# **SENATE BILL No. 392**

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12-14; IC 6-1.1-20.6-8.5.

**Synopsis:** Property tax relief for seniors and veterans. Makes certain changes to the qualification requirements and credit amount for the over 65 circuit breaker credit. Makes certain changes to the qualification requirements and deduction amount for the property tax deduction for disabled veterans who are either totally disabled or at least 62 years of age with a partial disability.

Effective: January 1, 2025 (retroactive).

# Rogers, Gaskill, Buchanan

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



### Introduced

#### 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. 392**

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

- (1) the individual served in the military or naval forces of the 16 United States for at least ninety (90) days;
  - (2) the individual received an honorable discharge;



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1	(3) the individual either:
2	(A) has a total disability; or
3	(B) is at least sixty-two (62) years old and has a disability of at
3 4	least ten percent (10%);
5	(4) the individual's disability is evidenced by:
6	(A) a pension certificate or an award of compensation issued
7	by the United States Department of Veterans Affairs; or
8	(B) a certificate of eligibility issued to the individual by the
9	Indiana department of veterans' affairs after the Indiana
10	department of veterans' affairs has determined that the
11	individual's disability qualifies the individual to receive a
12	deduction under this section; and
12	(5) 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 15 of this chapter is
19	filed.
20	(b) Except as provided in subsections (c) and (d), the surviving
21	spouse of an individual may receive the deduction provided by this
22	section if:
23	(1) the individual satisfied the requirements of subsection $(a)(1)$
24	through (a)(4) at the time of death; or
25	(2) the individual:
26	(A) was killed in action;
27	(B) died while serving on active duty in the military or naval
28	forces of the United States; or
29	(C) died while performing inactive duty training in the military
30	or naval forces of the United States; and
31	the surviving spouse satisfies the requirement of subsection (a)(5) at
32	the time the deduction statement is filed. The surviving spouse is
33	entitled to the deduction regardless of whether the property for which
34	the deduction is claimed was owned by the deceased veteran or the
35	surviving spouse before the deceased veteran's death.
36	(c) Except as provided in subsection (f), no one is entitled to the
37	deduction provided by this section if the assessed value of the
38	individual's Indiana real property, Indiana mobile home not assessed as
39	real property, and Indiana manufactured home not assessed as real
40	property, as shown by the tax duplicate, exceeds the assessed value
41	limit specified in subsection (d).
42	(d) Except as provided in subsection (f), for the:

1 (1) January 1, 2017, January 1, 2018, and January 1, 2019, 2 assessment dates, the assessed value limit for purposes of 3 subsection (c) is one hundred seventy-five thousand dollars 4 (\$175,000); 5 (2) January 1, 2020, January 1, 2021, January 1, 2022, and 6 January 1, 2023, assessment dates, the assessed value limit for 7 purposes of subsection (c) is two hundred thousand dollars 8 (\$200,000); and 9 (3) January 1, 2024, assessment date, and for each assessment 10 date thereafter, the assessed value limit for purposes of subsection 11 (c) is two hundred forty thousand dollars (\$240,000). 12 (4) January 1, 2025, assessment date, the assessed value limit 13 for purposes of subsection (c) is three hundred thousand 14 dollars (\$300,000), and beginning for the January 1, 2026, 15 assessment date and each assessment date thereafter, the 16 amount shall be adjusted annually by a percentage equal to 17 the percentage increase, if any, as determined under 18 subsection (h). 19 (e) An individual who has sold real property, a mobile home not 20 assessed as real property, or a manufactured home not assessed as real 21 property to another person under a contract that provides that the 22 contract buyer is to pay the property taxes on the real property, mobile 23 home, or manufactured home may not claim the deduction provided 24 under this section against that real property, mobile home, or 25 manufactured home. 26 (f) For purposes of determining the assessed value of the real 27 property, mobile home, or manufactured home under subsection (d) for 28 an individual who has received a deduction under this section in a 29 previous year, increases in assessed value that occur after the later of: 30 (1) December 31, 2019; or 31 (2) the first year that the individual has received the deduction; 32 are not considered unless the increase in assessed value is attributable 33 to substantial renovation or new improvements. Where there is an 34 increase in assessed value for purposes of the deduction under this 35 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 (g) The amount of the deduction under subsection (a) is equal 39 to: 40 (1) fourteen thousand dollars (\$14,000), if the assessed value 41 of the individual's property is three hundred thousand dollars 42 (\$300,000) or less; and



1 (2) seven thousand dollars (\$7,000), if the assessed value of the 2 individual's Indiana real property is more than three hundred 3 thousand dollars (\$300,000), but not more than four hundred 4 thousand dollars (\$400,000); 5 and beginning for the January 1, 2026, assessment date and each 6 assessment date thereafter, each of the assessed value dollar 7 amounts shall be adjusted annually by a percentage equal to the 8 percentage increase, if any, as determined under subsection (h). 9 (h) As used in this subsection, "median home sale price" means 10 the median home sale price as determined each month for Indiana 11 by the National Association of Realtors. The annual adjustment 12 under subsections (d)(4) and (g) is equal to the year over year 13 change in: 14 (1) the year end average of the monthly median home sale 15 prices in Indiana statewide for the immediately preceding 16 calendar year before the assessment date; compared to 17 (2) the year end average of the monthly median home sale 18 prices in Indiana statewide for the calendar year preceding 19 the assessment date by two (2) years; 20 expressed as a percentage, but not less than zero (0). For purposes 21 of applying the annual adjustment under subsections (d)(4) and (g), 22 the annual percentage increase, if any, is applied to the adjusted 23 amount from the immediately preceding year. 24 SECTION 2. IC 6-1.1-20.6-8.5, AS AMENDED BY P.L.239-2023, 25 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 26 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 8.5. (a) This section 27 applies to an individual who: 28 (1) qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the 29 30 immediately preceding calendar year (or was married at the time 31 of death to a deceased spouse who qualified for a standard 32 deduction granted under IC 6-1.1-12-37 for the individual's 33 homestead property in the immediately preceding calendar year); 34 (2) qualifies for a standard deduction granted under 35 IC 6-1.1-12-37 for the same homestead property in the current 36 calendar year; 37 (3) is or will be at least sixty-five (65) years of age on or before 38 December 31 of the calendar year immediately preceding the 39 current calendar year; and 40 (4) had: 41 (A) for an assessment date before January 1, 2025: 42 (A) (i) in the case of an individual who filed a single return,



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1	adjusted gross income (as defined in Section 62 of the
2	Internal Revenue Code) not exceeding thirty thousand
3	dollars (\$30,000), and beginning for the January 1, 2023,
4	assessment date, and each assessment date thereafter,
5	adjusted annually by an amount equal to the percentage cost
6	of living increase applied for Social Security benefits for the
7	immediately preceding calendar year; or
8	(B) (ii) in the case of an individual who filed a joint income
9	tax return with the individual's spouse, combined adjusted
10	gross income (as defined in Section 62 of the Internal
11	Revenue Code) not exceeding forty thousand dollars
12	(\$40,000), and beginning for the January 1, 2023,
13	assessment date, and each assessment date thereafter,
14	adjusted annually by an amount equal to the percentage cost
15	of living increase applied for Social Security benefits for the
16	immediately preceding calendar year; and
17	(B) for an assessment date after December 31, 2024,
18	household income not exceeding seventy-five thousand
19	dollars (\$75,000), and beginning for the January 1, 2026,
20	assessment date, and each assessment date thereafter,
21	adjusted annually by an amount equal to the percentage
22	cost of living increase applied for Social Security benefits
23	for the immediately preceding calendar year;
24	for the calendar year preceding by two (2) years the calendar year
25	in which property taxes are first due and payable.
26	For purposes of applying the annual cost of living increases described
27	in subdivision (4)(A) and (4)(B), the annual percentage increase is
28	applied to the adjusted amount of income from the immediately
29	preceding year. For purposes of subdivision (4)(B), "household
30	income" means the adjusted gross income (as defined in Section 62
31	of the Internal Revenue Code) of an individual, or if applicable, the
32	combined adjusted gross income of the individual and the
33	individual's spouse if the spouse resides with the individual.
34	(b) Except as provided in subsection (g), this section does not apply
35	if:
36	(1) for an individual who received a credit under this section
37	before January 1, 2020, the gross assessed value of the homestead
38	on the assessment date for which property taxes are imposed is at
39	least two hundred thousand dollars (\$200,000);
40	(2) for an individual who initially applies for a credit under this
41	section after December 31, 2019, and before January 1, 2023, the
42	assessed value of the individual's Indiana real property is at least



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11111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111 <th1< th="">111111</th1<>	1 2 3 4 5 6	two hundred thousand dollars (\$200,000); or (3) for an individual who initially applies for a credit under this section after December 31, 2022, and before January 1, 2025, the assessed value of the individual's Indiana real property is at least two hundred forty thousand dollars (\$240,000); or (4) for an individual who initially applies for a credit under
8individual's Indiana real property is at least three hundred9thousand dollars (\$300,000), and beginning for the January 1,102026, assessment date and each assessment date thereafter,11the amount shall be adjusted annually by a percentage equal12to the percentage increase, if any, as determined under13subsection (h).14(c) An individual is entitled to an additional credit under this section15for property taxes first due and payable for a calendar year on a16homestead if:17(1) the individual and the homestead qualify for the credit under18subsection (a) for the calendar year;19(2) the homestead is not disqualified for the credit under20subsection (b) for the calendar year; and21(3) the filing requirements under subsection (e) are met.22(d) The amount of the credit is equal to the greater of zero (0) or the23result of:24(1) the property tax liability first due and payable on the25homestead property for the calendar year; minus26(2) the result of:27(A) the property tax liability first due and payable on the28qualified homestead property for the immediately preceding29year after the application of the credit granted under this30section for that year; multiplied by31(B) the following:32(i) One and two hundredths (1.02), if the assessed value of33the individual's Indiana real property is three hundred34th		
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15for property taxes first due and payable for a calendar year on a homestead if:17(1) the individual and the homestead qualify for the credit under subsection (a) for the calendar year;19(2) the homestead is not disqualified for the credit under subsection (b) for the calendar year; and (3) the filing requirements under subsection (e) are met.20(3) the filing requirements under subsection (e) are met.21(3) the filing requirements under subsection (e) are met.22(d) The amount of the credit is equal to the greater of zero (0) or the result of:24(1) the property tax liability first due and payable on the homestead property for the calendar year; minus (2) the result of:26(2) the result of:27(A) the property tax liability first due and payable on the qualified homestead property for the immediately preceding year after the application of the credit granted under this section for that year; multiplied by31(B) the following:32(i) One and two hundredths (1.02), if the assessed value of the individual's Indiana real property is three hundred thousand dollars (\$300,000) or less.33(ii) One and four hundredths (1.04), if the assessed value of the individual's Indiana real property is more than three hundred thousand dollars (\$300,000), but not more than four hundred thousand dollars (\$300,000);39and beginning for the January 1, 2026, assessment date and each assessment date thereafter, each of the assessed value dollar amounts shall be adjusted annually by a		subsection (h).
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	42	percentage equal to the percentage increase, if any, as



1 determined under subsection (h). 2 However, property tax liability imposed on any improvements to or 3 expansion of the homestead property after the assessment date for 4 which property tax liability described in subdivision (2) was imposed 5 shall not be considered in determining the credit granted under this 6 section in the current calendar year. (e) Applications for a credit under this section shall be filed in the 7 8 manner provided for an application for a deduction under 9 IC 6-1.1-12-9. However, an individual who remains eligible for the 10 credit in the following year is not required to file a statement to apply 11 for the credit in the following year. An individual who receives a credit 12 under this section in a particular year and who becomes ineligible for 13 the credit in the following year shall notify the auditor of the county in 14 which the homestead is located of the individual's ineligibility not later 15 than sixty (60) days after the individual becomes ineligible. (f) The auditor of each county shall, in a particular year, apply a 16 17 credit provided under this section to each individual who received the 18 credit in the preceding year unless the auditor determines that the 19 individual is no longer eligible for the credit. 20 (g) For purposes of determining the: 21 (1) assessed value of the homestead on the assessment date for 22 which property taxes are imposed under subsection (b)(1); 23 (2) assessed value of the individual's Indiana real property under 24 subsection (b)(2); or 25 (3) assessed value of the individual's Indiana real property under 26 subsection (b)(3); or 27 (4) assessed value of the individual's Indiana real property 28 under subsection (b)(4); 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 (h) As used in this subsection, "median home sale price" means 39 the median home sale price as determined each month for Indiana 40 by the National Association of Realtors. The annual adjustment 41 under subsection (b)(4) and (d)(1)(B) is equal to the year over year 42 change in:

1	(1) the year end average of the monthly median home sale
2	prices in Indiana statewide for the immediately preceding
3	calendar year before the assessment date; compared to
4	(2) the year end average of the monthly median home sale
5	prices in Indiana statewide for the calendar year preceding
6	the assessment date by two (2) years;
7	expressed as a percentage, but not less than zero (0). For purposes
8	of applying the annual adjustment under subsections (b)(4) and
9	(d)(2)(B), the annual percentage increase, if any, is applied to the
10	adjusted amount from the immediately preceding year. However,
11	the assessed value limit amount under subsection (b)(4) shall not be
12	adjusted to more than four hundred thousand dollars (\$400,000).
13	SECTION 3. [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]
14	(a) IC 6-1.1-12-14 and IC 6-1.1-20.6-8.5, both as amended by this
15	act, apply to assessment dates occurring after December 31, 2024,
16	for property taxes first due and payable in 2026.
17	(b) This SECTION expires July 1, 2028.
18	SECTION 4. An emergency is declared for this act.

