

# COMMITTEE REPORT

## MADAM PRESIDENT:

**The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 496, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1 Page 9, line 28, delete ":".
- 2 Page 9, line 29, delete "(1)".
- 3 Page 9, run in lines 28 through 29.
- 4 Page 9, line 30, delete "; and" and insert ".".
- 5 Page 9, delete lines 31 through 32.
- 6 Page 12, between lines 13 and 14, begin a new line block indented
- 7 and insert:
  - 8 **"(5) With respect to a proposed bond issue or lease agreement**
  - 9 **for the acquisition, construction, renovation, improvement,**
  - 10 **expansion, or use of a building, structure, or other public**
  - 11 **improvement, the extent to which the building, structure, or**
  - 12 **public improvement will be made available to residents of the**
  - 13 **political subdivision for uses other than those planned by the**
  - 14 **political subdivision."**
- 15 Page 12, line 14, delete "(5)" and insert "(6)".
- 16 Page 14, line 22, after "through" delete "a" and insert **"the Internet**
- 17 **or other electronic means, as determined by the department."**
- 18 Page 14, delete lines 23 through 24.
- 19 Page 15, line 2, delete "quarterly reports and".
- 20 Page 15, line 3, delete "annual summaries of".
- 21 Page 15, line 4, after "Internet" insert **"at least annually"**.

1 Page 15, delete lines 10 through 42, begin a new paragraph and  
2 insert:

3 "SECTION 5. IC 6-1.1-12-41 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE MARCH 30, 2004 (RETROACTIVE)]: Sec.  
5 41. (a) This section does not apply to assessment years beginning after  
6 December 31, 2005.

7 (b) As used in this section, "assessed value of inventory" means the  
8 assessed value determined after the application of any deductions or  
9 adjustments that apply by statute or rule to the assessment of inventory,  
10 other than the deduction allowed under subsection (f).

11 (c) As used in this section, "county income tax council" means a  
12 council established by IC 6-3.5-6-2.

13 (d) As used in this section, "fiscal body" has the meaning set forth  
14 in IC 36-1-2-6.

15 (e) As used in this section, "inventory" has the meaning set forth in  
16 IC 6-1.1-3-11.

17 (f) An ordinance may be adopted in a county to provide that a  
18 deduction applies to the assessed value of inventory located in the  
19 county. The deduction is equal to one hundred percent (100%) of the  
20 assessed value of inventory located in the county for the appropriate  
21 year of assessment. ~~An ordinance adopted under this subsection must  
22 be adopted before January 1 of a calendar year beginning after  
23 December 31, 2002.~~ An ordinance adopted under this section in a  
24 particular year applies:

25 **(1) if adopted before March 31, 2004,** to each subsequent  
26 assessment year ending before January 1, 2006; **and**

27 **(2) if adopted after March 30, 2004, and before June 1, 2005,**  
28 **to the March 1, 2005, assessment date.**

29 An ordinance adopted under this section may be consolidated with an  
30 ordinance adopted under IC 6-3.5-7-25 or IC 6-3.5-7-26. The  
31 consolidation of an ordinance adopted under this section with an  
32 ordinance adopted under IC 6-3.5-7-26 does not cause the ordinance  
33 adopted under IC 6-3.5-7-26 to expire after December 31, 2005.

34 (g) An ordinance may not be adopted under subsection (f) after  
35 ~~March~~ **May 30, 2004. 2005.** However, an ordinance adopted under this  
36 section:

37 **(1) before March 31, 2004,** may be amended after March 30,  
38 2004; **and**

1           **(2) before June 1, 2005, may be amended after May 30, 2005;**  
 2 to consolidate an ordinance adopted under IC 6-3.5-7-26.

3           (h) The entity that may adopt the ordinance permitted under  
 4 subsection (f) is:

5           (1) the county income tax council if the county option income tax  
 6 is in effect on January 1 of the year in which an ordinance under  
 7 this section is adopted;

8           (2) the county fiscal body if the county adjusted gross income tax  
 9 is in effect on January 1 of the year in which an ordinance under  
 10 this section is adopted; or

11           (3) the county income tax council or the county fiscal body,  
 12 whichever acts first, for a county not covered by subdivision (1)  
 13 or (2).

14 To adopt an ordinance under subsection (f), a county income tax  
 15 council shall use the procedures set forth in IC 6-3.5-6 concerning the  
 16 imposition of the county option income tax. The entity that adopts the  
 17 ordinance shall provide a certified copy of the ordinance to the  
 18 department of local government finance before February 1.

19           (i) A taxpayer is not required to file an application to qualify for the  
 20 deduction permitted under subsection (f).

21           (j) The department of local government finance shall incorporate the  
 22 deduction established in this section in the personal property return  
 23 form to be used each year for filing under IC 6-1.1-3-7 or  
 24 IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the  
 25 form. If a taxpayer fails to enter the deduction on the form, the  
 26 township assessor shall:

27           (1) determine the amount of the deduction; and

28           (2) within the period established in IC 6-1.1-16-1, issue a notice  
 29 of assessment to the taxpayer that reflects the application of the  
 30 deduction to the inventory assessment.

31           (k) The deduction established in this section must be applied to any  
 32 inventory assessment made by:

33           (1) an assessing official;

34           (2) a county property tax board of appeals; or

35           (3) the department of local government finance.

36           SECTION 6. IC 6-1.1-15-1 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A taxpayer may  
 38 obtain a review by the county property tax assessment board of appeals

1 of a county or township official's action with respect to the assessment  
 2 of the taxpayer's tangible property if the official's action requires the  
 3 giving of notice to the taxpayer. At the time that notice is given to the  
 4 taxpayer, the taxpayer shall also be informed in writing of:

5 (1) the opportunity for review under this section, including an  
 6 informal preliminary conference with the county or township  
 7 official referred to in this subsection; and

8 (2) the procedures the taxpayer must follow in order to obtain  
 9 review under this section.

10 (b) In order to appeal a current assessment and have a change in the  
 11 assessment effective for the most recent assessment date, the taxpayer  
 12 must request in writing a preliminary conference with the county or  
 13 township official referred to in subsection (a):

14 (1) ~~within not later than~~ forty-five (45) days after notice of a  
 15 change in the assessment is given to the taxpayer; or

16 (2) ~~on or before~~ May 10 of that year;

17 whichever is later. ~~The county or township official referred to in~~  
 18 ~~subsection (a) shall notify the county auditor that the assessment is~~  
 19 ~~under appeal.~~ The preliminary conference required under this  
 20 subsection is a prerequisite to a review by the county property tax  
 21 assessment board of appeals under subsection (i).

22 (c) A change in an assessment made as a result of an appeal filed:

23 (1) in the same year that notice of a change in the assessment is  
 24 given to the taxpayer; and

25 (2) after the time prescribed in subsection (b);

26 becomes effective for the next assessment date.

27 (d) A taxpayer may appeal a current real property assessment in a  
 28 year even if the taxpayer has not received a notice of assessment in the  
 29 year. If an appeal is filed on or before May 10 of a year in which the  
 30 taxpayer has not received notice of assessment, a change in the  
 31 assessment resulting from the appeal is effective for the most recent  
 32 assessment date. If the appeal is filed after May 10, the change becomes  
 33 effective for the next assessment date.

34 (e) The written request for a preliminary conference that is required  
 35 under subsection (b) must include the following information:

36 (1) The name of the taxpayer.

37 (2) The address and parcel or key number of the property.

38 (3) The address and telephone number of the taxpayer.

1 (f) The county or township official referred to in subsection (a) shall,  
 2 ~~within not later than~~ thirty (30) days after the receipt of a written  
 3 request for a preliminary conference, attempt to hold a preliminary  
 4 conference with the taxpayer to resolve as many issues as possible by:

- 5 (1) discussing the specifics of the taxpayer's reassessment;
- 6 (2) reviewing the taxpayer's property record card;
- 7 (3) explaining to the taxpayer how the reassessment was  
 8 determined;
- 9 (4) providing to the taxpayer information about the statutes, rules,  
 10 and guidelines that govern the determination of the reassessment;
- 11 (5) noting and considering objections of the taxpayer;
- 12 (6) considering all errors alleged by the taxpayer; and
- 13 (7) otherwise educating the taxpayer about:
  - 14 (A) the taxpayer's reassessment;
  - 15 (B) the reassessment process; and
  - 16 (C) the reassessment appeal process.

17 ~~Within~~ **Not later than** ten (10) days after the conference, the county or  
 18 township official referred to in subsection (a) shall forward to the  
 19 county auditor and the county property tax assessment board of appeals  
 20 the results of the conference on a form prescribed by the department of  
 21 local government finance that must be completed and signed by the  
 22 taxpayer and the official. The official and the taxpayer shall each retain  
 23 a copy of the form for their records.

24 (g) The form submitted to the county property tax assessment board  
 25 of appeals under subsection (f) must specify the following:

- 26 (1) The physical characteristics of the property in issue that bear  
 27 on the assessment determination.
- 28 (2) All other facts relevant to the assessment determination.
- 29 (3) A list of the reasons the taxpayer believes that the assessment  
 30 determination by the county or township official referred to in  
 31 subsection (a) is incorrect.
- 32 (4) An indication of the agreement or disagreement by the official  
 33 with each item listed under subdivision (3).
- 34 (5) The reasons the official believes that the assessment  
 35 determination is correct.

36 (h) If after the conference there are no items listed on the form  
 37 submitted to the county property tax assessment board of appeals under  
 38 subsection (f) on which there is disagreement:

1 (1) the county or township official referred to in subsection (a)  
2 shall give notice to the taxpayer, the county property tax  
3 assessment board of appeals, and the county assessor of the  
4 assessment in the amount agreed to by the taxpayer and the  
5 official; and

6 (2) the county property tax assessment board of appeals may  
7 reserve the right to change the assessment under IC 6-1.1-13.

8 (i) If after the conference there are items listed in the form submitted  
9 under subsection (f) on which there is disagreement, the county  
10 property tax assessment board of appeals shall hold a hearing. The  
11 taxpayer and county or township official whose original determination  
12 is under review are parties to the proceeding before the board of  
13 appeals. Except as provided in subsections (k) and (l), the hearing must  
14 be held ~~within~~ **not later than** ninety (90) days ~~of~~ **after** the official's  
15 receipt of the taxpayer's written request for a preliminary conference  
16 under subsection (b). The taxpayer may present the taxpayer's reasons  
17 for disagreement with the assessment. The county or township official  
18 referred to in subsection (a) must present the basis for the assessment  
19 decision on these items to the board of appeals at the hearing and the  
20 reasons the taxpayer's appeal should be denied on those items. The  
21 board of appeals shall have a written record of the hearing and prepare  
22 a written statement of findings and a decision on each item ~~within~~ **not**  
23 **later than** sixty (60) days ~~of~~ **after** the hearing, except as provided in  
24 subsections (k) and (l).

25 (j) If the township assessor does not attempt to hold a preliminary  
26 conference, the taxpayer may file a request in writing with the county  
27 assessor for a hearing before the property tax assessment board of  
28 appeals. If the board determines that the county or township official  
29 referred to in subsection (a) did not attempt to hold a preliminary  
30 conference, the board shall hold a hearing. The taxpayer and the county  
31 or township official whose original determination is under review are  
32 parties to the proceeding before the board of appeals. The hearing must  
33 be held ~~within~~ **not later than** ninety (90) days ~~of~~ **after** the receipt by  
34 the board of appeals of the taxpayer's hearing request under this  
35 subsection. The requirements of subsection (i) with respect to:

36 (1) participation in the hearing by the taxpayer and the township  
37 assessor or county assessor; and

38 (2) the procedures to be followed by the county board;

1 apply to a hearing held under this subsection.

2 (k) This subsection applies to a county having a population of more  
3 than three hundred thousand (300,000). In the case of a petition filed  
4 after December 31, 2000, the county property tax assessment board of  
5 appeals shall:

6 (1) hold its hearing ~~within~~ **not later than** one hundred eighty  
7 (180) days instead of ninety (90) days **after the filing of the**  
8 **petition;** and

9 (2) have a written record of the hearing and prepare a written  
10 statement of findings and a decision on each item ~~within~~ **not later**  
11 **than** one hundred twenty (120) days after the hearing.

12 (l) This subsection applies to a county having a population of three  
13 hundred thousand (300,000) or less. With respect to an appeal of a real  
14 property assessment that takes effect on the assessment date on which  
15 a general reassessment of real property takes effect under IC 6-1.1-4-4,  
16 the county property tax assessment board of appeals shall:

17 (1) hold its hearing ~~within~~ **not later than** one hundred eighty  
18 (180) days instead of ninety (90) days **after the filing of the**  
19 **petition;** and

20 (2) have a written record of the hearing and prepare a written  
21 statement of findings and a decision on each item ~~within~~ **not later**  
22 **than** one hundred twenty (120) days after the hearing.

23 (m) The county property tax assessment board of appeals:

24 (1) may not require a taxpayer to file documentary evidence or  
25 summaries of statements of testimonial evidence before the  
26 hearing required under subsection (i) or (j); and

27 (2) may amend the form submitted under subsection (f) if the  
28 board determines that the amendment is warranted.

29 **(n) Upon receiving a request for a preliminary conference under**  
30 **subsection (b), the county or township official referred to in**  
31 **subsection (a) shall notify the county auditor in writing that the**  
32 **assessment is under appeal. With respect to an appeal of the**  
33 **assessment of real property or personal property filed after June**  
34 **30, 2005, the notice must include the appellant's name and address,**  
35 **the assessed value of the appealed items for the assessment date**  
36 **immediately preceding the assessment date for which the appeal**  
37 **was filed, and the assessed value of the appealed items on the most**  
38 **recent assessment date. If the county auditor determines that the**

1 **assessed value of the appealed items constitutes at least one percent**  
 2 **(1%) of the total gross certified assessed value of a particular**  
 3 **taxing unit for the assessment date immediately preceding the**  
 4 **assessment date for which the appeal was filed, the county auditor**  
 5 **shall send a copy of the notice to the affected taxing unit. Failure of**  
 6 **the county auditor to send a copy of the notice to the affected**  
 7 **taxing unit does not affect the validity of the appeal or delay the**  
 8 **appeal.**

9 SECTION 7. IC 6-1.1-15-2.1 IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.1. (a) The county  
 11 property tax assessment board of appeals may assess the tangible  
 12 property in question.

13 (b) The county property tax assessment board of appeals shall, by  
 14 mail, give notice of the date fixed for the hearing under ~~section 7~~  
 15 **section 1(i)** of this chapter to the taxpayer, ~~and to the township~~  
 16 **assessor, the county assessor, and the county auditor. With respect**  
 17 **to an appeal of the assessment of real property or personal**  
 18 **property filed after June 30, 2005, the notice must include the**  
 19 **following:**

20 (1) For those items on which there is disagreement, the  
 21 assessed value of the appealed items:

22 (A) for the assessment date immediately preceding the  
 23 assessment date for which the appeal was filed; and

24 (B) on the most recent assessment date.

25 (2) A statement that a taxing unit receiving the notice from the  
 26 county auditor under subsection (c) may:

27 (A) attend the hearing;

28 (B) offer testimony; and

29 (C) file an amicus curiae brief in the proceeding.

30 A taxing unit that receives a notice from the county auditor under  
 31 subsection (c) is not a party to the appeal.

32 (c) If, after receiving notice of a hearing under subsection (b),  
 33 the county auditor determines that the assessed value of the items  
 34 on which there is disagreement constitutes at least one percent  
 35 (1%) of the total gross certified assessed value of a particular  
 36 taxing unit for the assessment date immediately preceding the  
 37 assessment date for which the appeal was filed, the county auditor  
 38 shall send a copy of the notice to the affected taxing unit. Failure of



1 **the county auditor to send a copy of the notice to the affected**  
 2 **taxing unit does not affect the validity of the appeal or delay the**  
 3 **appeal.**

4 ~~(c)~~ (d) The department of local government finance shall prescribe  
 5 a form for use by the county property tax assessment board of appeals  
 6 in processing a review of an assessment determination. The department  
 7 shall issue instructions for completion of the form. The form must  
 8 require the county property tax assessment board of appeals to include  
 9 a record of the hearing, findings on each item, and indicate agreement  
 10 or disagreement with each item that is indicated on the form submitted  
 11 by the taxpayer and the county or township official under section 1(f)  
 12 of this chapter. The form must also require the county property tax  
 13 assessment board of appeals to indicate the issues in dispute for each  
 14 item and its reasons in support of its resolution of those issues.

15 ~~(d)~~ (e) After the hearing the county property tax assessment board  
 16 of appeals shall, by mail, give notice of its determination to the  
 17 taxpayer, the township assessor, ~~and~~ the county assessor, ~~and~~ **the**  
 18 **county auditor, and any taxing unit entitled to notice of the hearing**  
 19 **under subsection (c). The county property tax assessment board of**  
 20 **appeals** shall include with the notice copies of the forms completed  
 21 under subsection ~~(c)~~: (d).

22 SECTION 8. IC 6-1.1-15-3 IS AMENDED TO READ AS  
 23 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) A taxpayer may  
 24 obtain a review by the Indiana board of a county property tax  
 25 assessment board of appeals action with respect to the assessment of  
 26 that taxpayer's tangible property if the county property tax assessment  
 27 board of appeals' action requires the giving of notice to the taxpayer. A  
 28 township assessor, county assessor, member of a county property tax  
 29 assessment board of appeals, or county property tax assessment board  
 30 of appeals that made the original determination under appeal under this  
 31 section is a party to the review under this section to defend the  
 32 determination. At the time that notice is given to the taxpayer, the  
 33 taxpayer shall also be informed in writing of:

34 (1) the taxpayer's opportunity for review under this section; and  
 35 (2) the procedures the taxpayer must follow in order to obtain  
 36 review under this section.

37 (b) A township assessor or county assessor may obtain a review by  
 38 the Indiana board of any assessment which the township assessor or the

1 county assessor has made, upon which the township assessor or the  
 2 county assessor has passed, or which has been made over the township  
 3 assessor's or the county assessor's protest.

4 (c) In order to obtain a review by the Indiana board under this  
 5 section, the party must file a petition for review with the appropriate  
 6 county assessor **within not later than** thirty (30) days after the notice  
 7 of the county property tax assessment board of appeals action is given  
 8 to the taxpayer.

9 (d) The Indiana board shall prescribe the form of the petition for  
 10 review of an assessment determination by the county property tax  
 11 assessment board of appeals. The Indiana board shall issue instructions  
 12 for completion of the form. The form and the instructions must be clear,  
 13 simple, and understandable to the average individual. An appeal of such  
 14 a determination must be made on the form prescribed by the Indiana  
 15 board. The form must require the petitioner to specify the following:

16 (1) If the county or township official held a preliminary  
 17 conference under section 1(f) of this chapter, the items listed in  
 18 section 1(g)(1) and 1(g)(2) of this chapter.

19 (2) The reasons why the petitioner believes that the assessment  
 20 determination by the county property tax assessment board of  
 21 appeals is erroneous.

22 (e) The county assessor shall transmit the petition for review to the  
 23 Indiana board **within not later than** ten (10) days after it is filed.

24 (f) If a township assessor or a member of the county property tax  
 25 assessment board of appeals files a petition for review under this  
 26 section concerning the assessment of a taxpayer's property, the county  
 27 assessor must send a copy of the petition to the taxpayer. **The county**  
 28 **assessor shall transmit the petition for review to the Indiana board**  
 29 **not later than ten (10) days after the petition is filed.**

30 SECTION 9. IC 6-1.1-15-4 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) After receiving  
 32 a petition for review which is filed under section 3 of this chapter, the  
 33 Indiana board shall conduct a hearing at its earliest opportunity. The  
 34 Indiana board may:

35 (1) assign:

36 (A) full;

37 (B) limited; or

38 (C) no;

1           evidentiary value to the assessed valuation of tangible property  
2           determined by stipulation submitted as evidence of a comparable  
3           sale; and

4           (2) correct any errors that may have been made, and adjust the  
5           assessment in accordance with the correction.

6           **(b)** If the Indiana board conducts a site inspection of the property as  
7           part of its review of the petition, the Indiana board shall give notice to  
8           all parties of the date and time of the site inspection. The Indiana board  
9           is not required to assess the property in question. The Indiana board  
10          shall give notice of the date fixed for the hearing **and a copy of the**  
11          **petition filed under section 3 of this chapter**, by mail, to the taxpayer  
12          and to the appropriate township assessor, county assessor, and county  
13          auditor. **With respect to an appeal of the assessment of real**  
14          **property or personal property filed after June 30, 2005, the notice**  
15          **must include the following:**

16               **(1) The assessed value of the appealed items for the assessment**  
17               **date immediately preceding the assessment date for which the**  
18               **appeal was filed under section 1 of this chapter.**

19               **(2) The action of the county property tax assessment board of**  
20               **appeals with respect to the appealed items.**

21               **(3) A statement that a taxing unit receiving the notice from the**  
22               **county auditor under subsection (c) may:**

23                       **(A) attend the hearing; and**

24                       **(B) offer testimony.**

25          **A taxing unit that receives a notice from the county auditor under**  
26          **subsection (c) is not a party to the appeal.** The Indiana board shall  
27          give these notices at least thirty (30) days before the day fixed for the  
28          hearing. The property tax assessment board of appeals that made the  
29          determination under appeal under this section may, with the approval  
30          of the county executive, file an amicus curiae brief in the review  
31          proceeding under this section. The expenses incurred by the property  
32          tax assessment board of appeals in filing the amicus curiae brief shall  
33          be paid from the property reassessment fund under IC 6-1.1-4-27.5. The  
34          executive of a taxing unit may file an amicus curiae brief in the review  
35          proceeding under this section if the property whose assessment is under  
36          appeal is subject to assessment by that taxing unit.

37               **(c) If, after receiving notice of a hearing under subsection (b),**  
38               **the county auditor determines that the assessed value of the**

1 **appealed items constitutes at least one percent (1%) of the total**  
 2 **gross certified assessed value of a particular taxing unit for the**  
 3 **assessment date immediately preceding the assessment date for**  
 4 **which the appeal was filed, the county auditor shall send a copy of**  
 5 **the notice to the affected taxing unit. Failure of the county auditor**  
 6 **to send a copy of the notice to the affected taxing unit does not**  
 7 **affect the validity of the appeal or delay the appeal.**

8 ~~(b)~~ **(d)** If a petition for review does not comply with the Indiana  
 9 board's instructions for completing the form prescribed under section  
 10 3 of this chapter, the Indiana board shall return the petition to the  
 11 petitioner and include a notice describing the defect in the petition. The  
 12 petitioner then has thirty (30) days from the date on the notice to cure  
 13 the defect and file a corrected petition. The Indiana board shall deny a  
 14 corrected petition for review if it does not substantially comply with the  
 15 Indiana board's instructions for completing the form prescribed under  
 16 section 3 of this chapter.

17 ~~(c)~~ **(e)** The Indiana board shall prescribe a form for use in processing  
 18 petitions for review of actions by the county property tax assessment  
 19 board of appeals. The Indiana board shall issue instructions for  
 20 completion of the form. The form must require the Indiana board to  
 21 indicate agreement or disagreement with each item that is:

- 22 (1) if the county or township official held a preliminary  
 23 conference under section 1(f) of this chapter, indicated on the  
 24 petition submitted under that section by the taxpayer and the  
 25 official; and  
 26 (2) included in the county property tax assessment board of  
 27 appeals' findings, record, and determination under ~~section 2.1(c)~~  
 28 **section 2.1(d)** of this chapter.

29 The form must also require the Indiana board to indicate the issues in  
 30 dispute and its reasons in support of its resolution of those issues.

31 ~~(d)~~ **(f)** After the hearing the Indiana board shall give the petitioner,  
 32 the township assessor, the county assessor, ~~and~~ the county auditor, **and**  
 33 **the affected taxing units required to be notified under subsection**  
 34 **(c):**

- 35 (1) notice, by mail, of its final determination;  
 36 (2) a copy of the form completed under subsection ~~(c)~~; **(e)**; and  
 37 (3) notice of the procedures they must follow in order to obtain  
 38 court review under section 5 of this chapter.

1           ~~(e)~~ **(g)** Except as provided in subsection ~~(f)~~, **(h)**, the Indiana board  
 2 shall conduct a hearing not later than nine (9) months after a petition in  
 3 proper form is filed with the Indiana board, excluding any time due to  
 4 a delay reasonably caused by the petitioner.

5           ~~(f)~~ **(h)** With respect to an appeal of a real property assessment that  
 6 takes effect on the assessment date on which a general reassessment of  
 7 real property takes effect under IC 6-1.1-4-4, the Indiana board shall  
 8 conduct a hearing not later than one (1) year after a petition in proper  
 9 form is filed with the Indiana board, excluding any time due to a delay  
 10 reasonably caused by the petitioner.

11           ~~(g)~~ **(i)** Except as provided in subsection ~~(h)~~, **(j)**, the Indiana board  
 12 shall make a determination not later than the later of:

13           **(1)** ninety (90) days after the hearing; or

14           **(2)** the date set in an extension order issued by the Indiana board.

15           ~~(h)~~ **(j)** With respect to an appeal of a real property assessment that  
 16 takes effect on the assessment date on which a general reassessment of  
 17 real property takes effect under IC 6-1.1-4-4, the Indiana board shall  
 18 make a determination not later than the later of:

19           **(1)** one hundred eighty (180) days after the hearing; or

20           **(2)** the date set in an extension order issued by the Indiana board.

21           ~~(i)~~ **(k)** Except as provided in subsection ~~(n)~~, **(p)**, the Indiana board  
 22 may not extend the final determination date under subsection ~~(g)~~ **(i)** or  
 23 ~~(h)~~ **(j)** by more than one hundred eighty (180) days. If the Indiana board  
 24 fails to make a final determination within the time allowed by this  
 25 subsection, the entity that initiated the petition may:

26           **(1)** take no action and wait for the Indiana board to make a final  
 27 determination; or

28           **(2)** petition for judicial review under section 5(g) of this chapter.

29           ~~(j)~~ **(l)** A final determination must include separately stated findings  
 30 of fact for all aspects of the determination. Findings of ultimate fact  
 31 must be accompanied by a concise statement of the underlying basic  
 32 facts of record to support the findings. Findings must be based  
 33 exclusively upon the evidence on the record in the proceeding and on  
 34 matters officially noticed in the proceeding. Findings must be based  
 35 upon a preponderance of the evidence.

36           ~~(k)~~ **(m)** The Indiana board may limit the scope of the appeal to the  
 37 issues raised in the petition and the evaluation of the evidence presented  
 38 to the county property tax assessment board of appeals in support of

1 those issues only if all persons participating in the hearing required  
 2 under subsection (a) agree to the limitation. A person participating in  
 3 the hearing required under subsection (a) is entitled to introduce  
 4 evidence that is otherwise proper and admissible without regard to  
 5 whether that evidence has previously been introduced at a hearing  
 6 before the county property tax assessment board of appeals.

7 ~~(h)~~ **(n)** The Indiana board:

8 (1) may require the parties to the appeal to file not more than five  
 9 (5) business days before the date of the hearing required under  
 10 subsection (a) documentary evidence or summaries of statements  
 11 of testimonial evidence; and

12 (2) may require the parties to the appeal to file not more than  
 13 fifteen (15) business days before the date of the hearing required  
 14 under subsection (a) lists of witnesses and exhibits to be  
 15 introduced at the hearing.

16 ~~(m)~~ **(o)** A party to a proceeding before the Indiana board shall  
 17 provide to another party to the proceeding the information described in  
 18 subsection ~~(h)~~ **(n)** if the other party requests the information in writing  
 19 at least ten (10) days before the deadline for filing of the information  
 20 under subsection ~~(h)~~ **(n)**.

21 ~~(n)~~ **(p)** The county assessor may:

22 (1) appear as an additional party if the notice of appearance is  
 23 filed before the review proceeding; or

24 (2) with the approval of the township assessor, represent the  
 25 township assessor;

26 in a review proceeding under this section.

27 ~~(o)~~ **(q)** The Indiana board may base its final determination on a  
 28 stipulation between the respondent and the petitioner. If the final  
 29 determination is based on a stipulated assessed valuation of tangible  
 30 property, the Indiana board may order the placement of a notation on  
 31 the permanent assessment record of the tangible property that the  
 32 assessed valuation was determined by stipulation. The Indiana board  
 33 may:

34 (1) order that a final determination under this subsection has no  
 35 precedential value; or

36 (2) specify a limited precedential value of a final determination  
 37 under this subsection.

38 SECTION 10. IC 6-1.1-15-5 IS AMENDED TO READ AS

1       FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) Not later than  
 2       fifteen (15) days after the Indiana board gives notice of its final  
 3       determination under section 4 of this chapter to the party or the  
 4       maximum allowable time for the issuance of a final determination by  
 5       the Indiana board under section 4 of this chapter expires, a party to the  
 6       proceeding may request a rehearing before the Indiana board. The  
 7       Indiana board may conduct a rehearing and affirm or modify its final  
 8       determination, giving the same notices after the rehearing as are  
 9       required by section 4 of this chapter. The Indiana board has fifteen (15)  
 10      days after receiving a petition for a rehearing to determine whether to  
 11      grant a rehearing. Failure to grant a rehearing not later than fifteen (15)  
 12      days after receiving the petition shall be treated as a final determination  
 13      to deny the petition. A petition for a rehearing does not toll the time in  
 14      which to file a petition for judicial review unless the petition for  
 15      rehearing is granted. If the Indiana board determines to rehear a final  
 16      determination, the Indiana board:

17           (1) may conduct the additional hearings that the Indiana board  
 18           determines necessary or review the written record without  
 19           additional hearings; and

20           (2) shall issue a final determination not later than ninety (90) days  
 21           after notifying the parties that the Indiana board will rehear the  
 22           final determination.

23      If ~~of~~ the Indiana board fails to make a final determination within the  
 24      time allowed under subdivision (2), the entity that initiated the petition  
 25      for rehearing may take no action and wait for the Indiana board to make  
 26      a final determination or petition for judicial review under subsection  
 27      (g).

28           (b) A person may petition for judicial review of the final  
 29           determination of the Indiana board regarding the assessment of that  
 30           person's tangible property. The action shall be taken to the tax court  
 31           under IC 4-21.5-5. Petitions for judicial review may be consolidated at  
 32           the request of the appellants if it can be done in the interest of justice.  
 33           The property tax assessment board of appeals that made the  
 34           determination under appeal under this section may, with the approval  
 35           of the county executive, file an amicus curiae brief in the review  
 36           proceeding under this section. The expenses incurred by the property  
 37           tax assessment board of appeals in filing the amicus curiae brief shall  
 38           be paid from the property reassessment fund under IC 6-1.1-4-27.5. In

1 addition, the executive of a taxing unit may file an amicus curiae brief  
 2 in the review proceeding under this section if the property whose  
 3 assessment is under appeal is subject to assessment by that taxing unit.  
 4 The department of local government finance may intervene in an action  
 5 taken under this subsection if the interpretation of a rule of the  
 6 department is at issue in the action. A township assessor, county  
 7 assessor, member of a county property tax assessment board of appeals,  
 8 or county property tax assessment board of appeals that made the  
 9 original assessment determination under appeal under this section is a  
 10 party to the review under this section to defend the determination.

11 (c) Except as provided in subsection (g), to initiate a proceeding for  
 12 judicial review under this section, a person must take the action  
 13 required by subsection (b) not later than:

14 (1) forty-five (45) days after the Indiana board gives the person  
 15 notice of its final determination, unless a rehearing is conducted  
 16 under subsection (a); or

17 (2) thirty (30) days after the Indiana board gives the person notice  
 18 under subsection (a) of its final determination, if a rehearing is  
 19 conducted under subsection (a) or the maximum time elapses for  
 20 the Indiana board to make a determination under this section.

21 (d) The failure of the Indiana board to conduct a hearing within the  
 22 period prescribed in section ~~4(f)~~ **4(h)** or ~~4(g)~~ **4(i)** of this chapter does  
 23 not constitute notice to the person of an Indiana board final  
 24 determination.

25 (e) The county executive may petition for judicial review to the tax  
 26 court in the manner prescribed in this section upon request by the  
 27 county assessor, ~~or the~~ elected township assessor, **or an affected**  
 28 **taxing unit. If an appeal is taken at the request of an affected taxing**  
 29 **unit, the taxing unit shall pay the costs of the appeal.**

30 (f) If the county executive determines upon a request under this  
 31 subsection to not appeal to the tax court:

32 (1) the entity described in subsection (b) that made the original  
 33 determination under appeal under this section may take an appeal  
 34 to the tax court in the manner prescribed in this section using  
 35 funds from that entity's budget; and

36 (2) the petitioner may not be represented by the attorney general  
 37 in an action described in subdivision (1).

38 (g) If the maximum time elapses for the Indiana board to give notice



1 of its final determination under subsection (a) or section 4 of this  
2 chapter, a person may initiate a proceeding for judicial review by taking  
3 the action required by subsection (b) at any time after the maximum  
4 time elapses. If:

- 5 (1) a judicial proceeding is initiated under this subsection; and
- 6 (2) the Indiana board has not issued a determination;

7 the tax court shall determine the matter de novo.

8 SECTION 11. IC 6-1.1-15-9 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) If the assessment  
10 of tangible property is corrected by the department of local government  
11 finance or the county property tax assessment board of appeals under  
12 section 8 of this chapter, the owner of the property has a right to appeal  
13 the final determination of the corrected assessment to the Indiana board.  
14 The county executive also has a right to appeal the final determination  
15 of the reassessment by the department of local government finance or  
16 the county property tax assessment board of appeals but only upon  
17 request by the county assessor, ~~or the~~ elected township assessor, ~~or an~~  
18 **affected taxing unit. If the appeal is taken at the request of an**  
19 **affected taxing unit, the taxing unit shall pay the costs of the**  
20 **appeal.**

21 (b) An appeal under this section must be initiated in the manner  
22 prescribed in section 3 of this chapter or IC 6-1.5-5."

23 Delete pages 16 through 21.

24 Page 22, delete lines 1 through 23.

25 Page 25, between lines 15 and 16, begin a new line block indented  
26 and insert:

27 **"(5) With respect to a proposed bond issue or lease agreement**  
28 **for the acquisition, construction, renovation, improvement,**  
29 **expansion, or use of a building, structure, or other public**  
30 **improvement, whether the building, structure, or public**  
31 **improvement will be made available to residents of the civil**  
32 **taxing unit for uses other than those planned by the civil**  
33 **taxing unit."**

34 Page 25, line 16, delete "(5)" and insert "(6)".

35 Page 27, between lines 31 and 32, begin a new line block indented  
36 and insert:

37 **"(5) With respect to a proposed bond issue or lease agreement**  
38 **for the acquisition, construction, renovation, improvement,**

1           **expansion, or use of a building, structure, or other public**  
 2           **improvement, whether the building, structure, or public**  
 3           **improvement will be made available to residents of the school**  
 4           **corporation for uses other than those planned by the school**  
 5           **corporation."**

6           Page 27, line 32, delete "(5)" and insert "(6)".

7           Page 28, delete lines 22 through 42, begin a new paragraph and  
 8           insert:

9           "SECTION 15. IC 6-1.1-20-3.2 IS AMENDED TO READ AS  
 10          FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.2. If a sufficient  
 11          petition requesting the application of a petition and remonstrance  
 12          process has been filed as set forth in section 3.1 of this chapter, a  
 13          political subdivision may not impose property taxes to pay debt service  
 14          or lease rentals without completing the following procedures:

15                 (1) The proper officers of the political subdivision shall give  
 16                 notice of the applicability of the petition and remonstrance process  
 17                 by:

18                         (A) publication in accordance with IC 5-3-1; and

19                         (B) first class mail to the organizations described in section  
 20                         3.1(1)(B) of this chapter.

21           A notice under this subdivision must include a statement that any  
 22           owners of real property **or tenants of residential property** within  
 23           the political subdivision who want to petition in favor of or  
 24           remonstrate against the proposed debt service or lease payments  
 25           must file petitions and remonstrances in compliance with  
 26           subdivisions (2) through (4) not earlier than thirty (30) days or  
 27           later than sixty (60) days after publication in accordance with  
 28           IC 5-3-1.

29           (2) Not earlier than thirty (30) days or later than sixty (60) days  
 30           after the notice under subdivision (1) is given:

31                         (A) petitions (described in subdivision (3)) in favor of the  
 32                         bonds or lease; and

33                         (B) remonstrances (described in subdivision (3)) against the  
 34                         bonds or lease;

35           may be filed by an owner or owners of real property **or a tenant**  
 36           **or tenants of residential property** within the political  
 37           subdivision. **A petition or remonstrance signed by a tenant of**  
 38           **residential property must be accompanied by an affidavit**

1           **setting forth the name of the landlord and the property**  
 2           **address of the tenant's leasehold.** Each signature on a petition  
 3           must be dated and the date of signature may not be before the date  
 4           on which the petition and remonstrance forms may be issued  
 5           under subdivision (3). A petition described in clause (A) or a  
 6           remonstrance described in clause (B) must be verified in  
 7           compliance with subdivision (4) before the petition or  
 8           remonstrance is filed with the county auditor under subdivision  
 9           (4).

10          (3) The state board of accounts shall design and, upon request by  
 11          the county auditor, deliver to the county auditor or the county  
 12          auditor's designated printer the petition, ~~and~~ remonstrance, ~~and~~  
 13          **affidavit** forms to be used solely in the petition and remonstrance  
 14          process described in this section. The county auditor shall issue to  
 15          an owner or owners of real property **or a tenant or tenants of**  
 16          **residential property** within the political subdivision the number  
 17          of petition or remonstrance forms requested by the owner or  
 18          owners **or tenant or tenants.** Each form must be accompanied by  
 19          instructions detailing the requirements that:

- 20                (A) the carrier and signers must be owners of real property **or**  
 21                **tenants of residential property;**
- 22                (B) the carrier must be a signatory on at least one (1) petition;
- 23                (C) after the signatures have been collected, the carrier must  
 24                swear or affirm before a notary public that the carrier  
 25                witnessed each signature;
- 26                (D) govern the closing date for the petition and remonstrance  
 27                period; and
- 28                (E) apply to the carrier under section 10 of this chapter.

29          Persons requesting forms may not be required to identify  
 30          themselves and may be allowed to pick up additional copies to  
 31          distribute to other property owners **or tenants of residential**  
 32          **property.** The county auditor may not issue a petition or  
 33          remonstrance form earlier than twenty-nine (29) days after the  
 34          notice is given under subdivision (1). The county auditor shall  
 35          certify the date of issuance on each petition or remonstrance form  
 36          that is distributed under this subdivision.

37          (4) The petitions, ~~and~~ remonstrances, ~~and~~ **affidavits** must be  
 38          verified in the manner prescribed by the state board of accounts

1 and filed with the county auditor within the sixty (60) day period  
2 described in subdivision (2) in the manner set forth in section 3.1  
3 of this chapter relating to requests for a petition and remonstrance  
4 process.

5 (5) The county auditor must file a certificate and the petition or  
6 remonstrance with the body of the political subdivision charged  
7 with issuing bonds or entering into leases within fifteen (15)  
8 business days of the filing of a petition or remonstrance under  
9 subdivision (4), whichever applies, containing ten thousand  
10 (10,000) signatures or less. The county auditor may take an  
11 additional five (5) days to review and certify the petition or  
12 remonstrance for each additional five thousand (5,000) signatures  
13 up to a maximum of sixty (60) days. The certificate must state the  
14 number of petitioners and remonstrators that are owners of real  
15 property **and the number of petitioners and remonstrators who**  
16 **are tenants of residential property** within the political  
17 subdivision.

18 (6) If a greater number of owners of real property **plus tenants of**  
19 **residential property** within the political subdivision sign a  
20 remonstrance than the number that signed a petition, the bonds  
21 petitioned for may not be issued or the lease petitioned for may  
22 not be entered into. The proper officers of the political subdivision  
23 may not make a preliminary determination to issue bonds or enter  
24 into a lease for the controlled project defeated by the petition and  
25 remonstrance process under this section or any other controlled  
26 project that is not substantially different within one (1) year after  
27 the date of the county auditor's certificate under subdivision (5).  
28 Withdrawal of a petition carries the same consequences as a defeat  
29 of the petition.

30 (7) After a political subdivision has gone through the petition and  
31 remonstrance process set forth in this section, the political  
32 subdivision is not required to follow any other remonstrance or  
33 objection procedures under any other law (including section 5 of  
34 this chapter) relating to bonds or leases designed to protect owners  
35 of real property **and tenants of residential property** within the  
36 political subdivision from the imposition of property taxes to pay  
37 debt service or lease rentals. However, the political subdivision  
38 must still receive the approval of the department of local

1 government finance required by IC 6-1.1-18.5-8 or IC 6-1.1-19-8.  
 2 SECTION 16. IC 6-1.1-20.6 IS ADDED TO THE INDIANA  
 3 CODE AS A NEW CHAPTER TO READ AS FOLLOWS  
 4 [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:

5 **Chapter 20.6. Property Tax Credits**

6 **Sec. 1. As used in this chapter:**

7 (1) "2002 liability" means the amount of property taxes  
 8 imposed on a homestead first due and payable in 2002;

9 (2) "2003 increase" means the amount by which the 2003  
 10 liability exceeds the 2002 liability;

11 (3) "2003 liability" means the amount of property taxes  
 12 imposed on a homestead first due and payable in 2003;

13 (4) "fiscal body" has the meaning set forth in IC 36-1-2-6;

14 (5) "homestead" has the meaning set forth in IC 6-1.1-20.9-1;

15 (6) "property tax liability" means liability for the tax imposed  
 16 on property under this article determined after application of  
 17 all credits and deductions under this article, except a credit  
 18 under this chapter, but does not include any interest or  
 19 penalty imposed under this article; and

20 (7) "qualifying homestead" means a homestead with respect  
 21 to which:

22 (A) the 2003 increase:

23 (i) exceeds the 2002 liability; and

24 (ii) is at least five hundred dollars (\$500); and

25 (B) the person liable for the 2003 liability is the same  
 26 person liable for the property taxes for the year in which a  
 27 credit under this chapter applies.

28 **Sec. 2. Subject to section 6 of this chapter:**

29 (1) for property taxes first due and payable in 2005, 2006,  
 30 2007, and 2008, a county fiscal body may adopt an ordinance  
 31 to:

32 (A) apply the credit under section 3 of this chapter; or

33 (B) apply the credit under section 4 of this chapter; and

34 (2) for property taxes first due and payable in a year that  
 35 follows 2008, a county fiscal body may adopt an ordinance to  
 36 apply the credit under section 3 of this chapter.

37 **Sec. 3. If a credit is authorized under section 2(1)(A) or 2(2) of**  
 38 **this chapter for property taxes first due and payable in a calendar**

1 year:

2 (1) a person is entitled to a credit against the person's  
3 property tax liability for property taxes first due and payable  
4 in that calendar year attributable to the person's tangible  
5 property located in the county; and

6 (2) the amount of the credit is the amount by which the  
7 person's property tax liability attributable to the person's  
8 tangible property for property taxes first due and payable in  
9 that calendar year exceeds two percent (2%) of the gross  
10 assessed value that is the basis for determination of property  
11 taxes on the tangible property for property taxes first due and  
12 payable in that calendar year.

13 Sec. 4. If a credit is authorized under section 2(1)(B) of this  
14 chapter for property taxes first due and payable in a calendar year,  
15 a person is entitled to a credit against the person's property tax  
16 liability with respect to the person's qualifying homestead located  
17 in the county in the amount of the product of:

- 18 (1) the 2003 increase; multiplied by
- 19 (2) the percentage from the following table corresponding to
- 20 the year in which property taxes are first due and payable:

21 YEAR	PERCENTAGE
22 2005	80%
23 2006	60%
24 2007	40%
25 2008	20%

26 Sec. 5. (a) A person is not required to file an application for the  
27 credit under this chapter. The county auditor shall:

- 28 (1) identify property in the county eligible for a credit under
- 29 this chapter; and
- 30 (2) apply the credit.

31 (b) The county auditor and county treasurer may apply the credit  
32 under this chapter for property taxes first due and payable in 2005  
33 by adjustment of the statement for the property tax installment due  
34 November 10, 2005.

35 Sec. 6. (a) A county fiscal body adopting an ordinance to apply a  
36 credit under this chapter must adopt the ordinance before July 1  
37 of a calendar year to authorize the credit for property taxes first  
38 due and payable in the immediately succeeding calendar year.

1           **(b) An ordinance adopted under section 2(1) of this chapter may**  
 2 **identify which of the credits applies for one (1) or more of the years**  
 3 **referred to in section 2(1) of this chapter.**

4           **(c) An ordinance adopted under section 2(2) of this chapter may**  
 5 **apply the credit permitted in section 2(2) of this chapter for one (1)**  
 6 **or more of the years referred to in section 2(2) of this chapter.**

7           **(d) A county fiscal body may amend an ordinance adopted under**  
 8 **this chapter before July 1 of a year to change the application of the**  
 9 **credits under this chapter for subsequent years.**

10          **Sec. 7. (a) A political subdivision may use any source of revenue**  
 11 **available to the political subdivision to offset a revenue loss that**  
 12 **would otherwise result from the application of credits under this**  
 13 **chapter.**

14          **(b) A political subdivision may not appeal for an excessive levy in**  
 15 **a year succeeding a year in which a credit under this chapter**  
 16 **applies to make up for a revenue loss that results from the**  
 17 **application of the credit."**

18          Page 29, delete lines 1 through 7.

19          Page 29, line 12, delete "the information in" and insert "**each**  
 20 **political subdivision's total amount of expenditures per person**  
 21 **during the immediately preceding calendar year, based on the**  
 22 **political subdivision's population determined by the most recent**  
 23 **federal decennial census;"**.

24          Page 29, delete line 13.

25          Page 29, line 14, delete "information" and insert "**report"**.

26          Page 29, line 15, after "finance;" insert "**and"**.

27          Page 29, line 19, delete "; and" and insert ".".

28          Page 29, delete lines 20 through 31.

29          Page 29, line 32, delete "(c)" and insert "**(b)"**.

30          Page 29, line 34, delete "under subsection (b)".

31          Page 29, delete lines 36 through 42, begin a new paragraph and  
 32 insert:

33          "SECTION 18. IC 6-1.5-5-2 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) After receiving  
 35 a petition for review that is filed under a statute listed in section 1(a) of  
 36 this chapter, the Indiana board shall, at its earliest opportunity:

37                 (1) conduct a hearing; or

38                 (2) cause a hearing to be conducted by an administrative law judge.

- 1 The Indiana board may determine to conduct the hearing under  
 2 subdivision (1) on its own motion or on request of a party to the appeal.
- 3 (b) In its resolution of a petition, the Indiana board may:
- 4 (1) assign:
- 5 (A) full;
- 6 (B) limited; or
- 7 (C) no;
- 8 evidentiary value to the assessed valuation of tangible property  
 9 determined by stipulation submitted as evidence of a comparable  
 10 sale; and
- 11 (2) correct any errors that may have been made, and adjust the  
 12 assessment in accordance with the correction.
- 13 (c) The Indiana board shall give notice of the date fixed for the  
 14 hearing **and send a copy of the petition filed under section 1 of this**  
 15 **chapter**, by mail, to:
- 16 (1) the taxpayer;
- 17 (2) the department of local government finance; and
- 18 (3) the appropriate:
- 19 (A) township assessor;
- 20 (B) county assessor; and
- 21 (C) county auditor.
- 22 **(d) With respect to an appeal of the assessment of real property**  
 23 **or personal property filed after June 30, 2005, the notices required**  
 24 **under subsection (c) must include the following:**
- 25 **(1) The assessed value of the appealed items for the assessment**  
 26 **date immediately preceding the assessment date for which the**  
 27 **appeal was filed under section 1 of this chapter.**
- 28 **(2) The action of the department of local government finance**  
 29 **with respect to the appealed items.**
- 30 **(3) A statement that a taxing unit receiving the notice from the**  
 31 **county auditor under subsection (e) may:**
- 32 **(A) attend the hearing;**
- 33 **(B) offer testimony; and**
- 34 **(C) file an amicus curiae brief in the proceeding.**
- 35 **A taxing unit that receives a notice from the county auditor under**  
 36 **subsection (e) is not a party to the appeal.**
- 37 **(e) If, after receiving notice of a hearing under subsection (c), the**  
 38 **county auditor determines that the assessed value of the appealed**



1 **items constitutes at least one percent (1%) of the total gross**  
 2 **certified assessed value of a particular taxing unit for the**  
 3 **assessment date immediately preceding the assessment date for**  
 4 **which the appeal was filed, the county auditor shall send a copy of**  
 5 **the notice to the affected taxing unit. Failure of the county auditor**  
 6 **to send a copy of the notice to the affected taxing unit does not**  
 7 **affect the validity of the appeal or delay the appeal.**

8 ~~(d)~~ (f) The Indiana board shall give the notices required under  
 9 subsection (c) at least thirty (30) days before the day fixed for the  
 10 hearing.

11 SECTION 19. IC 6-1.5-5-5 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. After the hearing,  
 13 the Indiana board shall give the petitioner, the township assessor, the  
 14 county assessor, the county auditor, **the affected taxing units required**  
 15 **to be notified under section 2(e) of this chapter**, and the department  
 16 of local government finance:

17 (1) notice, by mail, of its final determination, findings of fact, and  
 18 conclusions of law; and

19 (2) notice of the procedures the petitioner or the department of  
 20 local government finance must follow in order to obtain court  
 21 review of the final determination of the Indiana board."

22 Page 30, delete lines 1 through 25.

23 Page 30, delete lines 37 through 38.

24 Page 30, line 39, delete "(6)" and insert "**(5)**".

25 Page 30, line 40, delete "(7)" and insert "**(6)**".

26 Page 30, line 42, delete "(8)" and insert "**(7)**".

27 Page 31, line 1, delete "(9)" and insert "**(8)**".

28 Page 32, line 37, strike "at least one dollar and fifty cents (\$1.50) of".

29 Page 32, line 38, strike "for every three".

30 Page 32, line 39, strike "dollars (\$3) in credits provided under this  
 31 chapter." and insert "**in an amount determined by the corporation.**".

32 Page 33, between lines 38 and 39, begin a new paragraph and insert:  
 33 "SECTION 24. IC 6-3.1-13-18 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. (a) The ~~board~~  
 35 **corporation** shall determine the amount and duration of a tax credit  
 36 awarded under this chapter. The duration of the credit may not exceed  
 37 ten (10) taxable years. The credit may be stated as a percentage of the  
 38 incremental income tax withholdings attributable to the applicant's

1 project and may include a fixed dollar limitation. In the case of a credit  
 2 awarded for a project to create new jobs in Indiana, the credit amount  
 3 may not exceed the incremental income tax withholdings. However, the  
 4 credit amount claimed for a taxable year may exceed the taxpayer's  
 5 state tax liability for the taxable year, in which case the ~~excess shall be~~  
 6 ~~refunded to the taxpayer~~ **may carry the excess credit over for a**  
 7 **period not to exceed the taxpayer's following two (2) taxable years.**  
 8 **The amount of the credit carryover from a taxable year shall be**  
 9 **reduced to the extent that the carryover is used by the taxpayer to**  
 10 **obtain a credit under this chapter for any subsequent taxable year.**  
 11 **A taxpayer is not entitled to a carryback or refund of any unused**  
 12 **credit amount.**

13 (b) For state fiscal years 2004, ~~and 2005,~~ **2006, and 2007,** the  
 14 aggregate amount of credits awarded under this chapter for projects to  
 15 retain existing jobs in Indiana may not exceed five million dollars  
 16 (\$5,000,000) per year.

17 SECTION 25. IC 6-3.1-13-19 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. In the case of a  
 19 credit awarded for a project to create new jobs in Indiana, the ~~board~~  
 20 **corporation** shall enter into an agreement with an applicant that is  
 21 awarded a credit under this chapter. The agreement must include all of  
 22 the following:

- 23 (1) A detailed description of the project that is the subject of the  
 24 agreement.
- 25 (2) The duration of the tax credit and the first taxable year for  
 26 which the credit may be claimed.
- 27 (3) The credit amount that will be allowed for each taxable year.
- 28 (4) A requirement that the taxpayer shall maintain operations at the  
 29 project location for at least two (2) ~~times the number of years as the~~  
 30 ~~term of following the last taxable year in which the applicant~~  
 31 ~~claims the tax credit or carries over an unused portion of the tax~~  
 32 ~~credit under section 18 of this chapter.~~ A taxpayer is subject to  
 33 an assessment under section 22 of this chapter for noncompliance  
 34 with the requirement described in this subdivision.
- 35 (5) A specific method for determining the number of new  
 36 employees employed during a taxable year who are performing  
 37 jobs not previously performed by an employee.
- 38 (6) A requirement that the taxpayer shall annually report to the

1           ~~board~~ **corporation** the number of new employees who are  
 2 performing jobs not previously performed by an employee, the new  
 3 income tax revenue withheld in connection with the new  
 4 employees, and any other information the director needs to perform  
 5 the director's duties under this chapter.

6           (7) A requirement that the director is authorized to verify with the  
 7 appropriate state agencies the amounts reported under subdivision  
 8 (6), and after doing so shall issue a certificate to the taxpayer  
 9 stating that the amounts have been verified.

10          (8) A requirement that the taxpayer shall provide written  
 11 notification to the director and the ~~board~~ **corporation** not more  
 12 than thirty (30) days after the taxpayer makes or receives a  
 13 proposal that would transfer the taxpayer's state tax liability  
 14 obligations to a successor taxpayer.

15          (9) Any other performance conditions that the ~~board~~ **corporation**  
 16 determines are appropriate.

17          SECTION 26. IC 6-3.1-13-19.5 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19.5. (a) In the case of  
 19 a credit awarded for a project to retain existing jobs in Indiana, the  
 20 ~~board~~ **corporation** shall enter into an agreement with an applicant that  
 21 is awarded a credit under this chapter. The agreement must include all  
 22 of the following:

23           (1) A detailed description of the business that is the subject of the  
 24 agreement.

25           (2) The duration of the tax credit and the first taxable year for  
 26 which the credit may be claimed.

27           (3) The credit amount that will be allowed for each taxable year.

28           (4) A requirement that the applicant shall maintain operations at the  
 29 project location for at least two (2) ~~times the number of years as the~~  
 30 ~~term of following the last taxable year in which the applicant~~  
 31 ~~claims the tax credit or carries over an unused portion of the tax~~  
 32 ~~credit under section 18 of this chapter.~~ An applicant is subject to  
 33 an assessment under section 22 of this chapter for noncompliance  
 34 with the requirement described in this subdivision.

35           (5) A requirement that the applicant shall annually report the  
 36 following to the ~~board~~ **corporation**:

37           (A) The number of employees who are employed in Indiana by  
 38 the applicant.

- 1 (B) The compensation (including benefits) paid to the applicant's
- 2 employees in Indiana.
- 3 (C) The amount of the:
- 4 (i) facility improvements;
- 5 (ii) equipment and machinery upgrades, repairs, or retrofits; or
- 6 (iii) other direct business related investments, including
- 7 training.
- 8 (6) A requirement that the applicant shall provide written
- 9 notification to the director and the **board corporation** not more
- 10 than thirty (30) days after the applicant makes or receives a
- 11 proposal that would transfer the applicant's state tax liability
- 12 obligations to a successor taxpayer.
- 13 (7) A requirement that the chief executive officer of the company
- 14 applying for a credit under this chapter must verify under penalty
- 15 of perjury that the disparity between projected costs of the
- 16 applicant's project in Indiana compared with the costs for the
- 17 project in a competing site is real and actual.
- 18 (8) Any other performance conditions that the **board corporation**
- 19 determines are appropriate.
- 20 (b) An agreement between an applicant and the **board corporation**
- 21 must be submitted to the budget committee for review and must be
- 22 approved by the budget agency before an applicant is awarded a credit
- 23 under this chapter for a project to retain existing jobs in Indiana."
- 24 Page 34, delete lines 7 through 42, begin a new paragraph and insert:
- 25 "SECTION 28. IC 6-3.1-26-14 IS AMENDED TO READ AS
- 26 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. ~~(a)~~ The total
- 27 amount of a tax credit claimed **for a taxable year** under this chapter
- 28 equals ~~thirty ten~~ percent ~~(30%)~~ **(10%)** of the amount of a qualified
- 29 investment made by the taxpayer in Indiana **during that taxable year.**
- 30 ~~(b) In the taxable year in which a taxpayer makes a qualified~~
- 31 ~~investment, the taxpayer may claim a credit under this chapter in an~~
- 32 ~~amount equal to the lesser of:~~
- 33 ~~(1) thirty percent (30%) of the amount of the qualified investment;~~
- 34 ~~or~~
- 35 ~~(2) the taxpayer's state tax liability growth.~~
- 36 The taxpayer may carry forward any unused credit.
- 37 SECTION 29. IC 6-3.1-26-15 IS AMENDED TO READ AS
- 38 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) A taxpayer may

1 carry forward an unused credit for not more than ~~nine (9)~~ **five (5)**  
 2 consecutive taxable years beginning with the taxable year after the  
 3 taxable year in which the taxpayer makes the qualified investment.

4 (b) The amount that a taxpayer may carry forward to a particular  
 5 taxable year under this section equals the ~~lesser of the following:~~

6 ~~(1) The taxpayer's state tax liability growth;~~

7 ~~(2) The unused part of a credit allowed under this chapter.~~

8 (c) A taxpayer may:

9 (1) claim a tax credit under this chapter for a qualified investment;  
 10 and

11 (2) carry forward a remainder for one (1) or more different  
 12 qualified investments;

13 in the same taxable year.

14 (d) The total amount of each tax credit claimed under this chapter  
 15 may not exceed ~~thirty ten~~ percent ~~(30%)~~ **(10%)** of the qualified  
 16 investment for which the tax credit is claimed.

17 SECTION 30. IC 6-3.1-26-16 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. If a pass through  
 19 entity does not have state tax liability ~~growth~~ against which the tax  
 20 credit may be applied, a shareholder or partner of the pass through  
 21 entity is entitled to a tax credit equal to:

22 (1) the tax credit determined for the pass through entity for the  
 23 taxable year; multiplied by

24 (2) the percentage of the pass through entity's distributive income  
 25 to which the shareholder or partner is entitled.

26 SECTION 31. IC 6-3.1-26-18 IS AMENDED TO READ AS  
 27 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. After receipt of an  
 28 application, the **board corporation** may enter into an agreement with  
 29 the applicant for a credit under this chapter if the **board corporation**  
 30 determines that all the following conditions exist:

31 ~~(1) The applicant has conducted business in Indiana for at least one~~  
 32 ~~(1) year immediately preceding the date the application is received.~~

33 ~~(2) (1) The applicant's project will raise the total earnings of~~  
 34 ~~employees of the applicant in Indiana.~~

35 ~~(3) (2) The applicant's project is economically sound and will~~  
 36 ~~benefit the people of Indiana by increasing opportunities for~~  
 37 ~~employment and strengthening the economy of Indiana.~~

38 ~~(4) (3) Receiving the tax credit is a major factor in the applicant's~~

1 decision to go forward with the project and not receiving the tax  
 2 credit will result in the applicant not raising the total earnings of  
 3 employees in Indiana.

4 ~~(5)~~ (4) Awarding the tax credit will result in an overall positive  
 5 fiscal impact to the state, as certified by the budget agency using  
 6 the best available data.

7 ~~(6)~~ (5) The credit is not prohibited by section 19 of this chapter.

8 ~~(7)~~ (6) The average wage that will be paid by the taxpayer to its  
 9 employees (excluding highly compensated employees) at the  
 10 location after the credit is given will be at least equal to one  
 11 hundred fifty percent (150%) of the hourly minimum wage under  
 12 IC 22-2-2-4 or its equivalent.

13 SECTION 32. IC 6-3.5-7-25 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE MARCH 31, 2005 (RETROACTIVE)]: Sec.

15 25. (a) This section applies only to a county that has adopted an  
 16 ordinance under IC 6-1.1-12-41(f).

17 (b) For purposes of this section, "imposing entity" means the entity  
 18 that adopted the ordinance under IC 6-1.1-12-41(f).

19 (c) The imposing entity may adopt an ordinance to provide for the use  
 20 of the certified distribution described in section 16(c) of this chapter for  
 21 the purpose provided in subsection (e). A county income tax council  
 22 that adopts an ordinance under this subsection shall use the procedures  
 23 set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the  
 24 imposition of the county option income tax. Except as provided in  
 25 subsection (j), an ordinance must be adopted under this subsection after  
 26 January 1 but before ~~April~~ **June** 1 of a calendar year. The ordinance  
 27 may provide for an additional rate under section 5(p) of this chapter. An  
 28 ordinance adopted under this subsection:

29 (1) first applies to the certified distribution described in section  
 30 16(c) of this chapter made in the calendar year that immediately  
 31 succeeds the calendar year in which the ordinance is adopted;

32 (2) must specify the calendar years to which the ordinance applies;  
 33 and

34 (3) must specify that the certified distribution must be used to  
 35 provide for:

36 (A) uniformly applied increased homestead credits as provided  
 37 in subsection (f); or

38 (B) allocated increased homestead credits as provided in

1 subsection (h).

2 An ordinance adopted under this subsection may be combined with an  
3 ordinance adopted under section 26 of this chapter.

4 (d) If an ordinance is adopted under subsection (c), the percentage of  
5 the certified distribution specified in the ordinance for use for the  
6 purpose provided in subsection (e) shall be:

7 (1) retained by the county auditor under subsection ~~(g)~~; **(i)**; and  
8 (2) used for the purpose provided in subsection (e) instead of the  
9 purposes specified in the capital improvement plans adopted under  
10 section 15 of this chapter.

11 (e) If an ordinance is adopted under subsection (c), the imposing  
12 entity shall use the certified distribution described in section 16(c) of  
13 this chapter to increase the homestead credit allowed in the county  
14 under IC 6-1.1-20.9 for a year to offset the effect on homesteads in the  
15 county resulting from a county deduction for inventory under  
16 IC 6-1.1-12-41.

17 (f) If the imposing entity specifies the application of uniform  
18 increased homestead credits under subsection (c)(3)(A), the county  
19 auditor shall, for each calendar year in which an increased homestead  
20 credit percentage is authorized under this section, determine:

21 (1) the amount of the certified distribution that is available to  
22 provide an increased homestead credit percentage for the year;  
23 (2) the amount of uniformly applied homestead credits for the year  
24 in the county that equals the amount determined under subdivision  
25 (1); and  
26 (3) the increased percentage of homestead credit that equates to the  
27 amount of homestead credits determined under subdivision (2).

28 (g) The increased percentage of homestead credit determined by the  
29 county auditor under subsection (f) applies uniformly in the county in  
30 the calendar year for which the increased percentage is determined.

31 (h) If the imposing entity specifies the application of allocated  
32 increased homestead credits under subsection (c)(3)(B), the county  
33 auditor shall, for each calendar year in which an increased homestead  
34 credit is authorized under this section, determine:

35 (1) the amount of the certified distribution that is available to  
36 provide an increased homestead credit for the year; and  
37 (2) an increased percentage of homestead credit for each taxing  
38 district in the county that allocates to the taxing district an amount

1 of increased homestead credits that bears the same proportion to the  
 2 amount determined under subdivision (1) that the amount of  
 3 inventory assessed value deducted under IC 6-1.1-12-41 in the  
 4 taxing district for the immediately preceding year's assessment date  
 5 bears to the total inventory assessed value deducted under  
 6 IC 6-1.1-12-41 in the county for the immediately preceding year's  
 7 assessment date.

8 (i) The county auditor shall retain from the payments of the county's  
 9 certified distribution an amount equal to the revenue lost, if any, due to  
 10 the increase of the homestead credit within the county. The money shall  
 11 be distributed to the civil taxing units and school corporations of the  
 12 county:

13 (1) as if the money were from property tax collections; and  
 14 (2) in such a manner that no civil taxing unit or school corporation  
 15 will suffer a net revenue loss because of the allowance of an  
 16 increased homestead credit.

17 (j) An entity authorized to adopt:

18 (1) an ordinance under subsection (c); and  
 19 (2) an ordinance under IC 6-1.1-12-41(f);

20 may consolidate the two (2) ordinances. The limitation under  
 21 subsection (c) that an ordinance must be adopted after January 1 of a  
 22 calendar year does not apply if a consolidated ordinance is adopted  
 23 under this subsection. **However, notwithstanding subsection (c)(1),**  
 24 **the ordinance must state that it first applies to certified**  
 25 **distributions in the calendar year in which property taxes are**  
 26 **initially affected by the deduction under IC 6-1.1-12-41.**

27 SECTION 33. IC 6-3.5-7-25.5 IS ADDED TO THE INDIANA  
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 29 [EFFECTIVE JULY 1, 2005]: **Sec. 25.5. Subject to the approval of**  
 30 **the imposing entity, the county auditor may adjust the increased**  
 31 **percentage of homestead credit determined under section 25(h)(2)**  
 32 **of this chapter if the county auditor determines that the adjustment**  
 33 **is necessary to achieve an equitable reduction of property taxes**  
 34 **among the homesteads in the county."**

35 Delete page 35.

36 Page 36, delete lines 1 through 16.

37 Page 38, line 14, delete "The" and insert "**Subject to the approval**  
 38 **of the imposing entity, the**".



- 1 Page 40, delete lines 10 through 17.
- 2 Page 48, line 39, after "Federal" insert "**tax**".
- 3 Page 48, line 39, delete "numbers" and insert "**number**".
- 4 Page 49, line 27, delete "sales" and insert "**gross retail, use,**".
- 5 Page 49, delete lines 33 through 42.
- 6 Delete pages 50 through 65.
- 7 Page 66, delete lines 1 through 5.
- 8 Page 67, between lines 18 and 19, begin a new paragraph and insert:
- 9 "SECTION 46. IC 36-7-32-6.5 IS ADDED TO THE INDIANA
- 10 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 11 [EFFECTIVE JULY 1, 2005]: **Sec. 6.5. As used in this chapter,**
- 12 **"gross retail incremental amount" means the remainder of:**
- 13 (1) **the aggregate amount of state gross retail and use taxes that**
- 14 **are remitted under IC 6-2.5 by businesses operating in the**
- 15 **territory comprising a certified technology park during a state**
- 16 **fiscal year; minus**
- 17 (2) **the gross retail base period amount;**
- 18 **as determined by the department of state revenue."**
- 19 Page 67, delete lines 40 through 41, begin a new paragraph and
- 20 insert:
- 21 "SECTION 48. THE FOLLOWING ARE REPEALED
- 22 [EFFECTIVE JULY 1, 2005]: IC 5-3-1-3; IC 6-3.1-26-10."
- 23 Page 68, line 5, delete "and".
- 24 Page 68, line 5, after "IC 6-3.1-13-17," insert "**IC 6-3.1-13-19, and**
- 25 **IC 6-3.1-13-19.5,**".
- 26 Page 68, line 6, after "by the" insert "**Indiana**".
- 27 Page 68, line 7, delete "for a growing economy board" and insert
- 28 "**corporation under IC 6-3.1-13**".
- 29 Page 68, line 8, after "2005." insert "**Credits awarded under**
- 30 **IC 6-3.1-13 before July 1, 2005, remain subject to the provisions of**
- 31 **IC 6-3.1-13 as in effect on June 30, 2005.**".
- 32 Page 68, between lines 16 and 17, begin a new paragraph and insert:
- 33 "**(d) IC 6-3.1-26-14, IC 6-3.1-26-15, IC 6-3.1-26-16, and**
- 34 **IC 6-3.1-26-18, all as amended by this act, apply only to credits**
- 35 **awarded by the Indiana economic development corporation under**
- 36 **IC 6-3.1-26 after June 30, 2005. Credits awarded under IC 6-3.1-26**
- 37 **before July 1, 2005, remain subject to the provisions of IC 6-3.1-26**
- 38 **as in effect on June 30, 2005.**".

1 Page 68, line 17, delete "(d)" and insert "(e)".

2 Page 68, line 23, delete "(e)" and insert "(f)".

3 Page 68, line 26, delete "(f)" and insert "(g)".

4 Page 68, between lines 27 and 28, begin a new paragraph and insert:

5 "SECTION 51. [EFFECTIVE UPON PASSAGE] **(a) An ordinance**  
6 **that:**

7 **(1) is adopted under IC 6-1.1-12-41 or IC 6-3.5-7-25 after**  
8 **March 30, 2004, and before the passage of this act; and**

9 **(2) would have been valid if this act had been enacted before**  
10 **the time the ordinance was adopted;**

11 **shall be treated as valid to the same extent as if this act had been**  
12 **enacted before the ordinance was adopted.**

13 **(b) The department of local government finance may adopt**  
14 **interim rules in the manner provided for the adoption of**  
15 **emergency rules under IC 4-22-2-37.1 to govern the determination**  
16 **of deductions, the processing of personal property tax returns, and**  
17 **the calculation of the assessed valuation of each taxpayer in cases**  
18 **in which:**

19 **(1) the personal property of the taxpayer is eligible for a**  
20 **deduction under IC 6-1.1-12-41, as amended by this act, as the**  
21 **result of the adoption of an ordinance under IC 6-1.1-12-41, as**  
22 **amended by this act, after March 30, 2004; and**

23 **(2) the taxpayer did not take the deduction on the taxpayer's**  
24 **personal property tax return.**

25 **The rules may include special procedures and filing dates for filing**  
26 **an amended return.**

27 **(c) An interim rule adopted under subsection (b) expires on the**  
28 **earliest of the following:**

29 **(1) The date that the department of local government finance**  
30 **adopts an interim rule under subsection (b) to supersede a rule**  
31 **previously adopted under subsection (b).**

32 **(2) The date that the department of local government finance**  
33 **adopts a permanent rule under IC 4-22-2 to supersede a rule**  
34 **previously adopted under subsection (b).**

35 **(3) The date that the department of local government finance**  
36 **adopts under subsection (b) or IC 4-22-2 a repeal of a rule**  
37 **previously adopted under subsection (b).**

38 **(4) December 31, 2006."**

- 1 Page 68, delete line 34.
- 2 Page 68, line 35, delete "(2) IC 6-3.5-7-25, as amended by this act;"
- 3 and insert "**(1) IC 6-3.5-7-25.5, as added by this act;**".
- 4 Page 68, line 36, delete "(3)" and insert "(2)".
- 5 Page 69, between lines 19 and 20, begin a new paragraph and insert:
- 6 **"SECTION 55. [EFFECTIVE JULY 1, 2005] IC 6-1.1-20-3.2, as**
- 7 **amended by this act, does not apply to a petition and remonstrance**
- 8 **procedure that is commenced before July 1, 2005.**
- 9 SECTION 56. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-20.6, as**
- 10 **added by this act, applies only to property taxes first due and**
- 11 **payable after December 31, 2004.**
- 12 SECTION 57. [EFFECTIVE UPON PASSAGE] (a) **The definitions**
- 13 **in IC 6-1.1-1 apply throughout this SECTION.**
- 14 (b) **For purposes of this SECTION:**
- 15 (1) **"fiscal body" has the meaning set forth in IC 36-1-2-6;**
- 16 (2) **"settlement amount" means an amount that:**
- 17 (A) **exceeds ten million dollars (\$10,000,000); and**
- 18 (B) **is received by the county auditor on behalf of a county**
- 19 **and the political subdivisions in the county in 2005 or 2006 as**
- 20 **a result of the settlement of one (1) or more cases before the**
- 21 **Indiana tax court concerning the property tax assessments of**
- 22 **tangible property that are the basis for determination of**
- 23 **property taxes payable by a taxpayer in the county for one**
- 24 **(1) or more calendar years that precede 2006; and**
- 25 (3) **"subsequent year's taxes" means the property taxes**
- 26 **imposed by a political subdivision on tangible property in the**
- 27 **political subdivision, other than property taxes imposed on**
- 28 **tangible property for which a taxpayer that paid all or part of**
- 29 **the settlement amount is liable, for property taxes first due and**
- 30 **payable in the calendar year that immediately succeeds the**
- 31 **calendar year in which the settlement amount is received.**
- 32 (c) **The fiscal body of a political subdivision may adopt an**
- 33 **ordinance:**
- 34 (1) **before September 1, 2005, to direct the county auditor to**
- 35 **use the part of a settlement amount attributable to the political**
- 36 **subdivision to apply a credit against the subsequent year's**
- 37 **taxes for property taxes first due and payable in 2006; and**
- 38 (2) **before September 1, 2006, to direct the county auditor to**

1           use the part of a settlement amount attributable to the political  
2           subdivision to apply a credit against the subsequent year's  
3           taxes for property taxes first due and payable in 2007.

4           **The total amount of the credits applied under this subsection must**  
5           **equal the part of the settlement amount received by the political**  
6           **subdivision in the immediately preceding calendar year. The**  
7           **settlement amount received must be used to replace the amount of**  
8           **property tax revenue lost due to the allowance of the credit in the**  
9           **political subdivision. The county auditor shall retain the settlement**  
10           **amount and distribute the money to the political subdivisions in the**  
11           **county as though the money were property tax collections and in**  
12           **such a manner that a political subdivision does not suffer a net**  
13           **revenue loss due to the allowance of the credit under this**  
14           **subsection.**

15           **(d) A credit under subsection (c) applies as a percentage of the**  
16           **liability for property taxes before the application of the credits**  
17           **under IC 6-1.1-20.9 and IC 6-1.1-21. The percentage applicable in**  
18           **a taxing district that is attributable to a political subdivision in**  
19           **which the taxing district is located is determined under the last**  
20           **STEP of the following STEPS:**

21           **STEP ONE: Determine the total assessed value of tangible**  
22           **property (after the application of all applicable deductions**  
23           **under IC 6-1.1), other than tangible property for which a**  
24           **taxpayer that paid all or part of the settlement amount is liable**  
25           **for property taxes, in the political subdivision that is the basis**  
26           **for the subsequent year's taxes.**

27           **STEP TWO: Determine the total assessed value of tangible**  
28           **property (after the application of all applicable deductions**  
29           **under IC 6-1.1), other than tangible property for which a**  
30           **taxpayer that paid all or part of the settlement amount is liable**  
31           **for property taxes, in the taxing district that constitutes a part**  
32           **of the total assessed value that is the basis for the subsequent**  
33           **year's taxes.**

34           **STEP THREE: Determine the quotient of the total assessed**  
35           **value determined under STEP TWO divided by the total**  
36           **assessed value determined under STEP ONE.**

37           **STEP FOUR: Determine the product of:**

38           **(A) the part of a settlement amount attributable to the**

1           **political subdivision; multiplied by**  
2           **(B) the quotient determined in STEP THREE.**  
3           **STEP FIVE: Determine the total property tax levy in the**  
4           **taxing district for the subsequent year's taxes, before the**  
5           **application of the credits under IC 6-1.1-20.9 and IC 6-1.1-21.**  
6           **STEP SIX: Determine the quotient of:**  
7           **(A) the product determined under STEP FOUR; divided by**  
8           **(B) the remainder determined under STEP FIVE;**  
9           **expressed as a percentage.**  
10          **The total credit percentage applicable in a taxing district is the sum**  
11          **of the percentages determined under STEP SIX with respect to all**  
12          **political subdivisions in which the taxing district is located.**  
13          **(e) If a fiscal body adopts an ordinance under subsection (c):**  
14               **(1) the part of the settlement amount attributable to the**  
15               **political subdivision is set aside in a separate fund of the**  
16               **political subdivision for the sole purpose of dedicating the**  
17               **money in the fund to providing credits under subsection (c);**  
18               **(2) money in the separate fund does not become part of the**  
19               **political subdivision's levy excess fund under IC 6-1.1-18.5-17**  
20               **or IC 6-1.1-19-1.7; and**  
21               **(3) for the year in which the subsequent year's taxes are first**  
22               **due and payable, the total county tax levy under**  
23               **IC 6-1.1-21-2(g) is reduced by the part of the settlement**  
24               **amount attributable to the political subdivision that,**  
25               **notwithstanding subdivisions (1) and (2), would have been**  
26               **deposited in the political subdivision's levy excess fund under**

- 1 **IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7.**
- 2 **(f) This SECTION expires January 1, 2008."**
- 3 Renumber all SECTIONS consecutively.  
(Reference is to SB 496 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 11, Nays 0.

---

**Kenley**

**Chairperson**