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# SENATE BILL No. 291

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12-9; IC 6-1.1-12-10.1.

**Synopsis:** Eligibility for property tax deduction for elderly. Eliminates the assessed value limitation for the property tax deduction for the residence of a low income individual who is at least 65 years of age.

**Effective:** Upon passage.

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January 9, 2006, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

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**SENATE BILL No. 291**



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

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

1 SECTION 1. IC 6-1.1-12-9 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) An individual  
3 may obtain a deduction from the assessed value of the individual's real  
4 property, or mobile home or manufactured home which is not assessed  
5 as real property, if:

6 (1) the individual is at least sixty-five (65) years of age on or  
7 before December 31 of the calendar year preceding the year in  
8 which the deduction is claimed;

9 (2) the combined adjusted gross income (as defined in Section 62  
10 of the Internal Revenue Code) of:

11 (A) the individual and the individual's spouse; or  
12 (B) the individual and all other individuals with whom:

13 (i) the individual shares ownership; or  
14 (ii) the individual is purchasing the property under a  
15 contract;

16 as joint tenants or tenants in common;  
17 for the calendar year preceding the year in which the deduction is



1           claimed did not exceed twenty-five thousand dollars (\$25,000);  
2           (3) the individual has owned the real property, mobile home, or  
3           manufactured home for at least one (1) year before claiming the  
4           deduction; or the individual has been buying the real property,  
5           mobile home, or manufactured home under a contract that  
6           provides that the individual is to pay the property taxes on the real  
7           property, mobile home, or manufactured home for at least one (1)  
8           year before claiming the deduction, and the contract or a  
9           memorandum of the contract is recorded in the county recorder's  
10          office;  
11          (4) the individual and any individuals covered by subdivision  
12          (2)(B) reside on the real property, mobile home, or manufactured  
13          home;  
14          ~~(5) the assessed value of the real property, mobile home, or~~  
15          ~~manufactured home does not exceed one hundred forty-four~~  
16          ~~thousand dollars (\$144,000); and~~  
17          ~~(6) (5) the individual receives no other property tax deduction for~~  
18          ~~the year in which the deduction is claimed, except the deductions~~  
19          ~~provided by sections 1, 37, and 38 of this chapter.~~  
20          (b) Except as provided in subsection (h), in the case of real property,  
21          an individual's deduction under this section equals the lesser of:  
22                (1) one-half (1/2) of the assessed value of the real property; or  
23                (2) twelve thousand four hundred eighty dollars (\$12,480).  
24          (c) Except as provided in subsection (h) and section 40.5 of this  
25          chapter, in the case of a mobile home that is not assessed as real  
26          property or a manufactured home which is not assessed as real  
27          property, an individual's deduction under this section equals the lesser  
28          of:  
29                (1) one-half (1/2) of the assessed value of the mobile home or  
30                manufactured home; or  
31                (2) twelve thousand four hundred eighty dollars (\$12,480).  
32          (d) An individual may not be denied the deduction provided under  
33          this section because the individual is absent from the real property,  
34          mobile home, or manufactured home while in a nursing home or  
35          hospital.  
36          (e) For purposes of this section, if real property, a mobile home, or  
37          a manufactured home is owned by:  
38                (1) tenants by the entirety;  
39                (2) joint tenants; or  
40                (3) tenants in common;  
41          only one (1) deduction may be allowed. However, the age requirement  
42          is satisfied if any one (1) of the tenants is at least sixty-five (65) years

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1 of age.

2 (f) A surviving spouse is entitled to the deduction provided by this

3 section if:

4 (1) the surviving spouse is at least sixty (60) years of age on or

5 before December 31 of the calendar year preceding the year in

6 which the deduction is claimed;

7 (2) the surviving spouse's deceased husband or wife was at least

8 sixty-five (65) years of age at the time of a death;

9 (3) the surviving spouse has not remarried; and

10 (4) the surviving spouse satisfies the requirements prescribed in

11 subsection (a)(2) through ~~(a)(6)~~: **(a)(5)**.

12 (g) An individual who has sold real property to another person

13 under a contract that provides that the contract buyer is to pay the

14 property taxes on the real property may not claim the deduction

15 provided under this section against that real property.

16 (h) In the case of tenants covered by subsection (a)(2)(B), if all of

17 the tenants are not at least sixty-five (65) years of age, the deduction

18 allowed under this section ~~shall be~~ **is** reduced by an amount equal to

19 the deduction multiplied by a fraction. The numerator of the fraction is

20 the number of tenants who are not at least sixty-five (65) years of age,

21 and the denominator is the total number of tenants.

22 SECTION 2. IC 6-1.1-12-10.1 IS AMENDED TO READ AS

23 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.1. (a) Except as

24 provided in section 17.8 of this chapter, an individual who desires to

25 claim the deduction provided by section 9 of this chapter must file a

26 sworn statement, on forms prescribed by the department of local

27 government finance, with the auditor of the county in which the real

28 property, mobile home, or manufactured home is located. With respect

29 to real property, the statement must be filed during the twelve (12)

30 months before May 11 of each year for which the individual wishes to

31 obtain the deduction. With respect to a mobile home that is not

32 assessed as real property or a manufactured home that is not assessed

33 as real property, the statement must be filed between January 15 and

34 March 31, inclusive of each year for which the individual wishes to

35 obtain the deduction. The statement may be filed in person or by mail.

36 If mailed, the mailing must be postmarked on or before the last day for

37 filing.

38 (b) The statement referred to in subsection (a) shall be in affidavit

39 form or require verification under penalties of perjury. The statement

40 must be filed in duplicate if the applicant owns, or is buying under a

41 contract, real property, a mobile home, or a manufactured home subject

42 to assessment in more than one (1) county or in more than one (1)

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1 taxing district in the same county. The statement shall contain:  
 2 (1) the source and exact amount of gross income received by the  
 3 individual and ~~his~~ **the individual's** spouse during the preceding  
 4 calendar year;  
 5 (2) the description ~~and assessed value~~ of the real property, mobile  
 6 home, or manufactured home;  
 7 (3) the individual's:  
 8 (A) full name; and ~~his~~  
 9 (B) complete residence address;  
 10 (4) the record number and page where the contract or  
 11 memorandum of the contract is recorded if the individual is  
 12 buying the real property, mobile home, or manufactured home on  
 13 contract; and  
 14 (5) any additional information which the department of local  
 15 government finance may require.  
 16 (c) In order to substantiate ~~his~~ **a** deduction statement, the applicant  
 17 shall submit for inspection by the county auditor a copy of ~~his~~ **the**  
 18 **applicant's income tax returns** and a copy of ~~his~~ **the applicant's**  
 19 spouse's income tax returns for the preceding calendar year. If either  
 20 was not required to file an income tax return, the applicant shall  
 21 subscribe to that fact in the deduction statement.  
 22 SECTION 3. [EFFECTIVE UPON PASSAGE] **(a) IC 6-1.1-12-9**  
 23 **and IC 6-1.1-12-10.1, both as amended by this act, apply only to**  
 24 **property taxes first due and payable after December 31, 2006.**  
 25 **(b) Notwithstanding any other law, an individual entitled to a**  
 26 **deduction for the first time under IC 6-1.1-12-9, as amended by**  
 27 **this act, may claim the deduction for property taxes first due and**  
 28 **payable in 2007 if the individual files the appropriate deduction**  
 29 **application before July 1, 2006.**  
 30 **(c) This SECTION expires December 31, 2007.**  
 31 SECTION 4. **An emergency is declared for this act.**

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