
SENATE BILL No. 234

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-20.6.

Synopsis: Homestead property tax bill cap. Provides a tax credit for homestead property that limits property tax increases to 5% per year (excluding the part of an increase attributable to an improvement or expansion of the homestead property).

Effective: January 1, 2012.

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January 6, 2011, read first time and referred to Committee on Appropriations.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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SENATE BILL No. 234



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 6-1.1-20.6-3, AS AMENDED BY P.L.146-2008,
2 SECTION 219, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JANUARY 1, 2012]: Sec. 3. As used in this chapter,
4 "property tax liability" means, for purposes of:
5 (1) this chapter, other than ~~section~~ **sections 8.5 and 8.9** of this
6 chapter, liability for the tax imposed on property under this article
7 determined after application of all credits and deductions under
8 this article or IC 6-3.5, except the credit under this chapter, but
9 does not include any interest or penalty imposed under this
10 article; ~~and~~
11 (2) section 8.5 of this chapter, liability for the tax imposed on
12 property under this article determined after application of all
13 credits and deductions under this article or IC 6-3.5, including the
14 credit granted by section 7 or 7.5 of this chapter, but not including
15 the credit granted under section 8.5 **or 8.9** of this chapter or any
16 interest or penalty imposed under this article; **and**
17 (3) **section 8.9 of this chapter, liability for the tax imposed on**



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property under this article determined after application of all credits and deductions under this article or IC 6-3.5, including the credit granted by section 7 or 7.5 of this chapter, but not including the credit granted under section 8.5 or 8.9 of this chapter or any interest or penalty imposed under this article.

SECTION 2. IC 6-1.1-20.6-8.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: **Sec. 8.9. (a) This section applies to property taxes imposed for an assessment date after January 15, 2011.**

(b) A taxpayer is entitled to an additional credit under this section for property taxes first due and payable for a calendar year on a homestead.

(c) The amount of the credit is equal to the greater of zero (0) or the result of:

(1) the property tax liability first due and payable on the homestead for the calendar year; minus

(2) the result of:

(A) the property tax liability first due and payable on the homestead for the immediately preceding year after the application of the credit granted under this section for that year; multiplied by

(B) one and five-hundredths (1.05).

However, property tax liability attributable to any improvements to or expansion of the homestead that occurred after the assessment date for which property tax liability described in subdivision (2) was imposed shall not be considered in determining the credit granted under this section in the current calendar year.

(d) If a taxpayer that would otherwise be eligible for a credit under this section on homestead property is also eligible for a credit under section 8.5 of this chapter on the same homestead property, the credit under section 8.5 of this chapter and not this section shall be applied to the taxpayer's eligible homestead property.

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