

# SENATE BILL No. 353

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-18.5-31.

**Synopsis:** Property tax rate freeze. Provides a calculation to be used in determining the maximum permissible ad valorem property tax levy and resulting tax rate for taxes first due and payable in 2026 and 2027, to cap the increase in the levy and tax rates based on a ratio comparison of each civil taxing unit's maximum permissible ad valorem property tax levy to net assessed value in 2025.

**Effective:** July 1, 2025.

---

---

## Gaskill

---

---

January 14, 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. 353



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 6-1.1-18.5-31 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2025]: **Sec. 31. (a) This section applies to all**  
4 **civil taxing units in determining the maximum permissible ad**  
5 **valorem property tax levy and resulting tax rate for taxes first due**  
6 **and payable in 2026 and 2027, including the tax rate and maximum**  
7 **permissible ad valorem property tax levy for a school corporation's**  
8 **operations fund.**  
9 (b) The department of local government finance shall determine  
10 a maximum permissible ad valorem property tax levy to net  
11 assessed value comparison using the following formula:  
12 **STEP ONE: For each civil taxing unit, determine the civil**  
13 **taxing unit's maximum permissible ad valorem property tax**  
14 **levy for taxes first due and payable in 2025.**  
15 **STEP TWO: For each civil taxing unit, determine the net**  
16 **assessed value of the civil taxing unit for taxes first due and**  
17 **payable in 2025.**



1           **STEP THREE:** For each civil taxing unit, determine the  
2           quotient of:

3                 (A) the STEP ONE result; divided by

4                 (B) the STEP TWO result;

5           expressed as a percentage.

6           (c) Notwithstanding the maximum permissible ad valorem  
7           property tax levy determined under section 2 of this chapter, the  
8           department shall determine a civil taxing unit's maximum  
9           permissible ad valorem property tax levy for taxes first due and  
10          payable in 2026 as set forth in the following formula:

11          **STEP ONE:** For each civil taxing unit, determine the civil  
12          taxing unit's maximum permissible ad valorem property tax  
13          levy for taxes first due and payable in 2026 without regard to  
14          this section.

15          **STEP TWO:** For each civil taxing unit, determine the net  
16          assessed value of the civil taxing unit for taxes first due and  
17          payable in 2026.

18          **STEP THREE:** For each civil taxing unit, determine the  
19          quotient of:

20                 (A) the STEP ONE result; divided by

21                 (B) the STEP TWO result;

22          expressed as a percentage.

23          **STEP FOUR:** Determine the difference between:

24                 (A) each civil taxing unit's STEP THREE percentage; and

25                 (B) the civil taxing unit's percentage under STEP THREE  
26                 of subsection (b) for taxes first due and payable in 2025;

27          but not less than zero percent (0%).

28          **STEP FIVE:** In the case of a civil taxing unit that has an  
29          increase in its percentage comparison under STEP FOUR, the  
30          civil taxing unit's maximum permissible ad valorem property  
31          tax levy shall be determined as the lesser of:

32                 (A) the civil taxing unit's maximum permissible ad  
33                 valorem property tax levy determined under this chapter  
34                 for taxes first due and payable in 2026, without regard to  
35                 this section; or

36                 (B) the product of:

37                         (i) the civil taxing unit's STEP THREE percentage in  
38                         subsection (b); multiplied by

39                         (ii) the net assessed value of the civil taxing unit for taxes  
40                         first due and payable in 2026.

41          (d) Notwithstanding the maximum permissible ad valorem  
42          property tax levy determined under section 2 of this chapter, the



1 department shall determine a civil taxing unit's maximum  
 2 permissible ad valorem property tax levy for taxes first due and  
 3 payable in 2027 as set forth in the following formula:

4 **STEP ONE:** For each civil taxing unit, determine the civil  
 5 taxing unit's maximum permissible ad valorem property tax  
 6 levy for taxes first due and payable in 2027 without regard to  
 7 this section.

8 **STEP TWO:** For each civil taxing unit, determine the net  
 9 assessed value of the civil taxing unit for taxes first due and  
 10 payable in 2027.

11 **STEP THREE:** For each civil taxing unit, determine the  
 12 quotient of:

13 (A) the STEP ONE result; divided by

14 (B) the STEP TWO result;

15 expressed as a percentage.

16 **STEP FOUR:** Determine the difference between:

17 (A) each civil taxing unit's STEP THREE percentage; and

18 (B) the civil taxing unit's percentage under STEP THREE  
 19 of subsection (b) for taxes first due and payable in 2025;

20 but not less than zero percent (0%).

21 **STEP FIVE:** In the case of a civil taxing unit that has an  
 22 increase in its percentage comparison under STEP FOUR, a  
 23 civil taxing unit's maximum permissible ad valorem property  
 24 tax levy shall be determined as the lesser of:

25 (A) the civil taxing unit's maximum permissible ad  
 26 valorem property tax levy determined under this chapter  
 27 for taxes first due and payable in 2027, without regard to  
 28 this section; or

29 (B) the product of:

30 (i) the civil taxing unit's STEP THREE percentage in  
 31 subsection (b); multiplied by

32 (ii) the net assessed value of the civil taxing unit for taxes  
 33 first due and payable in 2027.

