2026, continues in effect after June 30, 2026,
39 and is valid and binding until it is rescinded or otherwise amended
40 by the county fiscal body.**

41 (d) **On or before July 1, 2026, all records and property under
42 the control of a local income tax council shall be transferred to the**



1 **fiscal body of the county in which it is located.**
2 **(e) After June 30, 2026, a reference to a local income tax council**
3 **in any statute, rule, or other document is considered a reference to**
4 **the county fiscal body.**
5 **(f) This SECTION expires June 30, 2029.**
6 **SECTION 189. An emergency is declared for this act.**

