



January 29, 2020

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## SENATE BILL No. 292

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DIGEST OF SB 292 (Updated January 28, 2020 2:11 pm - DI 125)

**Citations Affected:** IC 6-1.1.

**Synopsis:** County option circuit breaker tax credit. Authorizes a county fiscal body to adopt an ordinance to provide a credit against property tax liability for qualified individuals. Defines a "qualified individual" for purposes of the credit. Provides that the ordinance may designate: (1) all of the territory of the county; or (2) one or more specific geographic territories within the county; as an area in which qualified individuals may apply for the credit. Provides that the credit amount is equal to the amount by which property taxes on the property increased by more than 2% from the prior year. Requires a qualified individual who desires to claim the credit to file a certified statement with the county auditor. Provides that the county auditor shall apply the credit in succeeding years after the certified statement is filed unless the auditor determines that the individual is no longer eligible for the credit or the county fiscal body rescinds the ordinance. Provides a penalty for wrongly receiving the credit that is the same as the penalty for wrongly receiving the homestead standard deduction.

**Effective:** July 1, 2020.

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### Sandlin, Buchanan

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January 9, 2020, read first time and referred to Committee on Tax and Fiscal Policy.  
January 28, 2020, amended, reported favorably — Do Pass.

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SB 292—LS 7097/DI 120





January 29, 2020

Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

## SENATE BILL No. 292

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 6-1.1-49 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2020]:

4 **Chapter 49. County Option Circuit Breaker Tax Credit**

5 **Sec. 1. As used in this chapter, "homestead" refers to a**  
6 **homestead that has been granted a standard deduction under**  
7 **IC 6-1.1-12-37.**

8 **Sec. 2. As used in this chapter, "qualified individual" means an**  
9 **individual who:**

10 (1) **qualified for a standard deduction granted under**  
11 **IC 6-1.1-12-37 for the individual's homestead property in the**  
12 **immediately preceding calendar year (or was married at the**  
13 **time of death to a deceased spouse who qualified for a**  
14 **standard deduction granted under IC 6-1.1-12-37 for the**  
15 **individual's homestead property in the immediately preceding**  
16 **calendar year);**

17 (2) **qualifies for a standard deduction granted under**

SB 292—LS 7097/DI 120



1 IC 6-1.1-12-37 for the same homestead property in the  
2 current calendar year;

3 (3) has lived in the homestead for at least three (3) years on or  
4 before December 31 of the calendar year immediately  
5 preceding the current calendar year; and

6 (4) had:

7 (A) in the case of an individual who filed a single return,  
8 adjusted gross income (as defined in Section 62 of the  
9 Internal Revenue Code) not exceeding the amount  
10 specified in the ordinance adopted by the county under  
11 section 3(c)(2) of this chapter; or

12 (B) in the case of an individual who filed a joint income tax  
13 return with the individual's spouse, combined adjusted  
14 gross income (as defined in Section 62 of the Internal  
15 Revenue Code) not exceeding the amount specified in the  
16 ordinance adopted by the county under section 3(c)(2) of  
17 this chapter;

18 for the calendar year preceding by two (2) years the calendar  
19 year in which property taxes are first due and payable.

20 Sec. 3. (a) A county fiscal body may adopt an ordinance to  
21 provide a credit against a qualified individual's property tax  
22 liability as set forth in this chapter.

23 (b) An ordinance adopted under this section may designate:

24 (1) all of the territory of the county; or

25 (2) one (1) or more specific geographic territories within the  
26 county;

27 as an area in which qualified individuals may apply for the credit.

28 (c) An ordinance adopted under this section must:

29 (1) include a boundary description of the geographic area or  
30 areas to which the ordinance applies; and

31 (2) specify the income thresholds for a qualified individual  
32 under section 2(4)(A) and 2(4)(B) of this chapter, if any.

33 (d) If a proposal is presented to the county fiscal body to adopt  
34 an ordinance under this section, the county fiscal body shall hear  
35 the proposal at a public meeting of the county fiscal body and may  
36 then vote to adopt the ordinance at the next meeting of the county  
37 fiscal body.

38 (e) The county fiscal body may rescind an ordinance adopted  
39 under this section.

40 (f) An ordinance adopted under this section is effective January  
41 1 of the year following the year in which the ordinance is adopted.

42 Sec. 4. If a county fiscal body adopts an ordinance to either



1 provide the credit under this chapter or rescind an ordinance  
 2 previously adopted, the county fiscal body shall give notice of the  
 3 adoption of the ordinance to:

- 4 (1) the department of local government finance on the form  
 5 and in the manner prescribed by the department of local  
 6 government finance;  
 7 (2) the county auditor; and  
 8 (3) the fiscal officer of each taxing unit within the geographic  
 9 area or areas to which the ordinance applies;

10 including a certified copy of the adopted ordinance.

11 Sec. 5. A qualified individual who desires to claim the credit  
 12 under this chapter must apply for the credit by filing a certified  
 13 statement on forms prescribed by the department of local  
 14 government finance with the county auditor. However, a qualified  
 15 individual who remains eligible for the credit in the following year  
 16 is not required to file a statement to apply for the credit in the  
 17 following year.

18 Sec. 6. The amount of the credit under this chapter is equal to  
 19 the greater of zero (0) or the result of:

20 (1) the property tax liability first due and payable on the  
 21 qualified individual's homestead property for the calendar  
 22 year; minus

23 (2) the result of:

24 (A) the property tax liability first due and payable on the  
 25 qualified individual's homestead property for the  
 26 immediately preceding year after the application of the  
 27 credit granted under this section for that year; multiplied  
 28 by

29 (B) one and two-hundredths (1.02).

30 However, the credit provided by this chapter shall not apply to any  
 31 portion of property tax liability imposed on a qualified individual's  
 32 homestead property that is used for trade or business purposes in  
 33 connection with the production of income.

34 Sec. 7. The auditor of each county shall, in a particular year,  
 35 apply a credit provided under this chapter to each qualified  
 36 individual who received the credit in the preceding year unless the  
 37 county auditor determines that the individual is no longer eligible  
 38 for the credit or the county fiscal body rescinds the ordinance that  
 39 provided the credit.

40 Sec. 8. (a) If an individual who is receiving the credit provided  
 41 by this chapter:

- 42 (1) knows or should have known that the individual does not



1           **qualify for the credit under this chapter; or**  
2           **(2) changes the use of the individual's property so that part or**  
3           **all of the property no longer qualifies for the credit under this**  
4           **chapter;**  
5           **the individual must file a certified statement with the county**  
6           **auditor, notifying the county auditor that subdivision (1) or (2)**  
7           **applies, not more than sixty (60) days after the date subdivision (1)**  
8           **or (2) first applies.**  
9           **(b) An individual who fails to file the statement required by this**  
10           **section is liable for any additional taxes that would have been due**  
11           **on the property if the individual had filed the statement as**  
12           **required by this section, plus a civil penalty equal to ten percent**  
13           **(10%) of the additional taxes due. The additional taxes owed plus**  
14           **the civil penalty become part of the property tax liability for**  
15           **purposes of this article.**  
16           **(c) The civil penalty imposed under this section is in addition to**  
17           **any interest and penalties for a delinquent payment that might**  
18           **otherwise be due. One percent (1%) of the total civil penalty**  
19           **collected under this section shall be transferred by the county to**  
20           **the department of local government finance for use by the**  
21           **department in establishing and maintaining the homestead**  
22           **property data base under IC 6-1.1-12-37(i) and, to the extent there**  
23           **is money remaining, for any other purposes of the department.**



## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 292, 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:

Page 1, delete lines 1 through 17.

Delete pages 2 through 4.

Page 5, delete lines 1 through 2.

Page 5, line 6, delete "Senior Homestead Assessed Value Deduction" and insert "**County Option Circuit Breaker Tax Credit**".

Page 5, delete lines 10 through 42, begin a new paragraph and insert:

**"Sec. 2. As used in this chapter, "qualified individual" means an individual who:**

**(1) qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year (or was married at the time of death to a deceased spouse who qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year);**

**(2) qualifies for a standard deduction granted under IC 6-1.1-12-37 for the same homestead property in the current calendar year;**

**(3) has lived in the homestead for at least three (3) years on or before December 31 of the calendar year immediately preceding the current calendar year; and**

**(4) had:**

**(A) in the case of an individual who filed a single return, adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding the amount specified in the ordinance adopted by the county under section 3(c)(2) of this chapter; or**

**(B) in the case of an individual who filed a joint income tax return with the individual's spouse, combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding the amount specified in the ordinance adopted by the county under section 3(c)(2) of this chapter;**

**for the calendar year preceding by two (2) years the calendar year in which property taxes are first due and payable.**

**Sec. 3. (a) A county fiscal body may adopt an ordinance to**



provide a credit against a qualified individual's property tax liability as set forth in this chapter.

(b) An ordinance adopted under this section may designate:

- (1) all of the territory of the county; or
- (2) one (1) or more specific geographic territories within the county;

as an area in which qualified individuals may apply for the credit.

(c) An ordinance adopted under this section must:

- (1) include a boundary description of the geographic area or areas to which the ordinance applies; and
- (2) specify the income thresholds for a qualified individual under section 2(4)(A) and 2(4)(B) of this chapter, if any.

(d) If a proposal is presented to the county fiscal body to adopt an ordinance under this section, the county fiscal body shall hear the proposal at a public meeting of the county fiscal body and may then vote to adopt the ordinance at the next meeting of the county fiscal body.

(e) The county fiscal body may rescind an ordinance adopted under this section.

(f) An ordinance adopted under this section is effective January 1 of the year following the year in which the ordinance is adopted.

Sec. 4. If a county fiscal body adopts an ordinance to either provide the credit under this chapter or rescind an ordinance previously adopted, the county fiscal body shall give notice of the adoption of the ordinance to:

- (1) the department of local government finance on the form and in the manner prescribed by the department of local government finance;
- (2) the county auditor; and
- (3) the fiscal officer of each taxing unit within the geographic area or areas to which the ordinance applies;

including a certified copy of the adopted ordinance.

Sec. 5. A qualified individual who desires to claim the credit under this chapter must apply for the credit by filing a certified statement on forms prescribed by the department of local government finance with the county auditor. However, a qualified individual who remains eligible for the credit in the following year is not required to file a statement to apply for the credit in the following year.

Sec. 6. The amount of the credit under this chapter is equal to the greater of zero (0) or the result of:

- (1) the property tax liability first due and payable on the





qualified individual's homestead property for the calendar year; minus

(2) the result of:

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

(B) one and two-hundredths (1.02).

However, the credit provided by this chapter shall not apply to any portion of property tax liability imposed on a qualified individual's homestead property that is used for trade or business purposes in connection with the production of income.

**Sec. 7. The auditor of each county shall, in a particular year, apply a credit provided under this chapter to each qualified individual who received the credit in the preceding year unless the county auditor determines that the individual is no longer eligible for the credit or the county fiscal body rescinds the ordinance that provided the credit."**

Page 6, delete lines 1 through 12.

Page 6, line 13, delete "Sec. 7." and insert "**Sec. 8.**".

Page 6, line 13, delete "deduction" and insert "**credit**".

Page 6, line 16, delete "deduction" and insert "**credit**".

Page 6, line 18, delete "deduction" and insert "**credit**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 292 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 9, Nays 2.

