



March 27, 2015

ENGROSSED
SENATE BILL No. 372

DIGEST OF SB 372 (Updated March 25, 2015 4:41 pm - DI 113)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Standard deduction for homesteads. Provides that after December 31, 2015, if more than one individual or entity qualifies property as a homestead for an assessment date, only one standard deduction from the assessed value of the homestead may be applied for the assessment date.

Effective: January 1, 2016.

Miller Patricia, Hershman, Broden,
Kruse

(HOUSE SPONSOR — BROWN T)

January 12, 2015, read first time and referred to Committee on Tax & Fiscal Policy.
January 27, 2015, reported favorably — Do Pass.
January 29, 2015, read second time, ordered engrossed. Engrossed.
February 2, 2015, read third time, passed. Yeas 44, nays 0.

HOUSE ACTION

March 2, 2015, read first time and referred to Committee on Ways and Means.
March 26, 2015, reported — Do Pass.

ES 372—LS 6658/DI 113



March 27, 2015

First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED SENATE BILL No. 372

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

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

- 1 SECTION 1. IC 6-1.1-12-37, AS AMENDED BY P.L.166-2014,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2016]: Sec. 37. (a) The following definitions apply
4 throughout this section:
5 (1) "Dwelling" means any of the following:
6 (A) Residential real property improvements that an individual
7 uses as the individual's residence, including a house or garage.
8 (B) A mobile home that is not assessed as real property that an
9 individual uses as the individual's residence.
10 (C) A manufactured home that is not assessed as real property
11 that an individual uses as the individual's residence.
12 (2) "Homestead" means an individual's principal place of
13 residence:
14 (A) that is located in Indiana;
15 (B) that:
16 (i) the individual owns;

ES 372—LS 6658/DI 113



1 (ii) the individual is buying under a contract; recorded in the
2 county recorder's office, that provides that the individual is
3 to pay the property taxes on the residence;

4 (iii) the individual is entitled to occupy as a
5 tenant-stockholder (as defined in 26 U.S.C. 216) of a
6 cooperative housing corporation (as defined in 26 U.S.C.
7 216); or

8 (iv) is a residence described in section 17.9 of this chapter
9 that is owned by a trust if the individual is an individual
10 described in section 17.9 of this chapter; and

11 (C) that consists of a dwelling and the real estate, not
12 exceeding one (1) acre, that immediately surrounds that
13 dwelling.

14 Except as provided in subsection (k), the term does not include
15 property owned by a corporation, partnership, limited liability
16 company, or other entity not described in this subdivision.

17 (b) Each year a homestead is eligible for a standard deduction from
18 the assessed value of the homestead for an assessment date. Except as
19 provided in subsection (p), the deduction provided by this section
20 applies to property taxes first due and payable for an assessment date
21 only if an individual has an interest in the homestead described in
22 subsection (a)(2)(B) on:

23 (1) the assessment date; or

24 (2) any date in the same year after an assessment date that a
25 statement is filed under subsection (e) or section 44 of this
26 chapter, if the property consists of real property.

27 **If more than one (1) individual or entity qualifies property as a**
28 **homestead under subsection (a)(2)(B) for an assessment date, only**
29 **one (1) standard deduction from the assessed value of the**
30 **homestead may be applied for the assessment date.** Subject to
31 subsection (c), the auditor of the county shall record and make the
32 deduction for the individual or entity qualifying for the deduction.

33 (c) Except as provided in section 40.5 of this chapter, the total
34 amount of the deduction that a person may receive under this section
35 for a particular year is the lesser of:

36 (1) sixty percent (60%) of the assessed value of the real property,
37 mobile home not assessed as real property, or manufactured home
38 not assessed as real property; or

39 (2) forty-five thousand dollars (\$45,000).

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



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

5 (e) Except as provided in sections 17.8 and 44 of this chapter and
 6 subject to section 45 of this chapter, an individual who desires to claim
 7 the deduction provided by this section must file a certified statement in
 8 duplicate, on forms prescribed by the department of local government
 9 finance, with the auditor of the county in which the homestead is
 10 located. The statement must include:

11 (1) the parcel number or key number of the property and the name
 12 of the city, town, or township in which the property is located;

13 (2) the name of any other location in which the applicant or the
 14 applicant's spouse owns, is buying, or has a beneficial interest in
 15 residential real property;

16 (3) the names of:

17 (A) the applicant and the applicant's spouse (if any):

18 (i) as the names appear in the records of the United States
 19 Social Security Administration for the purposes of the
 20 issuance of a Social Security card and Social Security
 21 number; or

22 (ii) that they use as their legal names when they sign their
 23 names on legal documents;

24 if the applicant is an individual; or

25 (B) each individual who qualifies property as a homestead
 26 under subsection (a)(2)(B) and the individual's spouse (if any):

27 (i) as the names appear in the records of the United States
 28 Social Security Administration for the purposes of the
 29 issuance of a Social Security card and Social Security
 30 number; or

31 (ii) that they use as their legal names when they sign their
 32 names on legal documents;

33 if the applicant is not an individual; and

34 (4) either:

35 (A) the last five (5) digits of the applicant's Social Security
 36 number and the last five (5) digits of the Social Security
 37 number of the applicant's spouse (if any); or

38 (B) if the applicant or the applicant's spouse (if any) does not
 39 have a Social Security number, any of the following for that
 40 individual:

41 (i) The last five (5) digits of the individual's driver's license
 42 number.



- 1 (ii) The last five (5) digits of the individual's state
 2 identification card number.
- 3 (iii) If the individual does not have a driver's license or a
 4 state identification card, the last five (5) digits of a control
 5 number that is on a document issued to the individual by the
 6 federal government and determined by the department of
 7 local government finance to be acceptable.
- 8 If a form or statement provided to the county auditor under this section,
 9 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
 10 part or all of the Social Security number of a party or other number
 11 described in subdivision (4)(B) of a party, the telephone number and
 12 the Social Security number or other number described in subdivision
 13 (4)(B) included are confidential. The statement may be filed in person
 14 or by mail. If the statement is mailed, the mailing must be postmarked
 15 on or before the last day for filing. The statement applies for that first
 16 year and any succeeding year for which the deduction is allowed. With
 17 respect to real property, the statement must be completed and dated in
 18 the calendar year for which the person desires to obtain the deduction
 19 and filed with the county auditor on or before January 5 of the
 20 immediately succeeding calendar year. With respect to a mobile home
 21 that is not assessed as real property, the person must file the statement
 22 during the twelve (12) months before March 31 of the year for which
 23 the person desires to obtain the deduction.
- 24 (f) If an individual who is receiving the deduction provided by this
 25 section or who otherwise qualifies property for a deduction under this
 26 section:
- 27 (1) changes the use of the individual's property so that part or all
 28 of the property no longer qualifies for the deduction under this
 29 section; or
- 30 (2) is no longer eligible for a deduction under this section on
 31 another parcel of property because:
- 32 (A) the individual would otherwise receive the benefit of more
 33 than one (1) deduction under this chapter; or
- 34 (B) the individual maintains the individual's principal place of
 35 residence with another individual who receives a deduction
 36 under this section;
- 37 the individual must file a certified statement with the auditor of the
 38 county, notifying the auditor of the change of use, not more than sixty
 39 (60) days after the date of that change. An individual who fails to file
 40 the statement required by this subsection is liable for any additional
 41 taxes that would have been due on the property if the individual had
 42 filed the statement as required by this subsection plus a civil penalty



1 equal to ten percent (10%) of the additional taxes due. The civil penalty
2 imposed under this subsection is in addition to any interest and
3 penalties for a delinquent payment that might otherwise be due. One
4 percent (1%) of the total civil penalty collected under this subsection
5 shall be transferred by the county to the department of local
6 government finance for use by the department in establishing and
7 maintaining the homestead property data base under subsection (i) and,
8 to the extent there is money remaining, for any other purposes of the
9 department. This amount becomes part of the property tax liability for
10 purposes of this article.

11 (g) The department of local government finance shall adopt rules or
12 guidelines concerning the application for a deduction under this
13 section.

14 (h) This subsection does not apply to property in the first year for
15 which a deduction is claimed under this section if the sole reason that
16 a deduction is claimed on other property is that the individual or
17 married couple maintained a principal residence at the other property
18 on March 1 in the same year in which an application for a deduction is
19 filed under this section or, if the application is for a homestead that is
20 assessed as personal property, on March 1 in the immediately
21 preceding year and the individual or married couple is moving the
22 individual's or married couple's principal residence to the property that
23 is the subject of the application. Except as provided in subsection (n),
24 the county auditor may not grant an individual or a married couple a
25 deduction under this section if:

26 (1) the individual or married couple, for the same year, claims the
27 deduction on two (2) or more different applications for the
28 deduction; and

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

30 (i) The department of local government finance shall provide secure
31 access to county auditors to a homestead property data base that
32 includes access to the homestead owner's name and the numbers
33 required from the homestead owner under subsection (e)(4) for the sole
34 purpose of verifying whether an owner is wrongly claiming a deduction
35 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
36 IC 6-3.5.

37 (j) A county auditor may require an individual to provide evidence
38 proving that the individual's residence is the individual's principal place
39 of residence as claimed in the certified statement filed under subsection
40 (e). The county auditor may limit the evidence that an individual is
41 required to submit to a state income tax return, a valid driver's license,
42 or a valid voter registration card showing that the residence for which



1 the deduction is claimed is the individual's principal place of residence.
 2 The department of local government finance shall work with county
 3 auditors to develop procedures to determine whether a property owner
 4 that is claiming a standard deduction or homestead credit is not eligible
 5 for the standard deduction or homestead credit because the property
 6 owner's principal place of residence is outside Indiana.

7 (k) 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 the real estate, not exceeding one (1) acre, that immediately
 11 surrounds that dwelling.

12 (2) The property is the principal place of residence of an
 13 individual.

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

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

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

20 (l) If a county auditor terminates a deduction for property described
 21 in subsection (k) with respect to property taxes that are:

22 (1) imposed for an assessment date in 2009; and

23 (2) first due and payable in 2010;

24 on the grounds that the property is not owned by an entity described in
 25 subsection (a)(2)(B), the county auditor shall reinstate the deduction if
 26 the taxpayer provides proof that the property is eligible for the
 27 deduction in accordance with subsection (k) and that the individual
 28 residing on the property is not claiming the deduction for any other
 29 property.

30 (m) For assessment dates after 2009, the term "homestead" includes:

31 (1) a deck or patio;

32 (2) a gazebo; or

33 (3) another residential yard structure, as defined in rules adopted
 34 by the department of local government finance (other than a
 35 swimming pool);

36 that is assessed as real property and attached to the dwelling.

37 (n) A county auditor shall grant an individual a deduction under this
 38 section regardless of whether the individual and the individual's spouse
 39 claim a deduction on two (2) different applications and each
 40 application claims a deduction for different property if the property
 41 owned by the individual's spouse is located outside Indiana and the
 42 individual files an affidavit with the county auditor containing the



- 1 following information:
- 2 (1) The names of the county and state in which the individual's
- 3 spouse claims a deduction substantially similar to the deduction
- 4 allowed by this section.
- 5 (2) A statement made under penalty of perjury that the following
- 6 are true:
- 7 (A) That the individual and the individual's spouse maintain
- 8 separate principal places of residence.
- 9 (B) That neither the individual nor the individual's spouse has
- 10 an ownership interest in the other's principal place of
- 11 residence.
- 12 (C) That neither the individual nor the individual's spouse has,
- 13 for that same year, claimed a standard or substantially similar
- 14 deduction for any property other than the property maintained
- 15 as a principal place of residence by the respective individuals.
- 16 A county auditor may require an individual or an individual's spouse to
- 17 provide evidence of the accuracy of the information contained in an
- 18 affidavit submitted under this subsection. The evidence required of the
- 19 individual or the individual's spouse may include state income tax
- 20 returns, excise tax payment information, property tax payment
- 21 information, driver license information, and voter registration
- 22 information.
- 23 (o) If:
- 24 (1) a property owner files a statement under subsection (e) to
- 25 claim the deduction provided by this section for a particular
- 26 property; and
- 27 (2) the county auditor receiving the filed statement determines
- 28 that the property owner's property is not eligible for the deduction;
- 29 the county auditor shall inform the property owner of the county
- 30 auditor's determination in writing. If a property owner's property is not
- 31 eligible for the deduction because the county auditor has determined
- 32 that the property is not the property owner's principal place of
- 33 residence, the property owner may appeal the county auditor's
- 34 determination to the county property tax assessment board of appeals
- 35 as provided in IC 6-1.1-15. The county auditor shall inform the
- 36 property owner of the owner's right to appeal to the county property tax
- 37 assessment board of appeals when the county auditor informs the
- 38 property owner of the county auditor's determination under this
- 39 subsection.
- 40 (p) An individual is entitled to the deduction under this section for
- 41 a homestead for a particular assessment date if:
- 42 (1) either:



- 1 (A) the individual's interest in the homestead as described in
 2 subsection (a)(2)(B) is conveyed to the individual after the
 3 assessment date, but within the calendar year in which the
 4 assessment date occurs; or
 5 (B) the individual contracts to purchase the homestead after
 6 the assessment date, but within the calendar year in which the
 7 assessment date occurs;
- 8 (2) on the assessment date:
 9 (A) the property on which the homestead is currently located
 10 was vacant land; or
 11 (B) the construction of the dwelling that constitutes the
 12 homestead was not completed;
- 13 (3) either:
 14 (A) the individual files the certified statement required by
 15 subsection (e) on or before December 31 of the calendar year
 16 in which the assessment date occurs to claim the deduction
 17 under this section; or
 18 (B) a sales disclosure form that meets the requirements of
 19 section 44 of this chapter is submitted to the county assessor
 20 on or before December 31 of the calendar year for the
 21 individual's purchase of the homestead; and
- 22 (4) the individual files with the county auditor on or before
 23 December 31 of the calendar year in which the assessment date
 24 occurs a statement that:
 25 (A) lists any other property for which the individual would
 26 otherwise receive a deduction under this section for the
 27 assessment date; and
 28 (B) cancels the deduction described in clause (A) for that
 29 property.
- 30 An individual who satisfies the requirements of subdivisions (1)
 31 through (4) is entitled to the deduction under this section for the
 32 homestead for the assessment date, even if on the assessment date the
 33 property on which the homestead is currently located was vacant land
 34 or the construction of the dwelling that constitutes the homestead was
 35 not completed. The county auditor shall apply the deduction for the
 36 assessment date and for the assessment date in any later year in which
 37 the homestead remains eligible for the deduction. A homestead that
 38 qualifies for the deduction under this section as provided in this
 39 subsection is considered a homestead for purposes of section 37.5 of
 40 this chapter and IC 6-1.1-20.6. The county auditor shall cancel the
 41 deduction under this section for any property that is located in the
 42 county and is listed on the statement filed by the individual under



1 subdivision (4). If the property listed on the statement filed under
 2 subdivision (4) is located in another county, the county auditor who
 3 receives the statement shall forward the statement to the county auditor
 4 of that other county, and the county auditor of that other county shall
 5 cancel the deduction under this section for that property.

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

15 (r) This subsection:

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

19 (2) does not apply to an individual described in subsection (q).

20 The owner of a mobile home that is not assessed as real property or a
 21 manufactured home that is not assessed as real property must attach a
 22 copy of the owner's title to the mobile home or manufactured home to
 23 the application for the deduction provided by this section.

24 (s) For assessment dates after 2013, the term "homestead" includes
 25 property that is owned by an individual who:

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

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

29 (3) was otherwise eligible, without regard to this subsection, for
 30 the deduction under this section for the property for the
 31 assessment date immediately preceding the transfer date specified
 32 in the order described in subdivision (2).

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



1 principal place of residence after the individual transfers to a location
2 outside Indiana. However, the property ceases to qualify as a
3 homestead under this subsection if the property is leased while the
4 individual is away from Indiana. Property that qualifies as a homestead
5 under this subsection shall also be construed as a homestead for
6 purposes of section 37.5 of this chapter.
7 SECTION 2. [EFFECTIVE JANUARY 1, 2016] (a) **IC 6-1.1-12-37,**
8 **as amended by this act, applies only to an assessment date (as**
9 **defined in IC 6-1.1-1-2) occurring after December 31, 2015.**
10 (b) **This SECTION expires July 1, 2016.**



COMMITTEE REPORT

Madam President: The Senate Committee on Tax & Fiscal Policy, to which was referred Senate Bill No. 372, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 372 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 12, Nays 0

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 372, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to SB 372 as printed January 28, 2015.)

BROWN T

Committee Vote: Yeas 21, Nays 0

