

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7542

BILL NUMBER: SB 416

NOTE PREPARED: Mar 20, 2007

BILL AMENDED: Mar 15, 2007

SUBJECT: Filing for property tax deductions.

FIRST AUTHOR: Sen. Young R

FIRST SPONSOR: Rep. Dembowski

BILL STATUS: As Passed House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) *Filing Deadlines:* This bill provides for the following filing deadlines for property tax deductions: (1) June 10 for real property; and (2) March 30 for mobile homes or manufactured homes that are not assessed as real property. It changes the filing deadline for the homestead credit with respect to mobile homes or manufactured homes that are not assessed as real property from March 1 to March 30.

AV Ceiling: The bill also increases the maximum assessed value for eligibility for the property tax deduction for certain disabled veterans from \$113,000 to \$300,000.

Effective Date: January 1, 2007 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) *Filing Deadlines:* Under current law, several different filing deadlines apply to Indiana's various property tax deductions. Beginning with 2007 payable 2008 property taxes, this proposal would set the same filing deadlines for all deductions except for ERA abatements and investment deductions. There should be no fiscal impact to this proposal.

The table on the following page contrasts the current and proposed filing deadlines.

DEDUCTION TYPE	Current		Proposed	
	Real / Pers Prop	Mobile Homes	Real / Pers Prop	Mobile Homes
Mortgage	6/10	3/1	6/10	3/30
65 or over	6/10	3/31	6/10	3/30
Blind or disabled	6/10	3/1	6/10	3/30
Disabled vet - service connected	6/10	3/1	6/10	3/30
Totally Disabled veteran	6/10	3/1	6/10	3/30
W.W. I veteran - Survivor	6/10	3/1	6/10	3/30
W.W. I veteran	6/10	3/1	6/10	3/30
Homestead Standard Ded (Apply for Homestead Credit)	6/10	3/1	6/10	3/30
Rehabilitation deductions	6/10		6/10	
Solar energy deduction	5/10	3/31	6/10	3/30
Wind-powered devices	6/11	3/31	6/10	3/30
Coal Conversion System	6/11	3/31	6/10	3/30
Hydro-electric Power Device	6/11	3/31	6/10	3/30
Geothermal Energy	6/11	3/31	6/10	3/30
Fertilizer Storage	6/11		6/10	
Coal Combustion Product	6/11	3/31	6/10	3/30

AV Ceiling: Under current law, a veteran who is 100% disabled or is at least 62 years old and at least 10% disabled may receive a property tax deduction of \$12,480. The veteran does not qualify for this deduction if the assessed value of the residence is above \$113,000. This provision would increase the AV limit to \$300,000.

The increased AV limit would first apply to deductions for taxes payable in 2007. The bill would allow the newly qualified disabled veteran taxpayers to file for the deduction by June 30, 2007.

This provision could result in an estimated net assessed value reduction of \$27 M which would shift an estimated \$400,000 per year in property tax from qualified taxpayers to all other taxpayers. This provision would result in a property tax revenue reduction in 2007 only in any county that will have received its certified tax rates before June 30, 2007.

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: County Auditors, Local government units.

Information Sources: Local Government Database.

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