
SENATE BILL No. 325

AM032517 has been incorporated into February 28, 2023 printing.

Synopsis: Homestead standard deduction.

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Reprinted
February 28, 2023

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.

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SENATE BILL No. 325

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 6-1.1-12-17.8, AS AMENDED BY P.L.174-2022,
2 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2024]: Sec. 17.8. (a) An individual who receives a
4 deduction provided under section 9, 11, 13, 14, 16, 17.4 (before its
5 expiration), or 37 of this chapter in a particular year and who remains
6 eligible for the deduction in the following year is not required to file a
7 statement to apply for the deduction in the following year. However, for
8 purposes of a deduction under section 37 of this chapter, the county
9 auditor may, in the county auditor's discretion, terminate the deduction
10 for assessment dates after January 15, 2012, if the individual does not
11 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
12 1, 2015), as determined by the county auditor, before January 1, 2013.
13 Before the county auditor terminates the deduction because the
14 taxpayer claiming the deduction did not comply with the requirement
15 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,
16 2013, the county auditor shall mail notice of the proposed termination
17 of the deduction to:

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1 (1) the last known address of each person liable for any property
2 taxes or special assessment, as shown on the tax duplicate or
3 special assessment records; or

4 (2) the last known address of the most recent owner shown in the
5 transfer book.

6 (b) An individual who receives a deduction provided under section
7 9, 11, 13, 14, 16, or 17.4 (before its expiration) of this chapter in a
8 particular year and who becomes ineligible for the deduction in the
9 following year shall notify the auditor of the county in which the real
10 property, mobile home, or manufactured home for which the individual
11 claims the deduction is located of the individual's ineligibility in the
12 year in which the individual becomes ineligible. An individual who
13 becomes ineligible for a deduction under section 37 of this chapter
14 shall notify the county auditor of the county in which the property is
15 located in conformity with section 37 of this chapter.

16 (c) The auditor of each county shall, in a particular year, apply a
17 deduction provided under section 9, 11, 13, 14, 16, 17.4 (before its
18 expiration), or 37 of this chapter to each individual who received the
19 deduction in the preceding year unless the auditor determines that the
20 individual is no longer eligible for the deduction.

21 (d) An individual who receives a deduction provided under section
22 9, 11, 13, 14, 16, 17.4 (before its expiration), or 37 of this chapter for
23 property that is jointly held with another owner in a particular year and
24 remains eligible for the deduction in the following year is not required
25 to file a statement to reapply for the deduction following the removal
26 of the joint owner if:

27 (1) the individual is the sole owner of the property following the
28 death of the individual's spouse; or

29 (2) the individual is the sole owner of the property following the
30 death of a joint owner who was not the individual's spouse.

31 If a county auditor terminates a deduction under section 9 of this
32 chapter, a deduction under section 37 of this chapter, or a credit under
33 IC 6-1.1-20.6-8.5 after June 30, 2017, and before May 1, 2019, because
34 the taxpayer claiming the deduction or credit did not comply with a
35 requirement added to this subsection by P.L.255-2017 to reapply for
36 the deduction or credit, the county auditor shall reinstate the deduction
37 or credit if the taxpayer provides proof that the taxpayer is eligible for
38 the deduction or credit and is not claiming the deduction or credit for
39 any other property.

40 (e) A trust entitled to a deduction under section 9, 11, 13, 14, 16,
41 17.4 (before its expiration), or 37 of this chapter for real property
42 owned by the trust and occupied by an individual in accordance with

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1 section 17.9 of this chapter is not required to file a statement to apply
2 for the deduction, if:

- 3 (1) the individual who occupies the real property receives a
4 deduction provided under section 9, 11, 13, 14, 16, 17.4 (before
5 its expiration), or 37 of this chapter in a particular year; and
6 (2) the trust remains eligible for the deduction in the following
7 year.

8 However, for purposes of a deduction under section 37 of this chapter,
9 the individuals that qualify the trust for a deduction must comply with
10 the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015)
11 before January 1, 2013.

12 (f) A cooperative housing corporation (as defined in 26 U.S.C.
13 216) that is entitled to a deduction under section 37 of this chapter in
14 the immediately preceding calendar year for a homestead (as defined
15 in section 37 of this chapter) is not required to file a statement to apply
16 for the deduction for the current calendar year if the cooperative
17 housing corporation remains eligible for the deduction for the current
18 calendar year. However, the county auditor may, in the county auditor's
19 discretion, terminate the deduction for assessment dates after January
20 15, 2012, if the individual does not comply with the requirement in
21 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the
22 county auditor, before January 1, 2013. Before the county auditor
23 terminates a deduction because the taxpayer claiming the deduction did
24 not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired
25 January 1, 2015) before January 1, 2013, the county auditor shall mail
26 notice of the proposed termination of the deduction to:

- 27 (1) the last known address of each person liable for any property
28 taxes or special assessment, as shown on the tax duplicate or
29 special assessment records; or
30 (2) the last known address of the most recent owner shown in the
31 transfer book.

32 (g) An individual who:

- 33 (1) was eligible for a homestead credit under IC 6-1.1-20.9
34 (repealed) for property taxes imposed for the March 1, 2007, or
35 January 15, 2008, assessment date; or
36 (2) would have been eligible for a homestead credit under
37 IC 6-1.1-20.9 (repealed) for property taxes imposed for the
38 March 1, 2008, or January 15, 2009, assessment date if
39 IC 6-1.1-20.9 had not been repealed;

40 is not required to file a statement to apply for a deduction under section
41 37 of this chapter if the individual remains eligible for the deduction in
42 the current year. An individual who filed for a homestead credit under

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1 IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if
 2 the property is real property), or after January 1, 2008 (if the property
 3 is personal property), shall be treated as an individual who has filed for
 4 a deduction under section 37 of this chapter. However, the county
 5 auditor may, in the county auditor's discretion, terminate the deduction
 6 for assessment dates after January 15, 2012, if the individual does not
 7 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
 8 1, 2015), as determined by the county auditor, before January 1, 2013.
 9 Before the county auditor terminates the deduction because the
 10 taxpayer claiming the deduction did not comply with the requirement
 11 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,
 12 2013, the county auditor shall mail notice of the proposed termination
 13 of the deduction to the last known address of each person liable for any
 14 property taxes or special assessment, as shown on the tax duplicate or
 15 special assessment records, or to the last known address of the most
 16 recent owner shown in the transfer book.

17 (h) If a county auditor terminates a deduction because the taxpayer
 18 claiming the deduction did not comply with the requirement in
 19 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013,
 20 the county auditor shall reinstate the deduction if the taxpayer provides
 21 proof that the taxpayer is eligible for the deduction and is not claiming
 22 the deduction for any other property.

23 (i) A taxpayer described in section 37(k) of this chapter is not
 24 required to file a statement to apply for the deduction provided by
 25 section 37 of this chapter for a calendar year beginning after December
 26 31, 2008, if the property owned by the taxpayer remains eligible for the
 27 deduction for that calendar year. However, the county auditor may
 28 terminate the deduction for assessment dates after January 15, 2012, if
 29 the individual residing on the property owned by the taxpayer does not
 30 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
 31 1, 2015), as determined by the county auditor, before January 1, 2013.
 32 Before the county auditor terminates a deduction because the
 33 individual residing on the property did not comply with the
 34 requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before
 35 January 1, 2013, the county auditor shall mail notice of the proposed
 36 termination of the deduction to:

- 37 (1) the last known address of each person liable for any property
- 38 taxes or special assessment, as shown on the tax duplicate or
- 39 special assessment records; or
- 40 (2) the last known address of the most recent owner shown in the
- 41 transfer book.

42 SECTION 2. IC 6-1.1-12-37, AS AMENDED BY P.L.174-2022,

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1 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2024]: Sec. 37. (a) The following definitions apply
3 throughout this section:

4 (1) "Dwelling" means any of the following:

5 (A) Residential real property improvements that an
6 individual uses as the individual's residence, ~~including a~~
7 ~~house or garage.~~ **limited to a single house and a single**
8 **garage, regardless of whether the single garage is**
9 **attached to the single house or detached from the single**
10 **house.**

11 (B) A mobile home that is not assessed as real property that
12 an individual uses as the individual's residence.

13 (C) A manufactured home that is not assessed as real
14 property that an individual uses as the individual's
15 residence.

16 (2) "Homestead" means an individual's principal place of
17 residence:

18 (A) that is located in Indiana;

19 (B) that:

20 (i) the individual owns;

21 (ii) the individual is buying under a contract recorded
22 in the county recorder's office, or evidenced by a
23 memorandum of contract recorded in the county
24 recorder's office under IC 36-2-11-20, that provides
25 that the individual is to pay the property taxes on the
26 residence, and that obligates the owner to convey title
27 to the individual upon completion of all of the
28 individual's contract obligations;

29 (iii) the individual is entitled to occupy as a
30 tenant-stockholder (as defined in 26 U.S.C. 216) of a
31 cooperative housing corporation (as defined in 26
32 U.S.C. 216); or

33 (iv) is a residence described in section 17.9 of this
34 chapter that is owned by a trust if the individual is an
35 individual described in section 17.9 of this chapter;
36 and

37 (C) that consists of a dwelling, ~~and the real estate, not~~
38 ~~exceeding up to~~ one (1) acre ~~that immediately surrounds of~~
39 **land immediately surrounding** that dwelling, **one (1)**
40 **additional building that is not part of the dwelling and**
41 **that is predominantly used for a residential purpose,**
42 **and a deck, patio, gazebo, pool, or another residential**

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- 1 **yard structure.**
- 2 ~~Except as provided in subsection (k)~~; The term does not include
- 3 property owned by a corporation, partnership, limited liability
- 4 company, or other entity not described in this subdivision.
- 5 (b) Each year a homestead is eligible for a standard deduction
- 6 from the assessed value of the homestead for an assessment date.
- 7 Except as provided in subsection ~~(p)~~; **(m)**, the deduction provided by
- 8 this section applies to property taxes first due and payable for an
- 9 assessment date only if an individual has an interest in the homestead
- 10 described in subsection (a)(2)(B) on:
- 11 (1) the assessment date; or
- 12 (2) any date in the same year after an assessment date that a
- 13 statement is filed under subsection (e) or section 44 of this
- 14 chapter, if the property consists of real property.
- 15 If more than one (1) individual or entity qualifies property as a
- 16 homestead under subsection (a)(2)(B) for an assessment date, only one
- 17 (1) standard deduction from the assessed value of the homestead may
- 18 be applied for the assessment date. Subject to subsection (c), the
- 19 auditor of the county shall record and make the deduction for the
- 20 individual or entity qualifying for the deduction.
- 21 (c) Except as provided in section 40.5 of this chapter, the total
- 22 amount of the deduction that a person may receive under this section
- 23 for a particular year is the lesser of:
- 24 (1) sixty percent (60%) of the assessed value of the real property,
- 25 mobile home not assessed as real property, or manufactured
- 26 home not assessed as real property; or
- 27 (2) for assessment dates:
- 28 (A) before January 1, 2023, forty-five thousand dollars
- 29 (\$45,000); or
- 30 (B) after December 31, 2022, forty-eight thousand dollars
- 31 (\$48,000).
- 32 (d) A person who has sold real property, a mobile home not
- 33 assessed as real property, or a manufactured home not assessed as real
- 34 property to another person under a contract that provides that the
- 35 contract buyer is to pay the property taxes on the real property, mobile
- 36 home, or manufactured home may not claim the deduction provided
- 37 under this section with respect to that real property, mobile home, or
- 38 manufactured home.
- 39 (e) Except as provided in sections 17.8 and 44 of this chapter and
- 40 subject to section 45 of this chapter, an individual who desires to claim
- 41 the deduction provided by this section must file a certified statement on
- 42 forms prescribed by the department of local government finance, with

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- 1 the auditor of the county in which the homestead is located. The
 2 statement must include:
- 3 (1) the parcel number or key number of the property and the
 4 name of the city, town, or township in which the property is
 5 located;
- 6 (2) the name of any other location in which the applicant or the
 7 applicant's spouse owns, is buying, or has a beneficial interest in
 8 residential real property;
- 9 (3) the names of:
- 10 (A) the applicant and the applicant's spouse (if any):
- 11 (i) as the names appear in the records of the United
 12 States Social Security Administration for the purposes
 13 of the issuance of a Social Security card and Social
 14 Security number; or
- 15 (ii) that they use as their legal names when they sign
 16 their names on legal documents;
- 17 if the applicant is an individual; or
- 18 (B) each individual who qualifies property as a homestead
 19 under subsection (a)(2)(B) and the individual's spouse (if
 20 any):
- 21 (i) as the names appear in the records of the United
 22 States Social Security Administration for the purposes
 23 of the issuance of a Social Security card and Social
 24 Security number; or
- 25 (ii) that they use as their legal names when they sign
 26 their names on legal documents;
- 27 if the applicant is not an individual; and
- 28 (4) either:
- 29 (A) the last five (5) digits of the applicant's Social Security
 30 number and the last five (5) digits of the Social Security
 31 number of the applicant's spouse (if any); or
- 32 (B) if the applicant or the applicant's spouse (if any) does
 33 not have a Social Security number, any of the following for
 34 that individual:
- 35 (i) The last five (5) digits of the individual's driver's
 36 license number.
- 37 (ii) The last five (5) digits of the individual's state
 38 identification card number.
- 39 (iii) The last five (5) digits of a preparer tax
 40 identification number that is obtained by the individual
 41 through the Internal Revenue Service of the United
 42 States.

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1 (iv) If the individual does not have a driver's license, a
 2 state identification card, or an Internal Revenue
 3 Service preparer tax identification number, the last five
 4 (5) digits of a control number that is on a document
 5 issued to the individual by the United States
 6 government.

7 If a form or statement provided to the county auditor under this section,
 8 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
 9 part or all of the Social Security number of a party or other number
 10 described in subdivision (4)(B) of a party, the telephone number and
 11 the Social Security number or other number described in subdivision
 12 (4)(B) included are confidential. The statement may be filed in person
 13 or by mail. If the statement is mailed, the mailing must be postmarked
 14 on or before the last day for filing. The statement applies for that first
 15 year and any succeeding year for which the deduction is allowed. To
 16 obtain the deduction for a desired calendar year in which property taxes
 17 are first due and payable, the statement must be completed and dated
 18 in the immediately preceding calendar year and filed with the county
 19 auditor on or before January 5 of the calendar year in which the
 20 property taxes are first due and payable.

21 (f) Except as provided in subsection (n); (k), if a person who is
 22 receiving, or seeks to receive, the deduction provided by this section in
 23 the person's name:

24 (1) changes the use of the individual's property so that part or all
 25 of the property no longer qualifies for the deduction under this
 26 section; or

27 (2) is not eligible for a deduction under this section because the
 28 person is already receiving:

29 (A) a deduction under this section in the person's name as
 30 an individual or a spouse; or

31 (B) a deduction under the law of another state that is
 32 equivalent to the deduction provided by this section;

33 the person must file a certified statement with the auditor of the county,
 34 notifying the auditor of the person's ineligibility, not more than sixty
 35 (60) days after the date of the change in eligibility. A person who fails
 36 to file the statement required by this subsection may, under
 37 IC 6-1.1-36-17, be liable for any additional taxes that would have been
 38 due on the property if the person had filed the statement as required by
 39 this subsection plus a civil penalty equal to ten percent (10%) of the
 40 additional taxes due. The civil penalty imposed under this subsection
 41 is in addition to any interest and penalties for a delinquent payment that
 42 might otherwise be due. One percent (1%) of the total civil penalty

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1 collected under this subsection shall be transferred by the county to the
 2 department of local government finance for use by the department in
 3 establishing and maintaining the homestead property data base under
 4 subsection (i) and, to the extent there is money remaining, for any other
 5 purposes of the department. This amount becomes part of the property
 6 tax liability for purposes of this article.

7 (g) The department of local government finance may adopt rules
 8 or guidelines concerning the application for a deduction under this
 9 section.

10 (h) This subsection does not apply to property in the first year for
 11 which a deduction is claimed under this section if the sole reason that
 12 a deduction is claimed on other property is that the individual or
 13 married couple maintained a principal residence at the other property
 14 on the assessment date in the same year in which an application for a
 15 deduction is filed under this section or, if the application is for a
 16 homestead that is assessed as personal property, on the assessment date
 17 in the immediately preceding year and the individual or married couple
 18 is moving the individual's or married couple's principal residence to the
 19 property that is the subject of the application. Except as provided in
 20 subsection (~~n~~), (k), the county auditor may not grant an individual or
 21 a married couple a deduction under this section if:

22 (1) the individual or married couple, for the same year, claims
 23 the deduction on two (2) or more different applications for the
 24 deduction; and

25 (2) the applications claim the deduction for different property.

26 (i) The department of local government finance shall provide
 27 secure access to county auditors to a homestead property data base that
 28 includes access to the homestead owner's name and the numbers
 29 required from the homestead owner under subsection (e)(4) for the sole
 30 purpose of verifying whether an owner is wrongly claiming a deduction
 31 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
 32 IC 6-3.6-5 (after December 31, 2016). Each county auditor shall submit
 33 data on deductions applicable to the current tax year on or before
 34 March 15 of each year in a manner prescribed by the department of
 35 local government finance.

36 (j) A county auditor may require an individual to provide evidence
 37 proving that the individual's residence is the individual's principal place
 38 of residence as claimed in the certified statement filed under subsection
 39 (e). The county auditor may limit the evidence that an individual is
 40 required to submit to a state income tax return, a valid driver's license,
 41 or a valid voter registration card showing that the residence for which
 42 the deduction is claimed is the individual's principal place of residence.

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1 The department of local government finance shall work with county
2 auditors to develop procedures to determine whether a property owner
3 that is claiming a standard deduction or homestead credit is not eligible
4 for the standard deduction or homestead credit because the property
5 owner's principal place of residence is outside Indiana.

6 (k) As used in this section, "homestead" includes property that
7 satisfies each of the following requirements:

8 (1) The property is located in Indiana and consists of a dwelling
9 and the real estate, not exceeding one (1) acre, that immediately
10 surrounds that dwelling.

11 (2) The property is the principal place of residence of an
12 individual.

13 (3) The property is owned by an entity that is not described in
14 subsection (a)(2)(B).

15 (4) The individual residing on the property is a shareholder,
16 partner, or member of the entity that owns the property.

17 (5) The property was eligible for the standard deduction under
18 this section on March 1, 2009.

19 (l) If a county auditor terminates a deduction for property
20 described in subsection (k) with respect to property taxes that are:

21 (1) imposed for an assessment date in 2009; and

22 (2) first due and payable in 2010;

23 on the grounds that the property is not owned by an entity described in
24 subsection (a)(2)(B); the county auditor shall reinstate the deduction if
25 the taxpayer provides proof that the property is eligible for the
26 deduction in accordance with subsection (k) and that the individual
27 residing on the property is not claiming the deduction for any other
28 property.

29 (m) For assessment dates after 2009, the term "homestead"
30 includes:

31 (1) a deck or patio;

32 (2) a gazebo; or

33 (3) another residential yard structure, as defined in rules adopted
34 by the department of local government finance (other than a
35 swimming pool);

36 that is assessed as real property and attached to the dwelling.

37 (n) (k) A county auditor shall grant an individual a deduction
38 under this section regardless of whether the individual and the
39 individual's spouse claim a deduction on two (2) different applications
40 and each application claims a deduction for different property if the
41 property owned by the individual's spouse is located outside Indiana
42 and the individual files an affidavit with the county auditor containing

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- 1 the following information:
- 2 (1) The names of the county and state in which the individual's
- 3 spouse claims a deduction substantially similar to the deduction
- 4 allowed by this section.
- 5 (2) A statement made under penalty of perjury that the following
- 6 are true:
- 7 (A) That the individual and the individual's spouse maintain
- 8 separate principal places of residence.
- 9 (B) That neither the individual nor the individual's spouse
- 10 has an ownership interest in the other's principal place of
- 11 residence.
- 12 (C) That neither the individual nor the individual's spouse
- 13 has, for that same year, claimed a standard or substantially
- 14 similar deduction for any property other than the property
- 15 maintained as a principal place of residence by the
- 16 respective individuals.

17 A county auditor may require an individual or an individual's spouse to
 18 provide evidence of the accuracy of the information contained in an
 19 affidavit submitted under this subsection. The evidence required of the
 20 individual or the individual's spouse may include state income tax
 21 returns, excise tax payment information, property tax payment
 22 information, driver license information, and voter registration
 23 information.

- 24 ~~(e)~~ **(l)** If:
- 25 (1) a property owner files a statement under subsection (e) to
- 26 claim the deduction provided by this section for a particular
- 27 property; and
- 28 (2) the county auditor receiving the filed statement determines
- 29 that the property owner's property is not eligible for the
- 30 deduction;

31 the county auditor shall inform the property owner of the county
 32 auditor's determination in writing. If a property owner's property is not
 33 eligible for the deduction because the county auditor has determined
 34 that the property is not the property owner's principal place of
 35 residence, the property owner may appeal the county auditor's
 36 determination as provided in IC 6-1.1-15. The county auditor shall
 37 inform the property owner of the owner's right to appeal when the
 38 county auditor informs the property owner of the county auditor's
 39 determination under this subsection.

- 40 ~~(p)~~ **(m)** An individual is entitled to the deduction under this
- 41 section for a homestead for a particular assessment date if:
- 42 (1) either:

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- 1 (A) the individual's interest in the homestead as described
- 2 in subsection (a)(2)(B) is conveyed to the individual after
- 3 the assessment date, but within the calendar year in which
- 4 the assessment date occurs; or
- 5 (B) the individual contracts to purchase the homestead after
- 6 the assessment date, but within the calendar year in which
- 7 the assessment date occurs;
- 8 (2) on the assessment date:
- 9 (A) the property on which the homestead is currently
- 10 located was vacant land; or
- 11 (B) the construction of the dwelling that constitutes the
- 12 homestead was not completed; and
- 13 (3) either:
- 14 (A) the individual files the certified statement required by
- 15 subsection (e); or
- 16 (B) a sales disclosure form that meets the requirements of
- 17 section 44 of this chapter is submitted to the county assessor
- 18 on or before December 31 of the calendar year for the
- 19 individual's purchase of the homestead.

20 An individual who satisfies the requirements of subdivisions (1)
 21 through (3) is entitled to the deduction under this section for the
 22 homestead for the assessment date, even if on the assessment date the
 23 property on which the homestead is currently located was vacant land
 24 or the construction of the dwelling that constitutes the homestead was
 25 not completed. The county auditor shall apply the deduction for the
 26 assessment date and for the assessment date in any later year in which
 27 the homestead remains eligible for the deduction. A homestead that
 28 qualifies for the deduction under this section as provided in this
 29 subsection is considered a homestead for purposes of section 37.5 of
 30 this chapter and IC 6-1.1-20.6.

31 ~~(q)~~ **(n)** This subsection applies to an application for the deduction
 32 provided by this section that is filed for an assessment date occurring
 33 after December 31, 2013. Notwithstanding any other provision of this
 34 section, an individual buying a mobile home that is not assessed as real
 35 property or a manufactured home that is not assessed as real property
 36 under a contract providing that the individual is to pay the property
 37 taxes on the mobile home or manufactured home is not entitled to the
 38 deduction provided by this section unless the parties to the contract
 39 comply with IC 9-17-6-17.

40 ~~(r)~~ **(o)** This subsection:
 41 (1) applies to an application for the deduction provided by this
 42 section that is filed for an assessment date occurring after

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1 December 31, 2013; and
2 (2) does not apply to an individual described in subsection ~~(q)~~
3 **(n)**.

4 The owner of a mobile home that is not assessed as real property or a
5 manufactured home that is not assessed as real property must attach a
6 copy of the owner's title to the mobile home or manufactured home to
7 the application for the deduction provided by this section.

8 ~~(s)~~ **(p)** For assessment dates after 2013, the term "homestead"
9 includes property that is owned by an individual who:

- 10 (1) is serving on active duty in any branch of the armed forces of
- 11 the United States;
- 12 (2) was ordered to transfer to a location outside Indiana; and
- 13 (3) was otherwise eligible, without regard to this subsection, for
- 14 the deduction under this section for the property for the
- 15 assessment date immediately preceding the transfer date
- 16 specified in the order described in subdivision (2).

17 For property to qualify under this subsection for the deduction provided
18 by this section, the individual described in subdivisions (1) through (3)
19 must submit to the county auditor a copy of the individual's transfer
20 orders or other information sufficient to show that the individual was
21 ordered to transfer to a location outside Indiana. The property continues
22 to qualify for the deduction provided by this section until the individual
23 ceases to be on active duty, the property is sold, or the individual's
24 ownership interest is otherwise terminated, whichever occurs first.
25 Notwithstanding subsection (a)(2), the property remains a homestead
26 regardless of whether the property continues to be the individual's
27 principal place of residence after the individual transfers to a location
28 outside Indiana. The property continues to qualify as a homestead
29 under this subsection if the property is leased while the individual is
30 away from Indiana and is serving on active duty, if the individual has
31 lived at the property at any time during the past ten (10) years.
32 Otherwise, the property ceases to qualify as a homestead under this
33 subsection if the property is leased while the individual is away from
34 Indiana. Property that qualifies as a homestead under this subsection
35 shall also be construed as a homestead for purposes of section 37.5 of
36 this chapter.

37 SECTION 3. IC 6-1.1-20.6-2.5, AS ADDED BY P.L.146-2008,
38 SECTION 218, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE JANUARY 1, 2024]: Sec. 2.5. ~~(a)~~ As used in this
40 chapter, "nonresidential real property" refers to ~~either of the following:~~

- 41 ~~(1)~~ real property that
- 42 ~~(A)~~ is not:

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- 1 (i) (1) a homestead; or
- 2 (ii) (2) residential property; and
- 3 (3) long term care property; or
- 4 (4) agricultural land.
- 5 (B) consists of:
 - 6 (i) a building or other land improvement; and
 - 7 (ii) the land, not exceeding the area of the building
 - 8 footprint or improvement footprint, on which the
 - 9 building or improvement is located.
- 10 (2) Undeveloped land in the amount of the remainder of:
 - 11 (A) the area of a parcel; minus
 - 12 (B) the area of the parcel that is part of:
 - 13 (i) a homestead; or
 - 14 (ii) residential property.
- 15 (b) The term does not include agricultural land:
- 16 SECTION 4. IC 6-1.1-20.6-4, AS AMENDED BY P.L.166-2014,
- 17 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 18 JANUARY 1, 2024]: Sec. 4. As used in this chapter, "residential
- 19 property" refers to real property that consists of any of the following:
- 20 (1) A single family dwelling that is not part of a homestead and
- 21 the land not exceeding one (1) acre; on which the dwelling is
- 22 located.
- 23 (2) Real property that consists of:
 - 24 (A) a building that includes two (2) or more dwelling units;
 - 25 (B) any common areas shared by the dwelling units
 - 26 (including any land that is a common area, as described in
 - 27 section 1.2(b)(2) of this chapter); and
 - 28 (C) the land on which the building is located.
- 29 (3) Land rented or leased for the placement of a manufactured
- 30 home or mobile home, including any common areas shared by
- 31 the manufactured homes or mobile homes.
- 32 (4) For assessment dates after December 31, 2023, any other
- 33 land, building, or residential yard structure including a deck,
- 34 patio, gazebo, or pool that:
 - 35 (A) is not part of a homestead; and
 - 36 (B) is predominantly used for a residential purpose.
- 37 The term includes a single family dwelling that is under construction
- 38 and the land not exceeding one (1) acre; on which the dwelling will be
- 39 located. The term does not include real property that consists of a
- 40 commercial hotel, motel, inn, tourist camp, or tourist cabin.
- 41 SECTION 5. [EFFECTIVE JANUARY 1, 2024] (a)
- 42 IC 6-1.1-12-17.8, IC 6-1.1-12-37, IC 6-1.1-20.6-2.5, and

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- 1 **IC 6-1.1-20.6-4, all as amended by this act, apply to assessment**
- 2 **dates after December 31, 2023.**
- 3 **(b) This SECTION expires July 1, 2027.**

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