

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7311

BILL NUMBER: HB 1425

NOTE PREPARED: Jan 12, 2013

BILL AMENDED:

SUBJECT: Property tax exemption.

FIRST AUTHOR: Rep. Porter

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that in the case of a ministry that: (1) is exempt from federal income taxes; (2) owns an eligible property; (3) acquired the eligible property after the 2012 assessment date; and (4) redeemed the eligible property after it was sold for delinquent taxes in 2012; the ministry is not required to pay any property taxes, penalties, or interest with respect to the parcel for the March 1, 2012, assessment date if the taxpayer submits an exemption application for the parcel before September 1, 2013, and demonstrates that the parcel would have qualified for an exemption if an exemption application had been filed in a timely manner. It provides that the ministry is entitled to a refund for any back taxes, penalties, and interest paid with respect to the eligible property or for any amount paid to redeem the eligible property.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under this provision, owners of real property located in Marion County would receive an exemption from property tax for taxes payable in 2013 if:

- 1) The owner is exempt from federal income taxes;
- 2) The owner owns a vacant parcel of real property in Marion County that is used for educational, literary, scientific, religious, or charitable purposes;
- 3) The owner acquired the eligible property after the 2012 assessment date and redeemed the eligible

property after it was sold for delinquent taxes in 2012;

4)The owner would have qualified for the exemption in 2013 if it had been timely filed; and

5) The owner files an exemption application before September 1, 2013.

Under this provision, the tax bill for 2013 would be cancelled. The ministry would also be entitled to a refund for any back taxes, penalties, and interest paid in 2010, 2011, and 2012 with respect to the eligible property, or for any amount paid to redeem the eligible property.

One taxpayer has been identified as qualifying for an exemption under this provision. The amount paid to redeem the property in 2012 is estimated at approximately \$9,161. The tax bill for 2013 is estimated at approximately \$4,128. For 2012, and 2013, if applicable, the local taxing units and school corporation located in the affected taxing district would forego receipt of their share of the amount due.

The Marion County Treasurer's office indicated that a property tax exemption was filed for this property in July 2012, but has not yet been approved.

State Agencies Affected:

Local Agencies Affected: Local Taxing Units in the affected district.

Information Sources: OFMA Property Tax Database; Ms Judi Jessup, Marion County Treasurer's Office, 317-327-4001.

Fiscal Analyst: David Lusan, 317-232-9592.