



Reprinted
January 29, 2008

SENATE BILL No. 208

DIGEST OF SB 208 (Updated January 28, 2008 5:23 pm - DI 73)

Citations Affected: IC 6-1.1.

Synopsis: Tax payments. Allows a county to authorize county taxpayers to pay property taxes by automatic deduction from a checking account. Provides that a county council may authorize the payment of property taxes by a monthly installment plan (in addition to the option of authorizing payments by automatic deductions from a checking account). Specifies that in the case of a taxpayer that pays property taxes by automatic deductions, the payment is deducted from the taxpayer's checking account on a date chosen by the taxpayer. Specifies that if a taxpayer makes automatic monthly deductions or monthly installments of property taxes in the amount determined by the county treasurer, the taxpayer's property tax payments shall not be considered delinquent and the taxpayer is not subject to penalties.

Effective: July 1, 2008.

Tallian, Kenley, Lanane, Rogers

January 8, 2008, read first time and referred to Committee on Tax and Fiscal Policy.
January 16, 2008, amended, reported favorably — Do Pass.
January 28, 2008, read second time, amended, ordered engrossed.

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Second Regular Session 115th General Assembly (2008)

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 2007 Regular Session of the General Assembly.

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SENATE BILL No. 208

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 6-1.1-22-9.7 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2008]: **Sec. 9.7. (a) As used in this section,**
4 **"current year" refers to the calendar year in which property taxes**
5 **are first due and payable and are subject to payment under this**
6 **section:**
7 (1) **by automatic deduction from a checking account; or**
8 (2) **under a monthly installment plan.**
9 (b) **As used in this section, "monthly installment plan" means a**
10 **plan that:**
11 (1) **is adopted under this section;**
12 (2) **provides for the monthly payment of tax liability; and**
13 (3) **does not involve an automatic deduction from a checking**
14 **account.**
15 (c) **As used in this section, "preceding year" refers to the**
16 **calendar year that immediately precedes the current year.**
17 (d) **As used in this section, "tax liability" includes liability for**



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special assessments and refers to liability for property taxes after the application of all allowed deductions and credits.

(e) The county fiscal body (as defined in IC 36-1-2-6) may at any time adopt an ordinance to allow all county taxpayers to pay one (1) or more installments of property taxes by any combination of the following:

(1) Automatic monthly deductions from a checking account.

(2) Payments under a monthly installment plan.

(f) An ordinance adopted under subsection (e):

(1) may apply to more than one (1) calendar year; and

(2) must include at least the following:

(A) Identification of the property tax installment or installments for which payment:

(i) by automatic deduction from a checking account; or

(ii) under a monthly installment plan;

is authorized.

(B) Provisions for notice to county taxpayers of the option to pay one (1) or more property tax installments:

(i) by automatic deduction from a checking account; or

(ii) under a monthly installment plan.

(C) Authority for the county treasurer to make available to county taxpayers a form to be completed by a taxpayer and submitted to the county treasurer to:

(i) direct the county treasurer to accept payment of the taxpayer's property taxes by automatic deduction from a checking account; and

(ii) authorize the institution that holds the taxpayer's checking account to deduct monthly the appropriate amount from the account and to pay that amount to the county treasurer.

However, this clause applies only if the county fiscal body has adopted an ordinance under this section to allow taxpayers to pay property taxes by automatic deductions from a checking account.

(D) Authority for the county treasurer to accept payment of the taxpayer's property taxes under a monthly installment plan. However, this clause applies only if the county fiscal body has adopted an ordinance under this section to allow taxpayers to pay property taxes by monthly installment payments under a monthly installment plan.

An ordinance adopted under subsection (e) may include a provision

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1 authorizing taxpayers to make monthly deductions or monthly
2 installment payments in an amount determined by the taxpayer
3 that is different from the amount otherwise determined by the
4 county treasurer under subsection (h), (i), (j), or (k).

5 (g) If an ordinance is adopted under subsection (e) to allow
6 taxpayers to pay property taxes by automatic deductions from a
7 checking account, the county treasurer shall provide to each
8 county taxpayer that submits to the county treasurer the form
9 referred to in subsection (f)(2)(C) a statement that includes at least
10 the following:

11 (1) The amount to be deducted monthly from the taxpayer's
12 checking account.

13 (2) Identification of the day each month, as chosen by the
14 taxpayer, when the deduction will be made.

15 (3) A calculation of the amount to be deducted.

16 (4) An explanation of the manner in which property taxes for
17 the current year will be reconciled under subsection (n) and
18 notice that any property tax payments for the current year
19 made by the taxpayer by means other than automatic
20 deduction from the taxpayer's checking account will be taken
21 into account in the reconciliation.

22 (5) An explanation of the penalties that apply if there are
23 insufficient funds in the taxpayer's checking account to cover
24 one (1) or more automatic deductions.

25 (h) This subsection applies only if the county treasurer
26 determines that at the time the calculation under subsection (g)(3)
27 is made the amount of tax liability for the current year has not
28 been determined. Subject to subsections (i) and (j), the county
29 treasurer shall do the following:

30 (1) Determine the following:

31 (A) For a parcel of real property, the most recently
32 determined amount of tax liability that applied to the
33 parcel for the preceding year.

34 (B) For a personal property return, the most recently
35 determined amount of tax liability that applied for the
36 personal property return for the same location for the
37 preceding year.

38 (C) For distributable property, the most recently
39 determined amount of tax liability that applied with
40 respect to the statement filed by the taxpayer under
41 IC 6-1.1-8-19 for the preceding year.

42 (D) For a mobile home subject to IC 6-1.1-7, the most

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recently determined amount of tax liability that applied to the mobile home for the preceding year.

(2) Determine the amount of the monthly deduction from the taxpayer's checking account or the amount due under a monthly installment plan in the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine under subdivision (1) the amount of tax liability that applied for the preceding year.

STEP TWO: Determine the quotient of:

(i) the number of property tax installments for the current year identified in the ordinance under subsection (f)(2)(A); divided by

(ii) the total number of property tax installments for the current year.

STEP THREE: Multiply the STEP ONE result by the STEP TWO result.

STEP FOUR: Determine the quotient of:

(i) the STEP THREE result; divided by

(ii) the number of monthly deductions or, in the case of payments under a monthly installment plan, the number of monthly installments.

(i) The county treasurer may determine the monthly deduction or the amount of the monthly installment due under a monthly installment plan in an amount different from the amount determined under subsection (h) if the county treasurer determines that changes in circumstances have caused the amount determined under subsection (h) to differ substantially from the tax liability likely to be determined for the current year.

(j) This subsection applies only if before an ordinance is adopted under subsection (e) the county treasurer determines to use provisional property tax statements under IC 6-1.1-22.5 for the current year. For purposes of determining the amount of the monthly deduction from the taxpayer's checking account or the amount of the taxpayer's monthly installment payment under a monthly installment plan, the county treasurer shall substitute for the tax liability that applied to the parcel for the preceding year under subsection (h) the tax liability to be indicated on the provisional statement.

(k) This subsection applies only if the county treasurer determines that at the time the calculation under subsection (g)(3) is made the amount of tax liability for the current year has been determined. The amount of the monthly deduction from the

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1 taxpayer's checking account or the amount of the taxpayer's
 2 monthly installment payment under a monthly installment plan is
 3 the amount of the tax liability for the current year payable in the
 4 installment or installments identified in the ordinance under
 5 subsection (f)(2)(A) divided by the number of monthly deductions.
 6 (l) Tax liability paid under this section by automatic deduction
 7 from a checking account is not finally discharged and the person
 8 has not paid the tax until the taxpayer's checking account is
 9 charged for the payment.
 10 (m) Penalties apply under IC 6-1.1-37-10 as specified in this
 11 section to taxes payable by automatic deduction from a checking
 12 account or by monthly installment payments under a monthly
 13 installment plan under this section.
 14 (n) After the last monthly checking account deduction or last
 15 monthly installment payment under a monthly installment plan
 16 under this section for the current year has been made and after the
 17 amount of tax liability for the current year has been determined,
 18 the county treasurer shall issue a reconciling statement to the
 19 taxpayer. Each reconciling statement must indicate at least the
 20 following:
 21 (1) The sum of:
 22 (A) the taxpayer's actual tax liability for the current year;
 23 plus
 24 (B) any penalty that applies for the current year.
 25 (2) The total amount paid for the current year by automatic
 26 deductions, monthly installment payments under a monthly
 27 installment plan, and by means other than automatic
 28 deductions or monthly installment payments.
 29 (3) If the amount under subdivision (1) exceeds the amount
 30 under subdivision (2), the deficiency is payable by the
 31 taxpayer:
 32 (A) as a final reconciliation of the tax liability; and
 33 (B) not later than thirty (30) days after the date of the
 34 reconciling statement.
 35 (4) If the amount under subdivision (2) exceeds the amount
 36 under subdivision (1), that the county treasurer will apply the
 37 excess as a credit against the taxpayer's tax liability for the
 38 immediately succeeding calendar year unless the taxpayer
 39 makes a claim for refund of the excess under IC 6-1.1-26.
 40 (o) The county auditor shall distribute tax collections under this
 41 section to the appropriate taxing units at the semiannual
 42 settlements under IC 6-1.1-27. However, this subsection does not

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1 prohibit a county treasurer from making an advance to a political
2 subdivision under IC 5-13-6-3 of a portion of the taxes collected.

3 (p) IC 6-1.1-15:

- 4 (1) does not apply to a statement provided under subsection
- 5 (g); and
- 6 (2) applies to a reconciling statement issued under subsection
- 7 (n).

8 (q) The following apply to a taxpayer that makes automatic
9 monthly deductions or monthly installments under this section:

10 (1) If a taxpayer makes automatic monthly deductions or
11 monthly installments of property taxes in the amount
12 determined by the county treasurer under subsection (h), (i),
13 (j), or (k), the taxpayer's property tax payments shall not be
14 considered delinquent for purposes of IC 6-1.1-37-10 and the
15 taxpayer is not subject to penalties under that section.

16 (2) If a taxpayer:

17 (A) makes automatic monthly deductions or monthly
18 installments of property taxes in an amount that is less
19 than the amount determined by the county treasurer under
20 subsection (h), (i), (j), or (k); and

21 (B) the total amount of property taxes paid by the taxpayer
22 under automatic monthly deductions, monthly
23 installments, or any other method by the May or
24 November due date is less than the amount determined by
25 the county treasurer under subsection (h), (i), (j), or (k)
26 that should have been paid by the taxpayer for the May or
27 November due date;

28 the penalty provisions of IC 6-1.1-37-10 apply to the
29 delinquent property taxes.

30 (r) IC 6-1.1-37-10 applies to any amounts due under a
31 reconciling statement issued under subsection (n) that are not paid
32 within thirty (30) days after the date of the reconciling statement,
33 as required under subsection (n)(3).

34 (s) For purposes of IC 6-1.1-24-1(a)(1):

35 (1) property taxes to be paid by automatic deduction or by
36 monthly installments under a monthly installment plan under
37 this section before June of the current year are considered to
38 be the taxpayer's spring installment of property taxes; and

39 (2) payment on a reconciling statement issued under
40 subsection (n) is considered to be due before the due date of
41 the first installment of property taxes payable in the year
42 immediately following the current year.

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1 SECTION 2. IC 6-1.1-22.5-6, AS AMENDED BY P.L.67-2006,
 2 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2008]: Sec. 6. (a) Except as provided in subsection (c), with
 4 respect to property taxes payable under this article on assessments
 5 determined for the 2003 assessment date or the assessment date in any
 6 later year, the county treasurer may, except as provided by section 7 of
 7 this chapter, use a provisional statement under this chapter if the
 8 county auditor fails to deliver the abstract for that assessment date to
 9 the county treasurer under IC 6-1.1-22-5 before March 16 of the year
 10 following the assessment date.

11 (b) The county treasurer shall give notice of the provisional
 12 statement, including disclosure of the method that is to be used in
 13 determining the tax liability to be indicated on the provisional
 14 statement, by publication one (1) time:

15 (1) in the form prescribed by the department of local government
 16 finance; and

17 (2) in the manner described in IC 6-1.1-22-4(b).

18 The notice may be combined with the notice required under section 10
 19 of this chapter.

20 (c) Subsection (a) does not apply if the county auditor fails to
 21 deliver the abstract as provided in IC 6-1.1-22-5(b).

22 **(d) Immediately upon determining to use provisional statements**
 23 **under subsection (a), the county treasurer shall give notice of the**
 24 **determination to the county fiscal body (as defined in IC 36-1-2-6).**

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SENATE MOTION

Madam President: I move that Senator Kenley be added as second author of Senate Bill 208.

TALLIAN

SENATE MOTION

Madam President: I move that Senators Lanane and Rogers be added as coauthors of Senate Bill 208.

TALLIAN

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 208, 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:

Replace the effective dates in SECTIONS 1 through 5 with "[EFFECTIVE JULY 1, 2008]".

Page 1, line 6, delete "section by automatic deduction from a" and insert "section:

- (1) by automatic deduction from a checking account; or
- (2) under a monthly installment plan."

Page 1, delete line 7, begin a new paragraph and insert:

"(b) As used in this section, "monthly installment plan" means a plan that:

- (1) is adopted under this section;
- (2) provides for the monthly payment of tax liability; and
- (3) does not involve an automatic deduction from a checking account."

Page 1, line 8, delete "(b)" and insert "(c)".

Page 1, line 10, delete "(c)" and insert "(d)".

Page 1, line 13, delete "(d)" and insert "(e)".

Page 1, line 15, delete "automatic monthly" and insert "any combination of the following:

- (1) Automatic monthly deductions from a checking account.
- (2) Payments under a monthly installment plan."

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- Page 1, delete line 16.
- Page 1, line 17, delete "(e)" and insert "(f)".
- Page 1, line 17, delete "(d):" and insert "(e):".
- Page 2, line 1, after "year;" insert "and".
- Page 2, delete lines 2 through 6.
- Page 2, line 7, delete "(3)" and insert "(2)".
- Page 2, line 9, delete "payment by automatic deduction" and insert
"payment:
(i) by automatic deduction from a checking account; or
(ii) under a monthly installment plan;
is authorized."
- Page 2, delete line 10.
- Page 2, line 12, delete "installments by" and insert **"installments:**
(i) by automatic deduction from a checking account; or
(ii) under a monthly installment plan."
- Page 2, delete line 13.
- Page 2, between lines 23 and 24, begin a new line double block indented and insert:
"(D) Authority for the county treasurer to accept payment of the taxpayer's property taxes under a monthly installment plan."
- Page 2, line 24, delete "(f)" and insert "(g)".
- Page 2, line 24, delete "(d)" and insert "(e)".
- Page 2, line 26, delete "(e)(3)(C)" and insert "(f)(2)(C)".
- Page 2, line 30, after "month" insert ", as chosen by the taxpayer,".
- Page 2, line 34, delete "(m)" and insert "(n)".
- Page 2, line 42, delete "(g)" and insert "(h)".
- Page 3, line 1, delete "(f)(3)" and insert "(g)(3)".
- Page 3, line 3, delete "(h) and (i)" and insert "(i) and (j)".
- Page 3, line 21, after "account" insert **"or the amount due under a monthly installment plan"**.
- Page 3, line 28, delete "(e)(3)(A);" and insert "(f)(2)(A);".
- Page 3, line 35, after "deductions" delete "." and insert **"or, in the case of payments under a monthly installment plan, the number of monthly installments."**
- Page 3, line 36, delete "(h)" and insert "(i)".
- Page 3, line 36, after "deduction" insert **"or the amount of the monthly installment due under a monthly installment plan"**.
- Page 3, line 38, delete "(g)" and insert "(h)".
- Page 3, line 40, delete "(g)" and insert "(h)".
- Page 3, line 41, after "year." insert **"Notwithstanding this subsection or subsections (h), (j), and (k), a county fiscal body that**

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adopts an ordinance under subsection (e) to allow taxpayers to pay property taxes by automatic monthly deductions from a checking account may include in the ordinance a provision authorizing a taxpayer to determine the amount of a monthly deduction that is different from the amount otherwise determined under this subsection or subsection (h), (j), or (k)."

Page 3, line 42, delete "(i)" and insert "(j)".

Page 4, line 1, delete "(d)" and insert "(e)".

Page 4, line 4, after "account" delete "," and insert **"or the amount of the taxpayer's monthly installment payment under a monthly installment plan,"**.

Page 4, line 6, delete "(g)" and insert "(h)".

Page 4, line 8, delete "(j)" and insert "(k)".

Page 4, line 9, delete "(f)(3)" and insert "(g)(3)".

Page 4, line 12, after "account" insert **"or the amount of the taxpayer's monthly installment payment under a monthly installment plan"**.

Page 4, line 14, delete "(e)(3)(A)" and insert "(f)(2)(A)".

Page 4, line 16, delete "(k)" and insert "(l)".

Page 4, line 20, delete "(l)" and insert "(m)".

Page 4, line 23, delete "(m)" and insert "(n)".

Page 4, line 23, after "deduction" insert **"or last monthly installment payment under a monthly installment plan"**.

Page 4, line 35, delete "deductions and" and insert **"deductions, monthly installment payments under a monthly installment plan, and"**.

Page 4, line 35, delete "deductions." and insert **"deductions or monthly installment payments."**

Page 5, line 1, after "that" delete ":" and insert **"the county treasurer will apply the excess as a credit against the taxpayer's tax liability for the immediately succeeding calendar year unless the taxpayer makes a claim for refund of the excess under IC 6-1.1-26."**

Page 5, delete lines 2 through 16, begin a new paragraph and insert:

"(o) The county auditor shall distribute tax collections under this section to the appropriate taxing units at the semiannual settlements under IC 6-1.1-27. However, this subsection does not prohibit a county treasurer from making an advance to a political subdivision under IC 5-13-6-3 of a portion of the taxes collected."

Page 5, line 19, delete "(f);" and insert "(g);".

Page 5, line 21, delete "(m)." and insert "(n).".

Page 5, line 23, delete "(m)" and insert "(n)".

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Page 5, line 26, after "deduction" insert "**or by monthly installments under a monthly installment plan**".

Page 5, line 30, delete "(m)" and insert "(n)".

Page 8, line 35, after "deduction" insert "**or by monthly installments under a monthly installment plan**".

Page 8, line 39, delete "IC 6-1.1-22-9.7(d)" and insert "**IC 6-1.1-22-9.7(e)**".

Page 8, line 40, after "deduction" insert "**or monthly installment**".

Page 9, line 2, after "deductions" insert "**or by monthly installments under a monthly installment plan**".

Page 9, line 5, delete "deductions or" and insert "**deductions, by monthly installments, or**".

Page 9, line 5, after "automatic deductions" insert "**or monthly installment payments**".

Page 10, line 1, after "deduction" insert "**or by monthly installments under a monthly installment plan**".

Page 10, line 5, delete "IC 6-1.1-22-9.7(d)" and insert "**IC 6-1.1-22-9.7(e)**".

Page 10, line 6, after "deduction" insert "**or monthly installment payment**".

Page 10, line 11, after "deductions" insert "**or by monthly installments under a monthly installment plan**".

Page 10, line 13, after "deductions" insert "**, by monthly installments,**".

Page 10, line 14, after "deductions" insert "**or monthly installment payments**".

and when so amended that said bill do pass.

(Reference is to SB 208 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 208 be amended to read as follows:

Page 2, between lines 30 and 31, begin a new line double block indented and insert:

"However, this clause applies only if the county fiscal body

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has adopted an ordinance under this section to allow taxpayers to pay property taxes by automatic deductions from a checking account."

Page 2, line 33, after "plan." insert **"However, this clause applies only if the county fiscal body has adopted an ordinance under this section to allow taxpayers to pay property taxes by monthly installment payments under a monthly installment plan."**

Page 2, between lines 33 and 34, begin a new line blocked left and insert:

"An ordinance adopted under subsection (e) may include a provision authorizing taxpayers to make monthly deductions or monthly installment payments in an amount determined by the taxpayer that is different from the amount otherwise determined by the county treasurer under subsection (h), (i), (j), or (k)."

Page 2, line 34, after "(e)" delete "," and insert **" to allow taxpayers to pay property taxes by automatic deductions from a checking account,"**.

Page 3, line 7, delete "under IC 6-1.1-37-10.3".

Page 4, line 13, delete "Notwithstanding this".

Page 4, delete lines 14 through 20.

Page 5, line 2, delete "IC 6-1.1-37-10.3 and IC 6-1.1-37-10.4" and insert **"IC 6-1.1-37-10 as specified in this section"**.

Page 5, line 3, after "account" insert **"or by monthly installment payments under a monthly installment plan"**.

Page 5, line 15, delete "under" and insert ".".

Page 5, delete line 16.

Page 5, line 22, delete "that the excess" and insert **"the deficiency"**.

Page 5, between lines 41 and 42, begin a new paragraph and insert:

"(q) The following apply to a taxpayer that makes automatic monthly deductions or monthly installments under this section:

- (1) If a taxpayer makes automatic monthly deductions or monthly installments of property taxes in the amount determined by the county treasurer under subsection (h), (i), (j), or (k), the taxpayer's property tax payments shall not be considered delinquent for purposes of IC 6-1.1-37-10 and the taxpayer is not subject to penalties under that section.**

(2) If a taxpayer:

- (A) makes automatic monthly deductions or monthly installments of property taxes in an amount that is less than the amount determined by the county treasurer under subsection (h), (i), (j), or (k); and**

(B) the total amount of property taxes paid by the taxpayer

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under automatic monthly deductions, monthly installments, or any other method by the May or November due date is less than the amount determined by the county treasurer under subsection (h), (i), (j), or (k) that should have been paid by the taxpayer for the May or November due date;

the penalty provisions of IC 6-1.1-37-10 apply to the delinquent property taxes."

Page 5, line 42, delete "(q)" and insert "(r)".

Page 5, line 42, after "to" insert "**any amounts due under**".

Page 6, line 1, delete "in the same manner that IC 6-1.1-37-10" and insert "**that are not paid within thirty (30) days after the date of the reconciling statement, as required under subsection (n)(3).**".

Page 6, delete line 2.

Page 6, line 3, delete "(r)" and insert "(s)".

Page 6, delete lines 36 through 42.

Delete pages 7 through 11.

Renumber all SECTIONS consecutively.

(Reference is to SB 208 as printed January 17, 2008.)

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