

SENATE BILL No. 340

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-51.

Synopsis: Maximum increase of homestead property tax bill. Caps the year over year increase of property tax liability on a homestead at 2%.

Effective: January 1, 2025 (retroactive).

Young M

January 13, 2025, read first time and referred to Committee on Tax and Fiscal Policy.



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.

SENATE BILL No. 340



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

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

1 SECTION 1. IC 6-1.1-51 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2025 (RETROACTIVE)]:
4 **Chapter 51. Maximum Increase in Property Tax Liability**
5 **Sec. 1. This chapter applies to taxes first due and payable after**
6 **December 31, 2024.**
7 **Sec. 2. As used in this chapter, "homestead" has the meaning set**
8 **forth in IC 6-1.1-12-37.**
9 **Sec. 3. As used in this chapter, "property tax liability" means**
10 **liability for the tax imposed on property under this article**
11 **determined after application of all credits and deductions under**
12 **this article, but does not include any interest or penalty imposed**
13 **under this article.**
14 **Sec. 4. As used in this chapter, "qualified individual" means an**
15 **individual who is eligible for the homestead deduction under**
16 **IC 6-1.1-12-37 on the assessment date for which the individual's**
17 **property tax liability is imposed.**



1 **Sec. 5. Notwithstanding any other law, but subject to other**
 2 **provisions of this chapter, the property tax liability that may be**
 3 **imposed on a qualified individual's homestead may not exceed the**
 4 **lesser of the following:**

5 **(1) The amount of property tax liability of the individual that**
 6 **is attributable to the homestead for property taxes first due**
 7 **and payable in the particular calendar year as would**
 8 **otherwise be determined under this article.**

9 **(2) The amount of property tax liability of the individual that**
 10 **is attributable to the homestead for property taxes first due**
 11 **and payable in the immediately preceding calendar year**
 12 **multiplied by one and two-hundredths (1.02).**

13 **The amount of property tax liability determined under this section**
 14 **is the maximum property tax liability to which the homestead is**
 15 **subject for the applicable calendar year.**

16 **Sec. 6. If a physical change to taxable property results in an**
 17 **increased assessment of the taxable property for an assessment**
 18 **date for which property tax liability is imposed, the property tax**
 19 **liability of a person for property taxes first due and payable for**
 20 **that assessment date with respect to the taxable property is the sum**
 21 **of the:**

22 **(1) amount of the person's property tax liability attributable**
 23 **to the taxable property otherwise determined under section 5**
 24 **of this chapter for the calendar year; plus**

25 **(2) amount of the person's property tax liability that is**
 26 **directly attributable to the physical change in the taxable**
 27 **property.**

28 **Sec. 7. If:**

29 **(1) the entire ownership interest; or**

30 **(2) any part of the ownership interest;**

31 **in the taxable property changes, the limitations in this chapter do**
 32 **not apply to the determination of property tax liability for**
 33 **property taxes first due and payable in the first calendar year**
 34 **following the change in ownership. Instead, the amount of property**
 35 **tax liability that is attributable to the taxable property for property**
 36 **taxes first due and payable in that particular calendar year is the**
 37 **amount of property tax liability as would otherwise be determined**
 38 **under this article.**

39 **Sec. 8. The auditor of the county shall apply the provisions of**
 40 **this chapter to a determination of property tax liability for all**
 41 **taxable property as set forth under this chapter.**

42 **SECTION 2. An emergency is declared for this act.**

