

SENATE BILL No. 368

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Homestead exemption for persons at least age 65. Eliminates property taxes on primary residences for those who are at least 65 years of age (qualified homesteads) beginning with the assessment date on January 1 of the year that immediately succeeds the year in which the balance in the pension stabilization fund is sufficient to pay the liabilities of the pre-1996 account without the need for further appropriation by the general assembly. Requires the Indiana public retirement system to determine whether the balance of the pension stabilization fund is sufficient to pay the liabilities of the pre-1996 account without the need for an appropriation by the general assembly and certify the determination to the budget committee on or before March 1, 2026, and on or before March 1 of each odd-numbered year thereafter. Provides an annual state distribution to offset the property tax elimination for qualified homesteads based on the amount of property taxes that otherwise would be due on the qualified homesteads. Makes an ongoing appropriation.

Effective: July 1, 2025.

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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. 368

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 6-1.1-10.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]:

4 **Chapter 10.2. Homestead Exemption**
5 **Sec. 1. This chapter applies to assessment dates beginning on**
6 **January 1 of the year that immediately succeeds the year in which**
7 **the balance in the pension stabilization fund established by**
8 **IC 5-10.4-2-5 is sufficient to pay the liabilities of the pre-1996**
9 **account (as defined in IC 5-10.2-1-5.5) without the need for further**
10 **appropriation by the general assembly as determined in section 7**
11 **of this chapter, and each assessment date thereafter.**

12 **Sec. 2. As used in this chapter, "qualified homestead" means**
13 **real property that is receiving a homestead standard deduction**
14 **under IC 6-1.1-12-37 and that is used as a principal place of**
15 **residence by an:**

16 **(1) owner of the property who is at least sixty-five (65) years**
17 **of age;**



1 (2) individual who is at least sixty-five (65) years of age and is
2 buying the property under a contract; or

3 (3) individual who is at least sixty-five (65) years of age and
4 has a beneficial interest in the owner of the property.

5 Sec. 3. To make a homestead exempt from property taxation
6 under this article, the part of the property tax liability (including
7 any property tax liability imposed in a voter approved referendum)
8 on a qualified homestead that remains after taking into account all
9 deductions and credits provided under any other law is eliminated.
10 A deduction, credit, or allocation of revenue that reduces the
11 property tax liability on a homestead using a local revenue source
12 may not be changed after the assessment date on which the
13 exemption is first applicable.

14 Sec. 4. (a) A person who receives the homestead standard
15 deduction under IC 6-1.1-12-37 on a qualified homestead is entitled
16 to the exemption provided by this chapter and must apply for the
17 homestead exemption under this chapter in a manner similar to the
18 application process for the homestead standard deduction under
19 IC 6-1.1-12-37.

20 (b) The auditor of each county shall, in a particular year, apply
21 the exemption to each person who received the exemption in the
22 preceding year unless the county auditor determines that the
23 person is no longer eligible for the exemption.

24 (c) An individual who receives an exemption under this chapter
25 in a particular year and who becomes ineligible for the exemption
26 in the following year shall notify the auditor of the county in which
27 the homestead is located of the individual's ineligibility not later
28 than sixty (60) days after the individual becomes ineligible.

29 Sec. 5. The termination of the homestead standard deduction
30 under IC 6-1.1-12-37 on a qualified homestead terminates the
31 exemption under this chapter.

32 Sec. 6. IC 6-1.1-11 does not apply to claiming the exemption
33 provided by this chapter.

34 Sec. 7. (a) On or before March 1, 2026, and on or before March
35 1 of each odd-numbered year thereafter, the Indiana public
36 retirement system shall determine whether the balance of the
37 pension stabilization fund established by IC 5-10.4-2-5 is sufficient
38 to pay the liabilities of the pre-1996 account (as defined in
39 IC 5-10.2-1-5.5) without the need for an appropriation by the
40 general assembly. The Indiana public retirement system shall make
41 the calculation and certify the determination under this section to
42 the budget committee, the department of local government finance,



1 and the legislative council in an electronic format under IC 5-14-6
 2 on or before March 1, 2026, and on or before March 1 of each
 3 odd-numbered year thereafter. The exemption under section 3 of
 4 this chapter first applies to the assessment date of the year that
 5 immediately succeeds the year in which the Indiana public
 6 retirement system certifies under this subsection that the balance
 7 of the pension stabilization fund established by IC 5-10.4-2-5 is
 8 sufficient to pay the liabilities of the pre-1996 account (as defined
 9 in IC 5-10.2-1-5.5) without the need for an appropriation by the
 10 general assembly.

11 (b) The legislative services agency shall prepare legislation for
 12 introduction in the regular session of the general assembly that is
 13 convened in the year immediately succeeding the year in which the
 14 Indiana public retirement system certifies that the balance of the
 15 pension stabilization fund established by IC 5-10.4-2-5 is sufficient
 16 to pay the liabilities of the pre-1996 account (as defined in
 17 IC 5-10.2-1-5.5) without the need for an appropriation by the
 18 general assembly to correct cross-references and make other
 19 changes to the Indiana Code, as necessary, relating to the
 20 application of the homestead exemption under this chapter and
 21 implementation of the homestead property tax replacement
 22 distributions under IC 6-1.1-51.

23 SECTION 2. IC 6-1.1-22-8.1, AS AMENDED BY P.L.159-2020,
 24 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2025]: Sec. 8.1. (a) The county treasurer shall:

26 (1) except as provided in subsection (h), mail to the last known
 27 address of each person liable for any property taxes or special
 28 assessment, as shown on the tax duplicate or special assessment
 29 records, or to the last known address of the most recent owner
 30 shown in the transfer book; and

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

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

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

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

41 (2) A breakdown showing the total property tax and special
 42 assessment liability and the amount of the taxpayer's liability that



- 1 will be distributed to each taxing unit in the county.
 2 (3) An itemized listing for each property tax levy, including:
 3 (A) the amount of the tax rate;
 4 (B) the entity levying the tax owed; and
 5 (C) the dollar amount of the tax owed.
 6 (4) Information designed to show the manner in which the taxes
 7 and special assessments billed in the tax statement are to be used.
 8 (5) Information regarding how a taxpayer can obtain information
 9 regarding the taxpayer's notice of assessment or reassessment
 10 under IC 6-1.1-4-22.
 11 (6) A comparison showing any change in the assessed valuation
 12 for the property as compared to the previous year.
 13 (7) A comparison showing any change in the property tax and
 14 special assessment liability for the property as compared to the
 15 previous year. The information required under this subdivision
 16 must identify:
 17 (A) the amount of the taxpayer's liability distributable to each
 18 taxing unit in which the property is located in the current year
 19 and in the previous year; and
 20 (B) the percentage change, if any, in the amount of the
 21 taxpayer's liability distributable to each taxing unit in which
 22 the property is located from the previous year to the current
 23 year.
 24 (8) An explanation of the following:
 25 (A) Homestead credits under IC 6-1.1-20.4, IC 6-3.6-5, or
 26 another law that are available in the taxing district where the
 27 property is located.
 28 (B) All property tax deductions that are available in the taxing
 29 district where the property is located.
 30 (C) The procedure and deadline for filing for any available
 31 homestead credits under IC 6-1.1-20.4, IC 6-3.6-5, or another
 32 law and each deduction.
 33 (D) The procedure that a taxpayer must follow to:
 34 (i) appeal a current assessment; or
 35 (ii) petition for the correction of an error related to the
 36 taxpayer's property tax and special assessment liability.
 37 (E) The forms that must be filed for an appeal or a petition
 38 described in clause (D).
 39 (F) The procedure and deadline that a taxpayer must follow
 40 and the forms that must be used if a credit or deduction has
 41 been granted for the property and the taxpayer is no longer
 42 eligible for the credit or deduction.



- 1 (G) Notice that an appeal described in clause (D) requires
 2 evidence relevant to the true tax value of the taxpayer's
 3 property as of the assessment date that is the basis for the taxes
 4 payable on that property.
- 5 The department of local government finance shall provide the
 6 explanation required by this subdivision to each county treasurer.
- 7 (9) A checklist that shows:
- 8 (A) homestead credits under IC 6-1.1-20.4, IC 6-3.6-5, or
 9 another law and all property tax deductions; and
- 10 (B) whether each homestead credit and property tax deduction
 11 applies in the current statement for the property transmitted
 12 under subsection (a).
- 13 (10) A remittance coupon indicating the payment amounts due at
 14 each payment due date and other information determined by the
 15 department of local government finance.
- 16 **(11) An explanation of the homestead exemption provided by**
 17 **IC 6-1.1-10.2, including whether the exemption is available as**
 18 **described in IC 6-1.1-10.2-7, the eligibility requirements, and**
 19 **the procedure and deadline that a taxpayer must follow to**
 20 **claim the exemption.**
- 21 (c) The county treasurer shall mail or transmit the statement one (1)
 22 time each year on or before April 15. Whenever a person's tax liability
 23 for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9
 24 of this chapter, a statement that is mailed must include the date on
 25 which the installment is due and denote the amount of money to be
 26 paid for the installment. Whenever a person's tax liability is due in two
 27 (2) installments, a statement that is mailed must contain the dates on
 28 which the first and second installments are due and denote the amount
 29 of money to be paid for each installment. If a statement is returned to
 30 the county treasurer as undeliverable and the forwarding order is
 31 expired, the county treasurer shall notify the county auditor of this fact.
 32 Upon receipt of the county treasurer's notice, the county auditor may,
 33 at the county auditor's discretion, treat the property as not being eligible
 34 for any deductions under IC 6-1.1-12 or any homestead credits under
 35 IC 6-1.1-20.4 and IC 6-3.6-5.
- 36 (d) All payments of property taxes and special assessments shall be
 37 made to the county treasurer. The county treasurer, when authorized by
 38 the board of county commissioners, may open temporary offices for the
 39 collection of taxes in cities and towns in the county other than the
 40 county seat.
- 41 (e) The county treasurer, county auditor, and county assessor shall
 42 cooperate to generate the information to be included in the statement



1 under subsection (b).

2 (f) The information to be included in the statement under subsection
3 (b) must be simply and clearly presented and understandable to the
4 average individual.

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

8 (h) Transmission of statements and other information under this
9 subsection applies in a county only if the county legislative body adopts
10 an authorizing ordinance. Subject to subsection (i), in a county in
11 which an ordinance is adopted under this subsection for property taxes
12 and special assessments, a person may, in any manner permitted by
13 subsection (n), direct the county treasurer and county auditor to
14 transmit the following to the person by electronic mail:

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

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

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

25 (A) Section 9 of this chapter.

26 (B) Section 9.7 of this chapter.

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

29 (4) Any other information that:

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

31 (B) would otherwise be sent:

32 (i) by the county treasurer or the county auditor to the person
33 by regular mail; and

34 (ii) before the last date the property taxes or special
35 assessments may be paid without becoming delinquent.

36 The information listed in this subsection may be transmitted to a person
37 by using electronic mail that provides a secure Internet link to the
38 information.

39 (i) For property with respect to which more than one (1) person is
40 liable for property taxes and special assessments, subsection (h) applies
41 only if all the persons liable for property taxes and special assessments
42 designate the electronic mail address for only one (1) individual



1 authorized to receive the statements and other information referred to
2 in subsection (h).

3 (j) The department of local government finance shall create a form
4 to be used to implement subsection (h). The county treasurer and
5 county auditor shall:

6 (1) make the form created under this subsection available to the
7 public;

8 (2) transmit a statement or other information by electronic mail
9 under subsection (h) to a person who files, on or before March 15,
10 the form created under this subsection:

11 (A) with the county treasurer; or

12 (B) with the county auditor; and

13 (3) publicize the availability of the electronic mail option under
14 this subsection through appropriate media in a manner reasonably
15 designed to reach members of the public.

16 (k) The form referred to in subsection (j) must:

17 (1) explain that a form filed as described in subsection (j)(2)
18 remains in effect until the person files a replacement form to:

19 (A) change the person's electronic mail address; or

20 (B) terminate the electronic mail option under subsection (h);

21 and

22 (2) allow a person to do at least the following with respect to the
23 electronic mail option under subsection (h):

24 (A) Exercise the option.

25 (B) Change the person's electronic mail address.

26 (C) Terminate the option.

27 (D) For a person other than an individual, designate the
28 electronic mail address for only one (1) individual authorized
29 to receive the statements and other information referred to in
30 subsection (h).

31 (E) For property with respect to which more than one (1)
32 person is liable for property taxes and special assessments,
33 designate the electronic mail address for only one (1)
34 individual authorized to receive the statements and other
35 information referred to in subsection (h).

36 (l) The form created under subsection (j) is considered filed with the
37 county treasurer or the county auditor on the postmark date or on the
38 date it is electronically submitted. If the postmark is missing or
39 illegible, the postmark is considered to be one (1) day before the date
40 of receipt of the form by the county treasurer or the county auditor.

41 (m) The county treasurer shall maintain a record that shows at least
42 the following:



1 (1) Each person to whom a statement or other information is
2 transmitted by electronic mail under this section.

3 (2) The information included in the statement.

4 (3) Whether the county treasurer received a notice that the
5 person's electronic mail was undeliverable.

6 (n) A person may direct the county treasurer and county auditor to
7 transmit information by electronic mail under subsection (h) on a form
8 prescribed by the department submitted:

9 (1) in person;

10 (2) by mail; or

11 (3) in an online format developed by the county and approved by
12 the department.

13 SECTION 3. IC 6-1.1-51 IS ADDED TO THE INDIANA CODE
14 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2025]:

16 **Chapter 51. Homestead Property Tax Replacement**
17 **Distributions**

18 **Sec. 1. This chapter applies beginning January 1 of the year in**
19 **which the property tax exemption under IC 6-1.1-10.2 is first**
20 **applicable to an assessment date as set forth in IC 6-1.1-10.2-1.**

21 **Sec. 2. (a) The department of local government finance shall**
22 **determine for each county a homestead property tax replacement**
23 **amount for the following year.**

24 **(b) A county's property tax replacement amount is the amount**
25 **of net property taxes that would be first due and payable in the**
26 **following year in the county on all qualified homesteads (as defined**
27 **in IC 6-1.1-10.2-2). This determination shall be made by using the**
28 **net property tax liability (including any property tax liability**
29 **imposed in a voter approved referendum) on the qualified**
30 **homesteads (as defined in IC 6-1.1-10.2-2) before applying the**
31 **exemption provided by IC 6-1.1-10.2 and after applying all**
32 **assessed value deductions, credits, or abatements provided under**
33 **any other law.**

34 **(c) Not later than August 1 each year, the department of local**
35 **government finance shall certify in writing to each county auditor**
36 **the amount of the county's certified property tax replacement**
37 **amount for the following year. Each taxing unit in a county is**
38 **entitled to receive its allocation of the certified property tax**
39 **replacement amount based on the amount that each taxing unit**
40 **would have received in property taxes if the exemption under**
41 **IC 6-1.1-10.2 were not applied.**

42 **Sec. 3. A taxing unit shall treat the amount certified for a year**



1 as property tax revenue for the purpose of fixing the taxing unit's
2 budget for that budget year.

3 **Sec. 4. Each distribution under this chapter shall be made by the**
4 **state comptroller to the appropriate county treasurer. The**
5 **distribution for a year shall be made to the county treasurer in two**
6 **(2) equal installments. The first installment shall be made on the**
7 **first business day in May each year. The second installment shall**
8 **be made on the first business day in November each year. The**
9 **county auditor shall credit each installment to each taxing unit in**
10 **the county at the same time and in the same manner as property**
11 **taxes are credited.**

12 **Sec. 5. A taxing unit shall treat revenue received under this**
13 **chapter as property tax revenue. However, the county auditor shall**
14 **report distributions to taxing units separately from property tax**
15 **proceeds in the county's data submission under IC 5-14-3.8-9.**

16 **Sec. 6. There is annually appropriated from the state general**
17 **fund the amount necessary to provide distributions under this**
18 **chapter each year.**

