

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6066

BILL NUMBER: HB 1752

NOTE PREPARED: Nov 11, 2004

BILL AMENDED:

SUBJECT: Waiver of Property Tax Penalties.

FIRST AUTHOR: Rep. Thompson

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill allows the county treasurer to waive penalties on certain residential property taxes.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The proposal applies only to certain property taxes first due and payable after 2005 with respect to a homestead. A taxpayer may petition the county treasurer to waive all or part of the 10% penalty imposed on unpaid property taxes. The county treasurer may approve the petition if

- (1) the installment for which the waiver is sought was not part of a May 10 or November 10 billing;
- (2) the taxpayer was not liable for the installment that preceded the installment for which the waiver is sought; and
- (3) the county treasurer did not mail the tax statement for the installment for which the waiver is sought to the taxpayer or mortgagee.

It is not possible to determine how many taxpayers will petition for a waiver under the above conditions. However, it is expected that counties should be able to absorb any additional administrative costs resulting from these petitions given their current resources and budgets.

Explanation of Local Revenues: Under current law, if an installment of property taxes is not completely paid on or before the due date, a penalty equal to 10% of the amount of delinquent taxes is added to the unpaid portion. This bill provides for a waiver under certain limited circumstances. The provision could reduce the amount of revenue collected for late payment penalties. The specific impact is indeterminable. Penalties collected are credited to the appropriate taxing units and are distributed in the same manner as other property taxes—based on a unit’s levy as a proportion of all levies within the taxing district.

State Agencies Affected:

Local Agencies Affected: County treasurers and local taxing districts.

Information Sources:

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.