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# HOUSE BILL No. 1298

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12-44.

**Synopsis:** Property tax deductions. Establishes a property tax deduction for residential rental property. Provides that the deduction is equal to the lesser of: (1) \$35,000; or (2) one-half of the assessed value of the residential rental property and the land containing the residential rental property.

**Effective:** Upon passage.

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January 10, 2006, read first time and referred to Committee on Ways and Means.

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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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# HOUSE BILL No. 1298



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 6-1.1-12-44 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: **Sec. 44. (a) As used in this section:**  
4 (1) **"department"** refers to the department of local  
5 government finance; and  
6 (2) **"principal rental dwelling"** means residential  
7 improvements to land:  
8 (A) for which the homestead credit under IC 6-1.1-20.9  
9 does not apply; and  
10 (B) that an individual with a leasehold interest in the  
11 residential improvements uses as the individual's principal  
12 place of residence.  
13 The term **"principal rental dwelling"** does not include a facility  
14 licensed under IC 16-28.  
15 (b) The owner of a building that contains one (1) or more  
16 principal rental dwellings is entitled to a deduction from the  
17 assessed value of the building and the land on which the building



1 is located. The amount of the deduction equals the lesser of:  
 2 (1) thirty-five thousand dollars (\$35,000); or  
 3 (2) one-half (1/2) of the assessed value of the building (or the  
 4 part of the building containing the principal rental dwellings)  
 5 and the land on which the building is located.  
 6 (c) A certificate of occupancy that complies with this subsection  
 7 is prima facie evidence that a building and the land on which the  
 8 building is located contain the number of principal rental dwellings  
 9 specified in the certificate. To comply with this subsection, the  
 10 certificate of occupancy must:  
 11 (1) be prepared on a form prescribed by the department;  
 12 (2) be signed under penalties of perjury by the owner of the  
 13 building containing a rental unit or by the principal officer of  
 14 the entity owning the building; and  
 15 (3) indicate that:  
 16 (A) with respect to a building that contains one (1) rental  
 17 unit, the unit was used as a principal rental dwelling; or  
 18 (B) with respect to a building that contains more than one  
 19 (1) rental unit, substantially all the units in the building  
 20 were used as principal rental dwellings;  
 21 on the assessment date for which the deduction under this  
 22 section applies.  
 23 (d) To obtain the deduction under this section, the owner of the  
 24 building containing a principal rental dwelling must file a certified  
 25 application in duplicate, on forms prescribed by the department,  
 26 with the auditor of the county in which the property is subject to  
 27 assessment. The certified application must be filed before May 11  
 28 of the year containing the assessment date to which the application  
 29 applies.  
 30 (e) If the owner of a building containing a principal rental  
 31 dwelling is eligible to receive:  
 32 (1) a homestead credit for the building under IC 6-1.1-20.9; or  
 33 (2) the standard deduction for the building under section 37  
 34 of this chapter;  
 35 the owner may not claim the deduction provided under this section  
 36 for that portion of the building for which the owner is eligible to  
 37 receive the homestead credit or the standard deduction.  
 38 (f) If a parcel of land contains more than one (1) building for  
 39 which a deduction is claimed under this section, the township  
 40 assessor shall allocate the assessed value of the land among the  
 41 buildings on the parcel in proportion to the assessed value of each  
 42 building. The county auditor shall use the allocated assessed value

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1 of land under this section in determining the amount of the  
 2 deduction that is to be granted under this section.  
 3 SECTION 2. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-12-44,  
 4 as added by this act, applies to property taxes first due and payable  
 5 in 2007.  
 6 (b) Notwithstanding IC 6-1.1-12-44(d), as added by this act, a  
 7 certified application must be filed under that subsection before  
 8 July 1, 2006, to claim a deduction under IC 6-1.1-12-44, as added  
 9 by this act, for property taxes first due and payable in 2007.  
 10 (c) This SECTION expires January 1, 2008.  
 11 SECTION 3. An emergency is declared for this act.

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