

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 496 be amended to read as follows:

- 1 Page 44, between lines 38 and 39, begin a new paragraph and insert:
- 2 "SECTION 30. IC 6-1.1-17-1 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) On or before
- 4 August 1 of each year, the county auditor shall send a certified
- 5 statement, under the seal of the board of county commissioners, to the
- 6 fiscal officer of each political subdivision of the county and the
- 7 department of local government finance. The statement shall contain:
- 8 (1) information concerning the assessed valuation in the political
- 9 subdivision for the next calendar year;
- 10 (2) an estimate of the taxes to be distributed to the political
- 11 subdivision during the last six (6) months of the current calendar
- 12 year;
- 13 (3) the current assessed valuation as shown on the abstract of
- 14 charges;
- 15 (4) the average growth in assessed valuation in the political
- 16 subdivision over the preceding three (3) budget years, excluding
- 17 years in which a general reassessment occurs, determined
- 18 according to procedures established by the department of local
- 19 government finance; ~~and~~
- 20 **(5) information concerning credits applicable under**
- 21 **IC 6-1.1-21-5.8 to taxes first due and payable in the next**
- 22 **calendar year; and**
- 23 ~~(5)~~ **(6)** any other information at the disposal of the county auditor
- 24 that might affect the assessed value used in the budget adoption
- 25 process.

- 1 (b) The estimate of taxes to be distributed shall be based on:  
 2 (1) the abstract of taxes levied and collectible for the current  
 3 calendar year, less any taxes previously distributed for the  
 4 calendar year; and  
 5 (2) any other information at the disposal of the county auditor  
 6 which might affect the estimate.
- 7 (c) The fiscal officer of each political subdivision shall present the  
 8 county auditor's statement to the proper officers of the political  
 9 subdivision.
- 10 **(d) The officers of a political subdivision shall adjust the**  
 11 **assessed value used in setting rates for the taxes first due and**  
 12 **payable in a calendar year in which credits apply under**  
 13 **IC 6-1.1-21-5.8 to eliminate or minimize levy reductions that would**  
 14 **otherwise result from the application of those credits."**
- 15 Page 57, between lines 10 and 11, begin a new paragraph and insert:  
 16 "SECTION 38. IC 6-1.1-21-5.8 IS ADDED TO THE INDIANA  
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 18 [EFFECTIVE UPON PASSAGE]: **Sec. 5.8. (a) The following**  
 19 **definitions apply throughout this section:**
- 20 (1) "Adjusted gross income" has the meaning set forth in  
 21 IC 6-3-1-3.5.
- 22 (2) "Assets":  
 23 (A) includes:  
 24 (i) real property, other than the homestead with respect  
 25 to which a qualifying individual applies for a credit  
 26 under this section;  
 27 (ii) cash;  
 28 (iii) savings accounts;  
 29 (iv) stocks;  
 30 (v) bonds; and  
 31 (vi) any other investment; and  
 32 (B) does not include:  
 33 (i) the cash value of life insurance policies on the life of  
 34 the qualifying individual or the qualifying individual's  
 35 spouse; and  
 36 (ii) tangible personal property.
- 37 (3) "Fiscal body" has the meaning set forth in IC 36-1-2-6.  
 38 (4) "Homestead" has the meaning set forth in  
 39 IC 6-1.1-20.9-1(2).  
 40 (5) "Household income" means the combined adjusted gross  
 41 income of the qualifying individual and the qualifying  
 42 individual's spouse.  
 43 (6) "Net property tax bill" means the amount of property  
 44 taxes currently due and payable in a particular calendar year  
 45 after the application of all deductions and credits, except for  
 46 the credit provided by this section, as evidenced by the tax  
 47 statement referred to in IC 6-1.1-22-8.

- 1           **(7) "Net worth" means the remainder of:**  
2           **(A) the sum of the current market value of all assets; minus**  
3           **(B) all outstanding liabilities.**
- 4           **(8) "Qualifying homestead" means a homestead:**  
5           **(A) that a qualifying individual owned; or**  
6           **(B) on which a qualifying individual assumed liability for**  
7           **the payment of property taxes;**  
8           **at least five (5) years before the assessment date for the**  
9           **homestead in the year for which the qualifying individual**  
10           **wishes to obtain the credit under this section and that has an**  
11           **assessed value of not more than one hundred eighty thousand**  
12           **dollars (\$180,000) as of the assessment date for the homestead**  
13           **in the year that immediately precedes the year for which the**  
14           **qualifying individual wishes to obtain the credit under this**  
15           **section.**
- 16           **(9) "Qualifying individual" means an individual:**  
17           **(A) who is liable for the payment of property taxes on a**  
18           **qualifying homestead;**  
19           **(B) whose adjusted gross income for the individual's most**  
20           **recent taxable year that ends before the date on which the**  
21           **claim is filed under subsection (e) is less than seventy-five**  
22           **thousand dollars (\$75,000); and**  
23           **(C) who is not married and has a net worth, or has a net**  
24           **worth in combination with the net worth of the individual's**  
25           **spouse, of less than two hundred thousand dollars**  
26           **(\$200,000) as of December 31 of:**  
27           **(i) with respect to real property, the year that precedes**  
28           **by two (2) years the year for which the individual wishes**  
29           **to obtain the credit under this section; and**  
30           **(ii) with respect to a mobile home that is not assessed as**  
31           **real property or a manufactured home that is not**  
32           **assessed as real property, the year that immediately**  
33           **precedes the year for which the individual wishes to**  
34           **obtain the credit under this section.**
- 35           **(10) "Taxable year" has the meaning set forth in IC 6-3-1-16.**
- 36           **(b) The credit provided by this section applies in a county for**  
37           **property taxes first due and payable in a calendar year only if the**  
38           **county fiscal body of the county adopts an ordinance to apply the**  
39           **credit before July 1 of the immediately preceding calendar year. An**  
40           **ordinance adopted under this subsection may authorize the credit**  
41           **for more than one (1) year.**
- 42           **(c) Except as provided in subsection (d), each year a qualifying**  
43           **individual in a county in which the credit provided by this section**  
44           **is authorized under subsection (b) may receive a credit against the**  
45           **net property tax bill on the individual's qualifying homestead. The**  
46           **amount of the credit to which a qualifying individual is entitled**

1 equals the lesser of two thousand dollars (\$2,000) or the remainder  
2 of:

3 (1) the amount of the net property tax bill without the  
4 application of the credit provided by this section; minus

5 (2) the following percentage of the qualifying individual's  
6 adjusted gross income for the qualifying individual's most  
7 recent taxable year that ends before the date on which the  
8 claim is filed under subsection (e):

9 (A) Five percent (5%) if the adjusted gross income is less  
10 than twenty thousand dollars (\$20,000).

11 (B) Seven percent (7%) if the adjusted gross income is at  
12 least twenty thousand dollars (\$20,000) but less than fifty  
13 thousand dollars (\$50,000).

14 (C) Nine percent (9%) if the adjusted gross income is at  
15 least fifty thousand dollars (\$50,000) but less than  
16 seventy-five thousand dollars (\$75,000).

17 (d) If the qualifying individual resides in the qualifying  
18 homestead with the qualifying individual's spouse, those  
19 individuals are together entitled to one (1) credit under this section  
20 for the qualifying homestead. The amount of the credit is  
21 determined under subsection (c), except that the household income  
22 is substituted for the qualifying individual's adjusted gross income.

23 (e) A qualifying individual or a qualifying individual and the  
24 qualifying individual's spouse who desire to claim the credit  
25 provided by this section must file a certified statement in duplicate,  
26 on forms prescribed by the department of local government  
27 finance, with the auditor of the county in which the qualifying  
28 homestead is located. With respect to real property, the statement  
29 must be filed after January 1 and before May 11 of the year before  
30 the year for which the qualifying individual or the qualifying  
31 individual and the qualifying individual's spouse wish to obtain the  
32 credit under this section. For a mobile home that is not assessed as  
33 real property or a manufactured home that is not assessed as real  
34 property, the statement must be filed after January 1 and before  
35 March 2 of the year for which the qualifying individual or the  
36 qualifying individual and the qualifying individual's spouse wish to  
37 obtain the credit under this section. The statement must contain the  
38 following information:

39 (1) The full name or names and complete address of the  
40 qualifying individual or the qualifying individual and the  
41 qualifying individual's spouse.

42 (2) A description of the qualifying homestead.

43 (3) The amount of:

44 (A) the qualifying individual's adjusted gross income  
45 referred to in subsection (c)(2); or

46 (B) if subsection (d) applies, the household income referred

- 1                   to in subsection (d) of the qualifying individual and the  
2                   qualifying individual's spouse.
- 3           **(4) The name of any other county and township in which the**  
4           **qualifying individual or the qualifying individual's spouse**  
5           **owns or is buying on contract:**
- 6                   **(A) real property; or**  
7                   **(B) a:**
- 8                           **(i) mobile home; or**  
9                           **(ii) manufactured home;**  
10                   **that is not assessed as real property.**
- 11           **(5) The record number and page where the contract or**  
12           **memorandum of the contract is recorded if the qualifying**  
13           **homestead is under contract purchase.**
- 14           **(6) Proof of net worth as of the date specified in subsection**  
15           **(a)(9)(C):**
- 16                   **(A) in a form determined by the department of local**  
17                   **government finance; and**  
18                   **(B) including:**
- 19                           **(i) income tax returns or other evidence detailing gross**  
20                           **income; and**  
21                           **(ii) other documentation as determined by the**  
22                           **department of local government finance.**
- 23           **(7) Any other information required by the department of local**  
24           **government finance.**
- 25           **(f) The auditor of a county with whom a statement is filed under**  
26           **subsection (e) shall immediately prepare and transmit a copy of the**  
27           **statement to the auditor of any other county if the qualifying**  
28           **individual who claims the credit or the qualifying individual's**  
29           **spouse owns or is buying property located in the other county as**  
30           **described in subsection (e)(4). The auditor of the other county**  
31           **described in subsection (e)(4) shall note on the copy of the**  
32           **statement whether a credit has been claimed under this section for**  
33           **a qualifying homestead located in the auditor's county. The auditor**  
34           **shall then return the copy to the auditor of the first county.**
- 35           **(g) Subject to subsection (h), if a proper certified credit**  
36           **statement is filed under subsection (e), the county auditor shall**  
37           **allow the credit and shall apply the credit equally against each**  
38           **installment of property taxes. The county auditor shall include the**  
39           **amount of the credit applied against each installment of property**  
40           **taxes on the tax statement required under IC 6-1.1-22-8.**
- 41           **(h) If the qualifying homestead qualifies for the credit under**  
42           **IC 6-1.1-20.6 and a statement to claim the credit under this section**  
43           **is filed under subsection (e), the county auditor shall:**
- 44                   **(1) determine from the person who filed the statement**  
45                   **whether the person elects to have applied:**
- 46                           **(A) the credit under this section; or**

1                   **(B) the credit under IC 6-1.1-20.6; and**  
 2                   **(2) apply only the credit elected by that person as determined**  
 3                   **under subdivision (1).**

4                   **(i) If an individual knowingly or intentionally files a false**  
 5                   **statement under this section, the individual must pay the amount**  
 6                   **of any credit the individual received because of the false statement,**  
 7                   **plus interest at the rate of ten percent (10%) per year, to the county**  
 8                   **auditor for distribution to the taxing units of the county in the same**  
 9                   **proportion that property taxes are distributed.**

10                   SECTION 39. IC 6-1.1-21-7 IS AMENDED TO READ AS  
 11                   FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) Notwithstanding  
 12                   IC 6-1.1-26, any taxpayer who is entitled to a credit under this chapter  
 13                   or who has properly filed for and is entitled to a credit under  
 14                   IC 6-1.1-20.9, and who, without taking the credit, pays in full the taxes  
 15                   to which the credit applies, is entitled to a refund, without interest, of  
 16                   an amount equal to the amount of the credit. However, if the taxpayer,  
 17                   at the time a refund is claimed, owes any other taxes, interest, or  
 18                   penalties payable to the county treasurer to whom the taxes subject to  
 19                   the credit were paid, then the credit shall be first applied in full or  
 20                   partial payment of the other taxes, interest, and penalties and the  
 21                   balance, if any, remaining after that application is available as a refund  
 22                   to the taxpayer.

23                   (b) Any taxpayer entitled to a refund under this section **other than**  
 24                   **a refund based on a credit under section 5.8 of this chapter** shall be  
 25                   paid that refund from proceeds of the property tax replacement fund.  
 26                   However, with respect to any refund attributable to a homestead credit,  
 27                   the refund shall be paid from that fund only to the extent that the  
 28                   percentage homestead credit the taxpayer was entitled to receive for a  
 29                   year does not exceed the percentage credit allowed in  
 30                   IC 6-1.1-20.9-2(d) for that same year. Any refund in excess of that  
 31                   amount shall be paid from the county's revenue distributions received  
 32                   under IC 6-3.5-6.

33                   (c) The state board of accounts shall establish an appropriate  
 34                   procedure to simplify and expedite the method for claiming these  
 35                   refunds and for the payments thereof, as provided for in this section,  
 36                   which procedure is the exclusive procedure for the processing of the  
 37                   refunds. The procedure shall, however, require the filing of claims for  
 38                   the refunds by not later than June 1 of the year following the payment  
 39                   of the taxes to which the credit applied."

40                   Page 119, between lines 11 and 12, begin a new paragraph and  
 41                   insert:

1           "SECTION 94. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-21-5.8,**  
2 **as added by this act, applies only to property taxes first due and**  
3 **payable after December 31, 2005.**"

4           Renumber all SECTIONS consecutively.  
          (Reference is to ESB 496 as printed April 1, 2005.)

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Representative Orentlicher