## **SENATE BILL No. 46**

AM004606 has been incorporated into February 1, 2023 printing.

Synopsis: County option circuit breaker tax credit.

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SB 46—LS 6362/DI 120



First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

## **SENATE BILL No. 46**

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 <b>NEW</b> CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3	JULY 1, 2023]:

Chapter 49. County Option Circuit Breaker Tax Credit

- Sec. 1. As used in this chapter, "homestead" refers to a homestead that has been granted a standard deduction under IC 6-1.1-12-37.
- Sec. 2. As used in this chapter, "neighborhood enhancement district" refers to a geographic territory designated by a county fiscal body and established as a designated area in an ordinance adopting a county option circuit breaker tax credit under section 4 of this chapter.
- Sec. 3. 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

SB 46—LS 6362/DI 120



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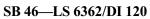


1	standard deduction granted under IC 6-1.1-12-37 for the	
2	individual's homestead property in the immediately	
3	preceding calendar year);	
4	(2) qualifies for a standard deduction granted under	
5	IC 6-1.1-12-37 for the same homestead property in the	
6	current calendar year;	
7	(3) has lived in the homestead for at least ten (10) years on or	
8	before December 31 of the calendar year immediately	
9	preceding the current calendar year;	
10	(4) is fifty-five (55) years of age or older on or before	
11	December 31 of the calendar year preceding the year in	
12	which the credit is claimed; and	
13	(5) had:	
14	(A) in the case of an individual who filed a single return,	
15	adjusted gross income (as defined in Section 62 of the	
16	Internal Revenue Code) not exceeding the amount	
17	specified in the ordinance adopted by the county under	
18	section 4(c)(2) of this chapter; or	
19	(B) in the case of an individual who filed a joint income	
20	tax return with the individual's spouse, combined	
21	adjusted gross income (as defined in Section 62 of the	
22	Internal Revenue Code) not exceeding the amount	
23	specified in the ordinance adopted by the county under	
24	section 4(c)(2) of this chapter;	
25	for the calendar year preceding by two (2) years the calendar	
26	year in which property taxes are first due and payable.	
27	Sec. 4. (a) Subject to subsection (g), a county fiscal body may	
28	adopt an ordinance to provide a credit against a qualified	
29	individual's property tax liability as set forth in this chapter.	
30	(b) An ordinance adopted under this section may designate a	
31	neighborhood enhancement district. A neighborhood enhancement	
32	district may include:	
33	(1) all of the territory of the county; or	
34	(2) one (1) or more specific geographic territories within the	
35	county;	
36	as an area in which qualified individuals may apply for the credit.	
37	(c) Subject to subsection (g), an ordinance adopted under this	
38	section must:	
39	(1) include a boundary description of the neighborhood	
40	enhancement district or districts to which the ordinance	
41	applies;	
42	(2) specify the income thresholds for a qualified individual	

SB 46—LS 6362/DI 120

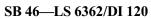


1	under section $3(5)(A)$ and $3(5)(B)$ of this chapter, if any; and	
2	(3) specify the amount of the credit to be claimed under	
3	section 7(2)(B) of this chapter. The credit percentage must be	
4	at least two percent (2%) but not more than five percent	
5	(5%).	
6	(d) If a proposal is presented to the county fiscal body to adopt	
7	an ordinance under this section, the county fiscal body shall hear	
8	the proposal at a public meeting of the county fiscal body and may	
9	then vote to adopt the ordinance at the next meeting of the county	
0	fiscal body.	
1	(e) The county fiscal body may rescind an ordinance adopted	
2	under this section.	
3	(f) An ordinance adopted under this section is effective	
4	January 1 of the year following the year in which the ordinance is	
5	adopted.	
6	(g) A county fiscal body shall prescribe the same income	
7	thresholds, credit amounts, and any other requirements related to	
8	eligibility for each neighborhood enhancement district designated	
9	in the county.	
0	Sec. 5. 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	
9	neighborhood enhancement district or districts to which the	
0	ordinance applies;	
1	including a certified copy of the adopted ordinance.	
2	Sec. 6. (a) A qualified individual who desires to claim the	
3	credit under this chapter must apply for the credit by filing a	
4	certified statement on forms prescribed by the department of local	
5	government finance with the county auditor. However, a qualified	
6	individual who remains eligible for the credit in the following year	
7	is not required to file a statement to apply for the credit in the	
8	following year.	
9	(b) Not more than one (1) credit may be claimed under this	
0	chapter with respect to a particular homestead by any qualified	
1	individual.	_
2	Sec. 7. The amount of the credit under this chapter is equal to	





1	the greater of zero (0) or the result of:	
2	(1) the property tax liability first due and payable on the	
3	qualified individual's homestead property for the calendar	
4	year (excluding any property tax liability imposed in a voter	
5	approved referendum levy); minus	
6	(2) the result of:	
7	(A) the property tax liability first due and payable on	
8	the qualified individual's homestead property for the	
9	immediately preceding year after the application of the	
.0	credit granted under this section for that year	
.1	(excluding any property tax liability imposed in a voter	
2	approved referendum levy); multiplied by	
3	(B) the credit percentage adopted in an ordinance under	
4	section 4(c)(3) of this chapter.	
.5	However, the credit provided by this chapter shall not apply to any	
.6	portion of property tax liability imposed on a qualified individual's	
.7	homestead property that is used for trade or business purposes in	
.8	connection with the production of income. In addition, the credit	
9	does not affect the allocation of taxes to a referendum fund.	
20	Sec. 8. If the ownership of a homestead for which a qualified	
21	individual received a credit under this chapter changes, and the	
22	qualified individual no longer owns or principally resides in the	
23	homestead, the county auditor shall remove the designation of the	
24	individual as a qualified individual with respect to that homestead.	
25	Sec. 9. The auditor of each county shall, in a particular year,	
26	apply a credit provided under this chapter to each qualified	
27	individual who received the credit in the preceding year unless the	
28	county auditor determines that the individual is no longer eligible	
29	for the credit or the county fiscal body rescinds the ordinance that	
80	provided the credit.	
31	Sec. 10. (a) If an individual who is receiving the credit	
32	provided by this chapter:	
33	(1) knows or should have known that the individual does not	
34	qualify for the credit under this chapter; or	
35	(2) changes the use of the individual's property so that part	
86	or all of the property no longer qualifies for the credit under	
37	this chapter;	
88	the individual must file a certified statement with the county	
39	auditor, notifying the county auditor that subdivision (1) or (2)	
10	applies, not more than sixty (60) days after the date subdivision (1)	
1	or (2) first applies.	
12	(b) An individual who fails to file the statement required by	





this sect	ion is liable for any additional taxes that would have beer
due on t	the property if the individual had filed the statement as
required	d by this section, plus a civil penalty equal to ten percen
(10%) o	f the additional taxes due. The additional taxes owed plus
the civil	penalty become part of the property tax liability for
purpose	s of this article.

(c) The civil penalty imposed under this section is in addition to any interest and penalties for a delinquent payment that might otherwise be due. One percent (1%) of the total civil penalty collected under this section shall be transferred by the county to the department of local government finance for use by the department in establishing and maintaining the homestead property data base under IC 6-1.1-12-37(i) and, to the extent there is money remaining, for any other purposes of the department.

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SB 46—LS 6362/DI 120

