

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6617
BILL NUMBER: HB 1146

NOTE PREPARED: Dec 15, 2025
BILL AMENDED:

SUBJECT: Homestead Property Tax Freeze.

FIRST AUTHOR: Rep. VanNatter
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

| SUMMARY of Estimated Local Net Revenue (\$ Millions) | | | |
|--|----------|----------|----------|
| | CY 2026 | CY 2027 | CY 2028 |
| Current Law | 11,093.0 | 11,486.5 | 11,661.7 |
| Proposed | N/A | 11,283.5 | 11,085.3 |
| Revenue Change From Current Law | N/A | -203.0 | -576.4 |
| % Change From Current Law | N/A | -1.8% | -4.9% |

Summary of Legislation: This bill freezes an individual's property tax liability attributable to the individual's homestead based on the date on which the individual acquired an ownership interest in the homestead.

Effective Date: July 1, 2026.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill will freeze homeowners' property tax bills at the amount billed in CY 2026, or in the case of a homestead acquired after 2026, at the tax billed for the first year of ownership. Homeowner property tax bills will be reduced by an estimated \$203 M in CY 2027 and \$576 M in CY 2028. The homestead tax reduction will continue to grow each year. Local levy decisions will impact the homestead tax reduction amount.

The reduction in homestead taxes will cause a reduction in revenues for local civil taxing units and school corporations. The following table summarizes the estimated net revenue change by taxing unit type. [Total estimated local revenue changes by county appear in Appendix A.]

| Estimated Net Revenue Change (\$ Millions) and Percent Change from Current Law | | | | |
|---|----------------|--------------|----------------|--------------|
| Unit Type | CY 2027 | | CY 2028 | |
| Counties | -37.9 | -1.9% | -127.7 | -6.4% |
| Townships | -7.8 | -2.1% | -24.4 | -6.4% |
| Cities and Towns | -51.9 | -2.2% | -125.1 | -5.4% |
| School Corporations | -80.0 | -1.8% | -232.1 | -5.0% |
| Libraries | -9.0 | -2.2% | -25.8 | -6.1% |
| Special Units | -16.3 | -2.3% | -41.3 | -5.5% |
| TIF | 0.0 | 0.0% | 0.0 | 0.0% |
| Total | -203.0 | -1.8% | -576.4 | -4.9% |
| Total Without TIF | -202.9 | -2.0% | -576.4 | -5.5% |
| <i>Note: Totals may not sum due to rounding.</i> | | | | |

(These estimates are based on the property tax model used during the 2025 session of the General Assembly. They may be updated once the model update for the 2026 session is complete. Additionally, the net local revenue estimates provided in the summary table at the beginning of this fiscal note were updated at the beginning of December 2025 to better account for the impact of the TIF neutralization requirement enacted in 2025.)

State Agencies Affected:

Local Agencies Affected: County auditors; Civil taxing units and school corporations.

Information Sources: LSA Property Tax Database.

Fiscal Analyst: Bob Sigalow, 317-232-9859.

Appendix A.

| Estimated Change in Total Revenue for All Units (\$ Millions) and Percent Change from Current Law | | | | |
|--|----------------|-------|----------------|--------|
| County | CY 2027 | | CY 2028 | |
| Adams | -0.92 | -1.9% | -2.46 | -5.2% |
| Allen | -16.56 | -2.5% | -50.91 | -7.7% |
| Bartholomew | -3.25 | -2.1% | -6.29 | -3.9% |
| Benton | -0.34 | -1.6% | -0.76 | -3.4% |
| Blackford | -0.40 | -2.4% | -0.70 | -4.1% |
| Boone | -2.01 | -0.9% | -3.43 | -1.5% |
| Brown | -0.11 | -0.5% | -3.62 | -16.6% |
| Carroll | -0.25 | -1.0% | -2.17 | -7.7% |
| Cass | -1.03 | -2.0% | -2.88 | -5.8% |
| Clark | -4.26 | -1.8% | -13.03 | -5.4% |
| Clay | -0.59 | -2.6% | -4.05 | -18.0% |
| Clinton | -0.74 | -1.3% | -1.36 | -2.4% |
| Crawford | -0.29 | -2.5% | -0.58 | -4.8% |
| Daviess | -0.97 | -2.4% | -3.31 | -8.1% |
| Dearborn | -1.17 | -1.8% | -2.13 | -3.1% |
| Decatur | -0.82 | -2.0% | -1.94 | -4.6% |
| DeKalb | -1.47 | -2.1% | -8.19 | -11.8% |
| Delaware | -3.34 | -2.5% | -8.25 | -6.1% |
| Dubois | -1.29 | -1.9% | -2.14 | -3.1% |
| Elkhart | -5.04 | -1.3% | -12.15 | -3.1% |
| Fayette | -0.73 | -2.5% | -2.29 | -8.4% |
| Floyd | -2.36 | -2.4% | -6.55 | -6.4% |
| Fountain | -0.48 | -2.0% | -1.01 | -4.2% |
| Franklin | -0.71 | -2.9% | -1.27 | -5.0% |
| Fulton | -0.39 | -1.5% | -2.23 | -8.3% |
| Gibson | -0.99 | -1.5% | -1.73 | -2.4% |
| Grant | -1.87 | -2.1% | -6.09 | -7.6% |
| Greene | -0.74 | -2.6% | -1.34 | -4.5% |
| Hamilton | -11.17 | -1.2% | -19.14 | -2.1% |
| Hancock | -3.27 | -2.1% | -12.78 | -8.1% |
| Harrison | -0.79 | -2.5% | -1.40 | -4.1% |
| Hendricks | -7.94 | -2.0% | -23.93 | -5.9% |
| Henry | -1.32 | -2.5% | -3.69 | -6.8% |
| Howard | -3.32 | -2.3% | -9.87 | -6.9% |
| Huntington | -1.35 | -2.7% | -2.37 | -4.6% |
| Jackson | -1.14 | -1.8% | -4.50 | -7.1% |
| Jasper | -0.49 | -1.1% | -4.66 | -9.9% |
| Jay | -0.44 | -1.4% | -2.61 | -8.6% |
| Jefferson | -0.76 | -1.9% | -1.42 | -3.4% |
| Jennings | -0.65 | -2.2% | -1.61 | -5.4% |
| Johnson | -4.56 | -1.6% | -8.40 | -2.9% |
| Knox | -0.65 | -1.2% | -1.02 | -1.9% |
| Kosciusko | -2.07 | -1.6% | -4.25 | -3.2% |
| LaGrange | -0.65 | -1.5% | -2.88 | -6.3% |
| Lake | -18.34 | -1.7% | -66.05 | -6.6% |
| LaPorte | -3.31 | -2.0% | -6.20 | -3.6% |
| Lawrence | -1.41 | -2.5% | -4.20 | -7.6% |

Appendix A.

| Estimated Change in Total Revenue for All Units (\$ Millions) and Percent Change from Current Law | | | | |
|--|----------------|--------------|----------------|--------------|
| County | CY 2027 | | CY 2028 | |
| Madison | -4.09 | -2.3% | -9.74 | -5.8% |
| Marion | -32.49 | -1.9% | -69.87 | -3.8% |
| Marshall | -1.27 | -1.8% | -2.27 | -3.1% |
| Martin | -0.28 | -3.0% | -1.11 | -11.3% |
| Miami | -0.43 | -1.2% | -1.11 | -3.1% |
| Monroe | -1.34 | -0.6% | -4.82 | -2.1% |
| Montgomery | -0.55 | -0.9% | -3.70 | -6.1% |
| Morgan | -0.52 | -0.6% | -14.07 | -14.5% |
| Newton | -0.61 | -2.6% | -1.06 | -4.3% |
| Noble | -0.97 | -1.6% | -4.35 | -7.0% |
| Ohio | -0.15 | -2.5% | -0.31 | -5.1% |
| Orange | -0.48 | -1.9% | -0.86 | -3.3% |
| Owen | -0.47 | -2.5% | -0.92 | -4.6% |
| Parke | -0.25 | -1.5% | -1.80 | -9.8% |
| Perry | -0.40 | -2.1% | -0.77 | -3.8% |
| Pike | -0.46 | -2.4% | -0.90 | -4.4% |
| Porter | -5.21 | -1.6% | -21.65 | -6.7% |
| Posey | -0.82 | -1.6% | -1.67 | -3.2% |
| Pulaski | -0.29 | -1.8% | -1.50 | -7.8% |
| Putnam | -0.74 | -1.6% | -3.43 | -7.4% |
| Randolph | -0.40 | -1.2% | -0.89 | -2.7% |
| Ripley | -0.68 | -2.3% | -2.26 | -7.5% |
| Rush | -0.55 | -2.2% | -1.17 | -4.6% |
| St. Joseph | -11.68 | -2.4% | -37.03 | -8.0% |
| Scott | -0.47 | -1.8% | -1.38 | -5.2% |
| Shelby | -1.04 | -1.5% | -1.74 | -2.5% |
| Spencer | -0.57 | -1.7% | -1.18 | -3.3% |
| Starke | -0.74 | -2.7% | -1.81 | -6.4% |
| Steuben | -0.74 | -1.3% | -3.26 | -5.5% |
| Sullivan | -0.62 | -2.3% | -1.13 | -4.0% |
| Switzerland | -0.14 | -1.5% | -0.26 | -2.7% |
| Tippecanoe | -2.81 | -0.9% | -13.40 | -4.5% |
| Tipton | -0.52 | -2.2% | -1.38 | -5.6% |
| Union | -0.19 | -2.2% | -0.31 | -3.3% |
| Vanderburgh | -4.13 | -1.5% | -8.91 | -3.2% |
| Vermillion | -0.51 | -2.1% | -0.96 | -3.7% |
| Vigo | -2.12 | -1.5% | -3.81 | -2.6% |
| Wabash | -0.46 | -1.1% | -2.06 | -4.9% |
| Warren | -0.12 | -0.8% | -0.60 | -3.6% |
| Warrick | -1.38 | -1.7% | -2.24 | -2.6% |
| Washington | -0.79 | -2.8% | -1.39 | -4.7% |
| Wayne | -1.42 | -1.7% | -2.55 | -2.9% |
| Wells | -0.65 | -1.8% | -3.10 | -7.8% |
| White | -0.69 | -1.7% | -1.85 | -4.5% |
| Whitley | -1.04 | -2.5% | -2.05 | -4.8% |
| Total | -202.95 | -1.8% | -576.44 | -4.9% |
| <i>Note: Totals may not sum due to rounding.</i> | | | | |