

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WITHDRAWN	Noes _____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

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

MR. SPEAKER:

I move that Engrossed Senate Bill 287 be amended to read as follows:

- 1 Page 54, between lines 40 and 41, begin a new paragraph and insert:
- 2 "SECTION 49. IC 6-1.1-17-1, AS AMENDED BY P.L.154-2006,
- 3 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 UPON PASSAGE]: Sec. 1. (a) On or before August 1 of each year, the
- 5 county auditor shall send a certified statement, under the seal of the
- 6 board of county commissioners, to the fiscal officer of each political
- 7 subdivision of the county and the department of local government
- 8 finance. The statement shall contain:
- 9 (1) information concerning the assessed valuation in the political
- 10 subdivision for the next calendar year;
- 11 (2) an estimate of the taxes to be distributed to the political
- 12 subdivision during the last six (6) months of the current calendar
- 13 year;
- 14 (3) the current assessed valuation as shown on the abstract of
- 15 charges;
- 16 (4) the average growth in assessed valuation in the political
- 17 subdivision over the preceding three (3) budget years, excluding
- 18 years in which a general reassessment occurs, determined
- 19 according to procedures established by the department of local
- 20 government finance;
- 21 (5) the amount of the political subdivision's assessed valuation
- 22 reduction determined under section 0.5(d) of this chapter;
- 23 **(6) information concerning credits applicable under**
- 24 **IC 6-1.1-21-5.8 to taxes first due and payable in the next**

- 1           **calendar year; and**  
2           ~~(6)~~ (7) any other information at the disposal of the county auditor  
3           that might affect the assessed value used in the budget adoption  
4           process.  
5           (b) The estimate of taxes to be distributed shall be based on:  
6           (1) the abstract of taxes levied and collectible for the current  
7           calendar year, less any taxes previously distributed for the  
8           calendar year; and  
9           (2) any other information at the disposal of the county auditor  
10          which might affect the estimate.  
11          (c) The fiscal officer of each political subdivision shall present the  
12          county auditor's statement to the proper officers of the political  
13          subdivision.  
14          (d) Subject to subsection (e) and except as provided in subsection  
15          (f), after the county auditor sends a certified statement under subsection  
16          (a) or an amended certified statement under this subsection with  
17          respect to a political subdivision and before the department of local  
18          government finance certifies its action with respect to the political  
19          subdivision under section 16(f) of this chapter, the county auditor may  
20          amend the information concerning assessed valuation included in the  
21          earlier certified statement. The county auditor shall send a certified  
22          statement amended under this subsection, under the seal of the board  
23          of county commissioners, to:  
24          (1) the fiscal officer of each political subdivision affected by the  
25          amendment; and  
26          (2) the department of local government finance.  
27          (e) Except as provided in subsection (g), before the county auditor  
28          makes an amendment under subsection (d), the county auditor must  
29          provide an opportunity for public comment on the proposed  
30          amendment at a public hearing. The county auditor must give notice of  
31          the hearing under IC 5-3-1. If the county auditor makes the amendment  
32          as a result of information provided to the county auditor by an assessor,  
33          the county auditor shall give notice of the public hearing to the  
34          assessor.  
35          (f) Subsection (d) does not apply to an adjustment of assessed  
36          valuation under IC 36-7-15.1-26.9(d).  
37          (g) The county auditor is not required to hold a public hearing under  
38          subsection (e) if:  
39          (1) the amendment under subsection (d) is proposed to correct a  
40          mathematical error made in the determination of the amount of  
41          assessed valuation included in the earlier certified statement;  
42          (2) the amendment under subsection (d) is proposed to add to the  
43          amount of assessed valuation included in the earlier certified  
44          statement assessed valuation of omitted property discovered after  
45          the county auditor sent the earlier certified statement; or  
46          (3) the county auditor determines that the amendment under

- 1 subsection (d) will not result in an increase in the tax rate or tax  
 2 rates of the political subdivision."  
 3 Page 71, between lines 22 and 23, begin a new paragraph and insert:  
 4 "SECTION 60. IC 6-1.1-21-5.8 IS ADDED TO THE INDIANA  
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 6 [EFFECTIVE UPON PASSAGE]: **Sec. 5.8. (a) The following**  
 7 **definitions apply throughout this section:**  
 8 (1) "Adjusted gross income" has the meaning set forth in  
 9 IC 6-3-1-3.5.  
 10 (2) "Assets":  
 11 (A) includes:  
 12 (i) real property, other than the homestead with respect  
 13 to which a qualifying individual applies for a credit  
 14 under this section;  
 15 (ii) cash;  
 16 (iii) savings accounts;  
 17 (iv) stocks;  
 18 (v) bonds; and  
 19 (vi) any other investment; and  
 20 (B) does not include:  
 21 (i) the cash value of life insurance policies on the life of  
 22 the qualifying individual or the qualifying individual's  
 23 spouse; and  
 24 (ii) tangible personal property.  
 25 (3) "Fiscal body" has the meaning set forth in IC 36-1-2-6.  
 26 (4) "Homestead" has the meaning set forth in  
 27 IC 6-1.1-20.9-1(2).  
 28 (5) "Household income" means the combined adjusted gross  
 29 income of the qualifying individual and the qualifying  
 30 individual's spouse.  
 31 (6) "Net property tax bill" means the amount of property  
 32 taxes currently due and payable in a particular calendar year  
 33 after the application of all deductions and credits, except for  
 34 the credit provided by this section, as evidenced by the tax  
 35 statement required in IC 6-1.1-22-8.  
 36 (7) "Net worth" means the remainder of:  
 37 (A) the sum of the current market value of all assets; minus  
 38 (B) all outstanding liabilities.  
 39 (8) "Qualifying homestead" means a homestead:  
 40 (A) that a qualifying individual owned; or  
 41 (B) on which a qualifying individual assumed liability for  
 42 the payment of property taxes;  
 43 at least five (5) years before the assessment date for the  
 44 homestead in the year for which the qualifying individual  
 45 wishes to obtain the credit under this section and that has an  
 46 assessed value of not more than one hundred eighty thousand  
 47 dollars (\$180,000) as of the assessment date for the homestead

1           in the year that immediately precedes the year for which the  
 2           qualifying individual wishes to obtain the credit under this  
 3           section multiplied by a fraction determined by the department  
 4           of local government finance for the county in which the  
 5           homestead is located. The numerator of the fraction is the  
 6           average homestead assessed value in the county in which the  
 7           homestead is located in the year immediately preceding the  
 8           year in which the qualifying individual wishes to obtain the  
 9           credit under this section and the denominator of the fraction  
 10          is the average homestead assessed value in Marion County in  
 11          the year immediately preceding the year in which the  
 12          qualifying individual wishes to obtain the credit under this  
 13          section.

14          **(9) "Qualifying individual" means an individual:**

15           **(A) who is liable for the payment of property taxes on a**  
 16           **qualifying homestead;**

17           **(B) whose adjusted gross income for the individual's most**  
 18           **recent taxable year that ends before the date on which the**  
 19           **claim is filed under subsection (e) is less than seventy-five**  
 20           **thousand dollars (\$75,000); and**

21           **(C) who is not married and has a net worth, or has a net**  
 22           **worth in combination with the net worth of the individual's**  
 23           **spouse, of less than two hundred thousand dollars**  
 24           **(\$200,000) as of December 31 of:**

25           **(i) with respect to real property, the year that precedes**  
 26           **by two (2) years the year for which the individual wishes**  
 27           **to obtain the credit under this section; and**

28           **(ii) with respect to a mobile home that is not assessed as**  
 29           **real property or a manufactured home that is not**  
 30           **assessed as real property, the year that immediately**  
 31           **precedes the year for which the individual wishes to**  
 32           **obtain the credit under this section.**

33          **(10) "Taxable year" has the meaning set forth in IC 6-3-1-16.**

34          **(b) The credit provided by this section applies in a county for**  
 35          **property taxes first due and payable in a calendar year only if the**  
 36          **county fiscal body of the county adopts an ordinance to apply the**  
 37          **credit before July 1 of the immediately preceding calendar year.**  
 38          **An ordinance adopted under this subsection may authorize the**  
 39          **credit for more than one (1) year.**

40          **(c) Except as provided in subsection (d), each year a qualifying**  
 41          **individual in a county in which the credit provided by this section**  
 42          **is authorized under subsection (b) may receive a credit against the**  
 43          **net property tax bill on the individual's qualifying homestead. The**  
 44          **amount of the credit to which a qualifying individual is entitled**  
 45          **equals the lesser of two thousand dollars (\$2,000) or the remainder**  
 46          **of:**

47           **(1) the amount of the net property tax bill without the**

1 application of the credit provided by this section; minus  
 2 (2) the following percentage of the qualifying individual's  
 3 adjusted gross income for the qualifying individual's most  
 4 recent taxable year that ends before the date on which the  
 5 claim is filed under subsection (e):

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

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

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

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

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

36 (1) The full name or names and complete address of the  
 37 qualifying individual or the qualifying individual and the  
 38 qualifying individual's spouse.

39 (2) A description of the qualifying homestead.

40 (3) The amount of:

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

43 (B) if subsection (d) applies, the household income referred  
 44 to in subsection (d) of the qualifying individual and the  
 45 qualifying individual's spouse.

46 (4) The name of any other county and township in which the  
 47 qualifying individual or the qualifying individual's spouse

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

1 **of any credit the individual received because of the false statement,**  
 2 **plus interest at the rate of ten percent (10%) per year, to the**  
 3 **county auditor for distribution to the taxing units of the county in**  
 4 **the same proportion that property taxes are distributed.**

5 **(j) The application of the credit under this section results in a**  
 6 **reduction of the property tax collections of each political**  
 7 **subdivision in which the credit is applied. A political subdivision**  
 8 **may not increase its property tax levy, by means of an increase in**  
 9 **the property tax rate or otherwise, to make up for that reduction.**

10 **(k) The reduction of the property tax collections of a political**  
 11 **subdivision that results from the application of the credit under**  
 12 **this section is not a basis for the political subdivision to obtain an**  
 13 **excessive tax levy under IC 6-1.1-18.5 or IC 6-1.1-19.**

14 SECTION 61. IC 6-1.1-21-7 IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) Notwithstanding  
 16 IC 6-1.1-26, any taxpayer who is entitled to a credit under this chapter  
 17 or who has properly filed for and is entitled to a credit under  
 18 IC 6-1.1-20.9, and who, without taking the credit, pays in full the taxes  
 19 to which the credit applies, is entitled to a refund, without interest, of  
 20 an amount equal to the amount of the credit. However, if the taxpayer,  
 21 at the time a refund is claimed, owes any other taxes, interest, or  
 22 penalties payable to the county treasurer to whom the taxes subject to  
 23 the credit were paid, then the credit shall be first applied in full or  
 24 partial payment of the other taxes, interest, and penalties and the  
 25 balance, if any, remaining after that application is available as a refund  
 26 to the taxpayer.

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

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

44 Page 124, between lines 17 and 18, begin a new paragraph and  
 45 insert:

46 "SECTION 130. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-21-5.8,**

- 1 **as added by this act, applies only to property taxes first due and**
- 2 **payable after December 31, 2007."**
- 3     Renumber all SECTIONS consecutively.  
      (Reference is to ESB 287 as printed April 6, 2007.)

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Representative Orentlicher