

PROPOSED AMENDMENT

HB 1177 # 5

DIGEST

Tax deductions. Increases the property tax deduction for a veteran who is totally disabled to an amount equal to 100% of the assessed value of the individual's real property (instead of \$14,000). Expires property tax deductions for certain veterans, and, beginning with property taxes imposed for the 2026 assessment date and thereafter, instead provides a property tax liability credit against local property taxes for veterans who previously claimed a deduction. Includes a mechanism to establish an additional maximum property tax liability credit for a veteran who previously claimed a deduction. Allows a totally disabled veteran who rents a dwelling as a principal place of residence to claim an additional renter's deduction of up to \$20,000 from the disabled veteran's adjusted gross income. Allows a partially disabled veteran who rents a dwelling as a principal place of residence to claim an additional renter's deduction of up to \$10,000 from the disabled veteran's adjusted gross income.

1 Page 3, between lines 39 and 40, begin a new paragraph and insert:
2 "SECTION 6. IC 6-1.1-12-13, AS AMENDED BY P.L.230-2025,
3 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 13. (a) Except as
5 provided in section 40.5 of this chapter, an individual may have
6 twenty-four thousand nine hundred sixty dollars (\$24,960) deducted
7 from the assessed value of the taxable tangible property that the
8 individual owns, or real property, a mobile home not assessed as real
9 property, or a manufactured home not assessed as real property that the
10 individual is buying under a contract that provides that the individual
11 is to pay property taxes on the real property, mobile home, or
12 manufactured home, if the contract or a memorandum of the contract
13 is recorded in the county recorder's office and if:
14 (1) the individual served in the military or naval forces of the
15 United States during any of its wars;
16 (2) the individual received an honorable discharge;
17 (3) the individual has a disability with a service connected
18 disability of ten percent (10%) or more;
19 (4) the individual's disability is evidenced by:
20 (A) a pension certificate, an award of compensation, or a
21 disability compensation check issued by the United States
22 Department of Veterans Affairs; or

(B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section; and

(5) the individual:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under contract;

11 on the date the statement required by section 15 of this chapter is
12 filed.

21 (c) One who receives the deduction provided by this section may not
22 receive the deduction provided by section 16 of this chapter. However,
23 the individual may receive any other property tax deduction which the
24 individual is entitled to by law.

25 (d) An individual who has sold real property, a mobile home not
26 assessed as real property, or a manufactured home not assessed as real
27 property to another person under a contract that provides that the
28 contract buyer is to pay the property taxes on the real property, mobile
29 home, or manufactured home may not claim the deduction provided
30 under this section against that real property, mobile home, or
31 manufactured home.

32 (e) This section applies only to property taxes imposed for an
33 assessment date before January 1, 2026.

34 (f) This section expires January 1, 2028.

35 SECTION 7. IC 6-1.1-12-14, AS AMENDED BY P.L.230-2025,
36 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 14. (a) Except as
38 provided in subsection (c) and except as provided in section 40.5 of
39 this chapter, an individual may have **the sum of fourteen thousand**
40 **dollars (\$14,000) one hundred percent (100%) of the assessed value**

1 deducted from the assessed value of the real property, mobile home not
2 assessed as real property, or manufactured home not assessed as real
3 property that the individual owns (or the real property, mobile home
4 not assessed as real property, or manufactured home not assessed as
5 real property that the individual is buying under a contract that
6 provides that the individual is to pay property taxes on the real
7 property, mobile home, or manufactured home if the contract or a
8 memorandum of the contract is recorded in the county recorder's office)
9 if:

10 (1) the individual served in the military or naval forces of the
11 United States for at least ninety (90) days;

12 (2) the individual received an honorable discharge;

13 (3) the individual either:

14 (A) has a total disability; or

15 (B) is at least sixty-two (62) years old; and has a disability of
16 at least ten percent (10%);

17 (4) the individual's disability is evidenced by:

18 (A) a pension certificate or an award of compensation issued
19 by the United States Department of Veterans Affairs; or

20 (B) a certificate of eligibility issued to the individual by the
21 Indiana department of veterans' affairs after the Indiana
22 department of veterans' affairs has determined that the
23 individual's disability qualifies the individual to receive a
24 deduction under this section; and

25 (5) the individual:

26 (A) owns the real property, mobile home, or manufactured
27 home; or

28 (B) is buying the real property, mobile home, or manufactured
29 home under contract;

30 on the date the statement required by section 15 of this chapter is
31 filed.

32 (b) Except as provided in subsections (c) and (d), the surviving
33 spouse of an individual may receive the deduction provided by this
34 section if:

35 (1) the individual satisfied the requirements of subsection (a)(1)
36 through (a)(4) at the time of death; or

37 (2) the individual:

38 (A) was killed in action;

39 (B) died while serving on active duty in the military or naval
40 forces of the United States; or

14 (d) Except as provided in subsection (f), for the:

15 (1) January 1, 2017, January 1, 2018, and January 1, 2019,
16 assessment dates, the assessed value limit for purposes of
17 subsection (c) is one hundred seventy-five thousand dollars
18 (\$175,000);

19 (2) January 1, 2020, January 1, 2021, January 1, 2022, and
20 January 1, 2023, assessment dates, the assessed value limit for
21 purposes of subsection (c) is two hundred thousand dollars
22 (\$200,000); and

(3) January 1, 2024, assessment date and for each assessment date thereafter, the assessed value limit for purposes of subsection (c) is two hundred forty thousand dollars (\$240,000).

26 (e) An individual who has sold real property, a mobile home not
27 assessed as real property, or a manufactured home not assessed as real
28 property to another person under a contract that provides that the
29 contract buyer is to pay the property taxes on the real property, mobile
30 home, or manufactured home may not claim the deduction provided
31 under this section against that real property, mobile home, or
32 manufactured home.

33 (f) For purposes of determining the assessed value of the real
34 property, mobile home, or manufactured home under subsection (d) for
35 an individual who has received a deduction under this section in a
36 previous year, increases in assessed value that occur after the later of:

37 (1) December 31, 2019; or

38 (2) the first year that the individual has received the deduction;
39 are not considered unless the increase in assessed value is attributable
40 to substantial renovation or new improvements. Where there is an

1 increase in assessed value for purposes of the deduction under this
2 section, the assessor shall provide a report to the county auditor
3 describing the substantial renovation or new improvements, if any, that
4 were made to the property prior to the increase in assessed value.

5 SECTION 8. IC 6-1.1-12-14.5, AS AMENDED BY P.L.230-2025,
6 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 14.5. (a) As used in this
8 section, "homestead" has the meaning set forth in section 37 of this
9 chapter.

10 (b) An individual may claim a deduction from the assessed value of
11 the individual's homestead if:

12 (1) the individual served in the military or naval forces of the
13 United States for at least ninety (90) days;

14 (2) the individual received an honorable discharge;

15 (3) the individual has a disability of at least fifty percent (50%);

16 (4) the individual's disability is evidenced by:

17 (A) a pension certificate or an award of compensation issued
18 by the United States Department of Veterans Affairs; or

19 (B) a certificate of eligibility issued to the individual by the
20 Indiana department of veterans' affairs after the Indiana
21 department of veterans' affairs has determined that the
22 individual's disability qualifies the individual to receive a
23 deduction under this section; and

24 (5) the homestead was conveyed without charge to the individual
25 who is the owner of the homestead by an organization that is
26 exempt from income taxation under the federal Internal Revenue
27 Code.

28 (c) If an individual is entitled to a deduction from assessed value
29 under subsection (b) for the individual's homestead, the amount of the
30 deduction is determined as follows:

31 (1) If the individual is totally disabled, the deduction is equal to
32 one hundred percent (100%) of the assessed value of the
33 homestead.

34 (2) If the individual has a disability of at least ninety percent
35 (90%) but the individual is not totally disabled, the deduction is
36 equal to ninety percent (90%) of the assessed value of the
37 homestead.

38 (3) If the individual has a disability of at least eighty percent
39 (80%) but less than ninety percent (90%), the deduction is equal
40 to eighty percent (80%) of the assessed value of the homestead.

(4) If the individual has a disability of at least seventy percent (70%) but less than eighty percent (80%), the deduction is equal to seventy percent (70%) of the assessed value of the homestead.

(5) If the individual has a disability of at least sixty percent (60%) but less than seventy percent (70%), the deduction is equal to sixty percent (60%) of the assessed value of the homestead.

7 (6) If the individual has a disability of at least fifty percent (50%)
8 but less than sixty percent (60%), the deduction is equal to fifty
9 percent (50%) of the assessed value of the homestead.

10 (d) An individual who claims a deduction under this section for an
11 assessment date may not also claim a deduction under section 13
12 **(before its expiration)** or 14 of this chapter for that same assessment
13 date.

14 (e) An individual who desires to claim the deduction under this
15 section must claim the deduction in the manner specified by the
16 department of local government finance.

17 SECTION 9. IC 6-1.1-12-15, AS AMENDED BY P.L.230-2025,
18 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 15. (a) Except as
20 provided in section 17.8 of this chapter and subject to section 45 of this
21 chapter, an individual who desires to claim the deduction provided by
22 section 13 or 14 of this chapter must file a statement with the auditor
23 of the county in which the individual resides. To obtain the deduction
24 for a desired calendar year in which property taxes are first due and
25 payable, the statement must be completed, dated, and filed with the
26 county auditor on or before January 15 of the calendar year in which
27 the property taxes are first due and payable. The statement may be filed
28 in person or by mail. If mailed, the mailing must be postmarked on or
29 before the last day for filing. The statement shall contain a sworn
30 declaration that the individual is entitled to the deduction.

(†) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 13 of this chapter.

(2) (1) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 14 of this chapter; or

(2) the appropriate certificate of eligibility issued to the individual by the Indiana department of veterans' affairs if the individual claims the deduction provided by section 13 or 14 of this chapter.

5 (c) If the individual claiming the deduction is under guardianship,
6 the guardian shall file the statement required by this section. If a
7 deceased veteran's surviving spouse is claiming the deduction, the
8 surviving spouse shall provide the documentation necessary to
9 establish that at the time of death the deceased veteran satisfied the
10 requirements of section 13(a)(1) through 13(a)(4) of this chapter,
11 section 14(a)(1) through 14(a)(4) of this chapter or section 14(b)(2) of
12 this chapter, whichever applies.

13 (d) If the individual claiming a deduction under section 13 or 14 of
14 this chapter is buying real property, a mobile home not assessed as real
15 property, or a manufactured home not assessed as real property under
16 a contract that provides that the individual is to pay property taxes for
17 the real estate, mobile home, or manufactured home, the statement
18 required by this section must contain the record number and page
19 where the contract or memorandum of the contract is recorded.

20 SECTION 10. IC 6-1.1-12-16, AS AMENDED BY P.L.68-2025,
21 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 16. (a) Except as
23 provided in section 40.5 of this chapter, a surviving spouse may have
24 the sum of eighteen thousand seven hundred twenty dollars (\$18,720)
25 deducted from the assessed value of the surviving spouse's tangible
26 property, or real property, mobile home not assessed as real property,
27 or manufactured home not assessed as real property that the surviving
28 spouse is buying under a contract that provides that the surviving
29 spouse is to pay property taxes on the real property, mobile home, or
30 manufactured home, if the contract or a memorandum of the contract
31 is recorded in the county recorder's office, and if:

32 (1) the deceased spouse served in the military or naval forces of
33 the United States before November 12, 1918;
34 (2) the deceased spouse received an honorable discharge; and
35 (3) the surviving spouse:
36 (A) owns the real property, mobile home, or manufactured
37 home; or
38 (B) is buying the real property, mobile home, or manufactured
39 home under contract;
40 on the date the statement required by section 17 of this chapter is

1 filed.

7 (c) An individual who has sold real property, a mobile home not
8 assessed as real property, or a manufactured home not assessed as real
9 property to another person under a contract that provides that the
10 contract buyer is to pay the property taxes on the real property, mobile
11 home, or manufactured home may not claim the deduction provided
12 under this section against that real property, mobile home, or
13 manufactured home.

14 (d) This section applies only to property taxes imposed for an
15 assessment date before January 1, 2025.

16 (e) This section expires January 1, 2027.

17 SECTION 11. IC 6-1.1-12-17.8, AS AMENDED BY THE
18 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
19 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 17.8. (a) An individual
21 who receives a deduction provided under section 9 (before its
22 expiration), 11 (before its expiration), 13 (**before its expiration**), 14,
23 16 (before its expiration), 17.4 (before its expiration), or 37 of this
24 chapter in a particular year and who remains eligible for the deduction
25 in the following year is not required to file a statement to apply for the
26 deduction in the following year. However, for purposes of a deduction
27 under section 37 of this chapter, the county auditor may, in the county
28 auditor's discretion, terminate the deduction for assessment dates after
29 January 15, 2012, if the individual does not comply with the
30 requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as
31 determined by the county auditor, before January 1, 2013. Before the
32 county auditor terminates the deduction because the taxpayer claiming
33 the deduction did not comply with the requirement in
34 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013,
35 the county auditor shall mail notice of the proposed termination of the
36 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

1 transfer book.

2 (b) An individual who receives a deduction provided under section
3 9 (before its expiration), 11 (before its expiration), 13 (**before its**
4 **expiration**), 14, 16 (before its expiration), or 17.4 (before its
5 expiration) of this chapter in a particular year and who becomes
6 ineligible for the deduction in the following year shall notify the auditor
7 of the county in which the real property, mobile home, or manufactured
8 home for which the individual claims the deduction is located of the
9 individual's ineligible in the year in which the individual becomes
10 ineligible. An individual who becomes ineligible for a deduction under
11 section 37 of this chapter shall notify the county auditor of the county
12 in which the property is located in conformity with section 37 of this
13 chapter.

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

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

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

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

1 (e) A trust entitled to a deduction under section 9 (before its
2 expiration), 11 (before its expiration), 13 (**before its expiration**), 14,
3 16 (before its expiration), 17.4 (before its expiration), or 37 of this
4 chapter for real property owned by the trust and occupied by an
5 individual in accordance with section 17.9 of this chapter (~~before its~~
6 ~~expiration~~) is not required to file a statement to apply for the deduction,
7 if:

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

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

19 (f) A cooperative housing corporation (as defined in 26 U.S.C. 216)
20 that is entitled to a deduction under section 37 of this chapter in the
21 immediately preceding calendar year for a homestead (as defined in
22 section 37 of this chapter) is not required to file a statement to apply for
23 the deduction for the current calendar year if the cooperative housing
24 corporation remains eligible for the deduction for the current calendar
25 year. However, the county auditor may, in the county auditor's
26 discretion, terminate the deduction for assessment dates after January
27 15, 2012, if the individual does not comply with the requirement in
28 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the
29 county auditor, before January 1, 2013. Before the county auditor
30 terminates a deduction because the taxpayer claiming the deduction did
31 not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired
32 January 1, 2015) before January 1, 2013, the county auditor shall mail
33 notice of the proposed termination of the deduction to:

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

39 (g) An individual who:

40 (1) was eligible for a homestead credit under IC 6-1.1-20.9

1 (repealed) for property taxes imposed for the March 1, 2007, or
2 January 15, 2008, assessment date; or
3 (2) would have been eligible for a homestead credit under
4 IC 6-1.1-20.9 (repealed) for property taxes imposed for the March
5 1, 2008, or January 15, 2009, assessment date if IC 6-1.1-20.9 had
6 not been repealed;
7 is not required to file a statement to apply for a deduction under section
8 37 of this chapter if the individual remains eligible for the deduction in
9 the current year. An individual who filed for a homestead credit under
10 IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if
11 the property is real property), or after January 1, 2008 (if the property
12 is personal property), shall be treated as an individual who has filed for
13 a deduction under section 37 of this chapter. However, the county
14 auditor may, in the county auditor's discretion, terminate the deduction
15 for assessment dates after January 15, 2012, if the individual does not
16 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
17 1, 2015), as determined by the county auditor, before January 1, 2013.
18 Before the county auditor terminates the deduction because the
19 taxpayer claiming the deduction did not comply with the requirement
20 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,
21 2013, the county auditor shall mail notice of the proposed termination
22 of the deduction to the last known address of each person liable for any
23 property taxes or special assessment, as shown on the tax duplicate or
24 special assessment records, or to the last known address of the most
25 recent owner shown in the transfer book.

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

32 (i) A taxpayer described in section 37(r) of this chapter is not
33 required to file a statement to apply for the deduction provided by
34 section 37 of this chapter if the property owned by the taxpayer remains
35 eligible for the deduction for that calendar year.

36 SECTION 12. IC 6-1.1-12-17.9, AS AMENDED BY P.L.230-2025,
37 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 17.9. A trust is entitled
39 to a deduction under section 9 (before its expiration), 11 (before its
40 expiration), 13 (**before its expiration**), 14, 16 (before its expiration),

1 or 17.4 (before its expiration) of this chapter for real property owned
2 by the trust and occupied by an individual if the county auditor
3 determines that the individual:

4 (1) upon verification in the body of the deed or otherwise, has
5 either:

6 (A) a beneficial interest in the trust; or
7 (B) the right to occupy the real property rent free under the
8 terms of a qualified personal residence trust created by the
9 individual under United States Treasury Regulation
10 25.2702-5(c)(2); and

11 (2) otherwise qualifies for the deduction.

12 SECTION 13. IC 6-1.1-12-43, AS AMENDED BY P.L.230-2025,
13 SECTION 37, AND AS AMENDED BY P.L.186-2025, SECTION
14 292, AND AS AMENDED BY THE TECHNICAL CORRECTIONS
15 BILL OF THE 2026 GENERAL ASSEMBLY, IS CORRECTED AND
16 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
17 2026 (RETROACTIVE)]: Sec. 43. (a) For purposes of this section:

18 (1) "benefit" refers to a deduction under section 9 (before its
19 expiration), 11 (before its expiration), 13 (*before its expiration*),
20 14, (*before its expiration*), 16 (before its expiration), 17.4 (before
21 its expiration), 26 (before its expiration), 29 (before its
22 expiration), 33 (before its expiration), 34 (before its expiration),
23 37, or 37.5 of this chapter;

24 (2) "closing agent" means a person that closes a transaction;

25 (3) "customer" means an individual who obtains a loan in a
26 transaction; and

27 (4) "transaction" means a single family residential:

28 (A) first lien purchase money mortgage transaction; or

29 (B) refinancing transaction.

30 (b) Before closing a transaction after December 31, 2004, a closing
31 agent must provide to the customer the form referred to in subsection
32 (c).

33 (c) ~~Before June 1, 2004~~, The department of local government
34 finance shall prescribe the form to be provided by closing agents to
35 customers under subsection (b). The department shall make the form
36 available to closing agents, county assessors, county auditors, and
37 county treasurers in hard copy and electronic form. County assessors,
38 county auditors, and county treasurers shall make the form available to
39 the general public. The form must:

40 (1) on one (1) side:

1 (A) list each benefit; and
2 (B) list the eligibility criteria for each benefit;

3 (2) on the other side indicate:

4 (A) each action by and each type of documentation from the
5 customer required to file for each benefit; and
6 (B) sufficient instructions and information to permit a party to
7 terminate a standard deduction under section 37 of this chapter
8 on any property on which the party or the spouse of the party
9 will no longer be eligible for the standard deduction under
10 section 37 of this chapter after the party or the party's spouse
11 begins to reside at the property that is the subject of the
12 closing, including an explanation of the tax consequences and
13 applicable penalties, if a party unlawfully claims a standard
14 deduction under section 37 of this chapter; and
15 (3) be printed in one (1) of two (2) or more colors prescribed by
16 the department of local government finance that distinguish the
17 form from other documents typically used in a closing referred to
18 in subsection (b).

19 (d) A closing agent:

20 (1) may reproduce the form referred to in subsection (c);
21 (2) in reproducing the form, must use a print color prescribed by
22 the department of local government finance; and
23 (3) is not responsible for the content of the form referred to in
24 subsection (c) and shall be held harmless by the department of
25 local government finance from any liability for the content of the
26 form.

27 (e) *This subsection applies to a transaction that is closed after*
28 *December 31, 2009. In addition to providing the customer the form*
29 *described in subsection (c) before closing the transaction, a closing*
30 *agent shall do the following as soon as possible after the closing, and*
31 *within the time prescribed by the department of insurance under*
32 *IC 27-7-3-15.5:*

33 (1) *To the extent determinable, input the information described in*
34 *IC 27-7-3-15.5(c)(2) into the system maintained by the*
35 *department of insurance under IC 27-7-3-15.5.*

36 (2) *Submit the form described in IC 27-7-3-15.5(c) to the data*
37 *base described in IC 27-7-3-15.5(c)(2)(D).*

38 (f) *A closing agent to which this section applies shall document the*
39 *closing agent's compliance with this section with respect to each*
40 *transaction in the form of verification of compliance signed by the*

1 *customer.*

2 *(g) Subject to IC 27-7-3-15.5(d), a closing agent is subject to a civil*
 3 *penalty of twenty-five dollars (\$25) for each instance in which the*
 4 *closing agent fails to comply with this section with respect to a*
 5 *customer. The penalty:*

6 *(1) may be enforced by the state agency that has administrative*
 7 *jurisdiction over the closing agent in the same manner that the*
 8 *agency enforces the payment of fees or other penalties payable to*
 9 *the agency; and*

10 *(2) shall be paid into:*

11 *(A) the state general fund, if the closing agent fails to comply*
 12 *with subsection (b); or*

13 *(B) the home ownership education account established by*
 14 *IC 5-20-1-27, if the closing agent fails to comply with*
 15 *subsection (e) in a transaction that is closed after December*
 16 *31, 2009.*

17 *(h) A closing agent is not liable for any other damages claimed by*
 18 *a customer because of:*

19 *(1) the closing agent's mere failure to provide the appropriate*
 20 *document to the customer under subsection (b); or*

21 *(2) with respect to a transaction that is closed after December 31,*
 22 *2009, the closing agent's failure to input the information or*
 23 *submit the form described in subsection (e).*

24 *(i) The state agency that has administrative jurisdiction over a*
 25 *closing agent shall:*

26 *(1) examine the closing agent to determine compliance with this*
 27 *section; and*

28 *(2) impose and collect penalties under subsection (g).*

29 SECTION 14. IC 6-1.1-12-46, AS AMENDED BY P.L.230-2025,

30 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

31 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 46. (a) This section

32 applies to real property for an assessment date in 2011 or a later year

33 if:

34 (1) the real property is not exempt from property taxation for the

35 assessment date;

36 (2) title to the real property is transferred after the assessment date

37 and on or before the December 31 that next succeeds the

38 assessment date;

39 (3) the transferee of the real property applies for an exemption

40 under IC 6-1.1-11 for the next succeeding assessment date; and

4 (b) For the assessment date referred to in subsection (a)(1), real
5 property is eligible for any deductions for which the transferor under
6 subsection (a)(2) was eligible for that assessment date under the
7 following:

- (1) IC 6-1.1-12-1 (before its repeal).
- (2) IC 6-1.1-12-9 (before its expiration).
- (3) IC 6-1.1-12-11 (before its expiration).
- (4) IC 6-1.1-12-13 **(before its expiration).**
- (5) IC 6-1.1-12-14.
- (6) IC 6-1.1-12-16 (before its expiration).
- (7) IC 6-1.1-12-17.4 (before its expiration).
- (8) IC 6-1.1-12-18 (before its expiration).
- (9) IC 6-1.1-12-22 (before its expiration).
- (10) IC 6-1.1-12-37.
- (11) IC 6-1.1-12-37.5.

19 (c) For the payment date applicable to the assessment date referred
20 to in subsection (a)(1), real property is eligible for the credit for
21 excessive residential property taxes under IC 6-1.1-20.6 for which the
22 transferor under subsection (a)(2) would be eligible for that payment
23 date if the transfer had not occurred.

24 SECTION 15. IC 6-1.1-22-19, AS ADDED BY P.L.230-2025,
25 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 19. (a) This section
27 applies to real property tax statements provided to taxpayers after
28 December 31, 2025.

35 (1) The deduction for a veteran with a partial disability under
36 IC 6-1.1-12-13 (**before its expiration**).
37 (2) The deduction for a totally disabled veteran or a veteran who
38 is at least sixty-two (62) years of age who is partially disabled
39 under IC 6-1.1-12-14.
40 (3) The deduction for a disabled veteran under IC 6-1.1-12-14.5.

(4) The credit for a person sixty-five (65) years of age or older under IC 6-1.1-51.3-1.

(5) The credit for a disabled veteran or a veteran who is at least sixty-two (62) years of age under IC 6-1.1-51.3-5.

(6) The credit for a veteran with a partial disability under IC 6-1.1-51.3-6.

SECTION 16. IC 6-1.1-37-4, AS AMENDED BY P.L.230-2025, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 4. A person who makes a false statement, with intent to obtain the property tax deduction provided in either IC 6-1.1-12-13 (**before its expiration**) or IC 6-1.1-12-14 when the person is not entitled to the deduction, commits a Class B misdemeanor.

SECTION 17. IC 6-1.1-51.3-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 5. (a) An individual is entitled to a credit against local property taxes imposed on the individual's real property, or mobile home or manufactured home within the county, if:

(1) the individual served in the military or naval forces of the United States for at least ninety (90) days;

(2) the individual received an honorable discharge;

(3) the individual is at least sixty-two (62) years of age and has a disability of at least ten percent (10%);

(4) the individual's disability is evidenced by:

(A) a pension certificate or an award of compensation

issued by the United States Department of Veterans Affairs; or

(B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a credit under this section; and

(5) the individual:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under contract;

on the date the credit is claimed, and in the case of clause (B), the contract or a memorandum of the contract is recorded in

the county recorder's office.

2 **(b) The amount of the credit is equal to three hundred dollars**
3 **(\$300).**

9 (A) was killed in action;

12 (C) died while performing inactive duty training in the
13 military or naval forces of the United States;

14 and the surviving spouse satisfies the requirement of subsection
15 (a)(5) at the time the credit is claimed. The surviving spouse is
16 entitled to the credit regardless of whether the property for which
17 the credit is claimed was owned by the deceased veteran or the
18 surviving spouse before the deceased veteran's death.

1 **who becomes ineligible for the credit in the following year shall**
2 **notify the auditor of the county in which the homestead is located**
3 **of the individual's ineligibility not later than sixty (60) days after**
4 **the individual becomes ineligible.**

5 SECTION 18. IC 6-1.1-51.3-6 IS ADDED TO THE INDIANA
6 CODE AS A NEW SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 6. (a) An
8 individual is entitled to a credit against local property taxes
9 imposed on the individual's real property, mobile home, or
10 manufactured home within the county, if:

11 (1) the individual served in the military or naval forces of the
12 United States during any of its wars;

13 (2) the individual received an honorable discharge;

14 (3) the individual has a disability with a service connected
15 disability of ten percent (10%) or more;

16 (4) the individual's disability is evidenced by:

17 (A) a pension certificate, an award of compensation, or a
18 disability compensation check issued by the United States
19 Department of Veterans Affairs; or

20 (B) a certificate of eligibility issued to the individual by the
21 Indiana department of veterans' affairs after the Indiana
22 department of veterans' affairs has determined that the
23 individual's disability qualifies the individual to receive a
24 credit under this section; and

25 (5) the individual:

26 (A) owns the real property, mobile home, or manufactured
27 home; or

28 (B) is buying the real property, mobile home, or
29 manufactured home under contract;

30 on the date the credit is claimed, and in the case of clause (B),
31 the contract or a memorandum of the contract is recorded in
32 the county recorder's office.

33 (b) The amount of the credit is equal to four hundred dollars
34 (\$400).

35 (c) The surviving spouse of an individual may receive the credit
36 provided by this section if the individual satisfied the requirements
37 of subsection (a)(1) through (a)(4) at the time of death and the
38 surviving spouse satisfies the requirement of subsection (a)(5) at
39 the time the credit is claimed. The surviving spouse is entitled to
40 the credit regardless of whether the property for which the credit

1 **is claimed was owned by the deceased veteran or the surviving**
2 **spouse before the deceased veteran's death.**

3 **(d) An individual who receives the credit provided by this**
4 **section may not receive the credit provided by section 1 of this**
5 **chapter. However, the individual may receive any other property**
6 **tax credit that the individual is entitled to by law.**

7 **(e) An individual who has sold real property or a mobile home**
8 **or manufactured home to another person under a contract that**
9 **provides that the contract buyer is to pay the property taxes on the**
10 **real property, mobile home, or manufactured home may not claim**
11 **the credit provided under this section against that real property,**
12 **mobile home, or manufactured home.**

13 **(f) An individual wishing to claim a credit under this section**
14 **must file a statement, on forms prescribed by the department of**
15 **local government finance, with the county auditor and provide**
16 **documentation necessary to substantiate the individual's eligibility**
17 **for the credit. The statement must be completed and dated on or**
18 **before January 15 of the calendar year in which the property taxes**
19 **are first due and payable. The statement may be filed in person or**
20 **by mail. If mailed, the mailing must be postmarked on or before**
21 **the last day for filing. An individual who remains eligible for the**
22 **credit in the following year is not required to file a statement to**
23 **apply for the credit in the following year. However, an individual**
24 **who receives a credit under this section in a particular year and**
25 **who becomes ineligible for the credit in the following year shall**
26 **notify the auditor of the county in which the homestead is located**
27 **of the individual's ineligibility not later than sixty (60) days after**
28 **the individual becomes ineligible.**

29 **SECTION 19. IC 6-1.1-53 IS ADDED TO THE INDIANA CODE**
30 **AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE**
31 **JANUARY 1, 2026 (RETROACTIVE)]:**

32 **Chapter 53. Maximum Property Tax Liability Credit for**
33 **Certain Veterans**

34 **Sec. 1. This chapter applies only to property taxes imposed for**
35 **assessment dates after December 31, 2025, and before January 1,**
36 **2033.**

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

39 **(1) received a property tax deduction for the January 1, 2025,**
40 **assessment date under IC 6-1.1-12-13 (before its expiration);**

1 **and**

2 **(2) is entitled to and is claiming a property tax credit for the**
3 **current assessment date under:**

4 **(A) IC 6-1.1-51.3-5; or**

5 **(B) IC 6-1.1-51.3-6.**

6 **Sec. 3. For each assessment date, each county auditor shall**
7 **determine the following with respect to each qualified individual**
8 **on whose real property, or mobile home or manufactured home**
9 **within the county, property taxes will be imposed in the county:**

10 **(1) The qualified individual's net property tax liability for the**
11 **assessment date before application of any credit under this**
12 **chapter.**

13 **(2) The qualified individual's net property tax liability for the**
14 **assessment date before application of any credit under this**
15 **chapter and calculated as if:**

16 **(A) the applicable property tax credit described in section**
17 **2(2) of this chapter, and the corresponding credit amount,**
18 **were not in effect; and**

19 **(B) the property tax deduction described in section 2(1) of**
20 **this chapter that the qualified individual received for the**
21 **January 1, 2025, assessment date, and the corresponding**
22 **deduction amount, remain in effect.**

23 **Sec. 4. A qualified individual is entitled to a credit against local**
24 **property taxes imposed for an assessment date on the qualified**
25 **individual's real property, or mobile home or manufactured home**
26 **within the county, in an amount equal to the greater of:**

27 **(1) zero (0); or**

28 **(2) the result of:**

29 **(A) the amount determined under section 3(1) of this**
30 **chapter; minus**

31 **(B) the amount determined under section 3(2) of this**
32 **chapter.**

33 **Sec. 5. A credit under this chapter is in addition to a property**
34 **tax credit applied under IC 6-1.1-51.3 and shall be applied to a**
35 **qualified individual's property tax liability for the year in the**
36 **manner set forth in IC 6-1.1-51.3-0.5.**

37 **Sec. 6. A qualified individual is not required to file an**
38 **application for the credit under this chapter.**

39 SECTION 20. IC 6-3-2-6, AS AMENDED BY P.L.146-2020,

40 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 6. (a) Each taxable year,
2 an individual who rents a dwelling for use as the individual's principal
3 place of residence may deduct from the individual's adjusted gross
4 income (as defined in IC 6-3-1-3.5(a)), the lesser of:

5 (1) the amount of rent paid by the individual with respect to the
6 dwelling during the taxable year; or
7 (2) three thousand dollars (\$3,000).

8 (b) Notwithstanding subsection (a):

9 (1) a married couple filing a joint return for a particular taxable
10 year may not claim a deduction under ~~this section~~ subsection (a)
11 of more than three thousand dollars (\$3,000); and
12 (2) a married individual filing a separate return for a particular
13 taxable year may not claim a deduction under ~~this section~~
14 subsection (a) of more than one thousand five hundred dollars
15 (\$1,500).

16 (c) **Each taxable year, an individual who is a totally disabled**
17 **veteran and claims a deduction under subsection (a) for the taxable**
18 **year may deduct an additional amount from the individual's**
19 **adjusted gross income equal to twenty thousand dollars (\$20,000).**

20 (d) **If:**

21 **(1) a married couple files a joint return for the taxable year;**
22 **and**

23 **(2) each spouse has a different disability rating determined by**
24 **the United States Department of Veterans Affairs;**
25 **the married couple shall use the disability rating of the spouse that**
26 **is greater to determine eligibility for the additional deduction**
27 **under subsection (c) or (f) and to calculate the amount of the**
28 **additional deduction claimed by the married couple under**
29 **subsection (c) or (f).**

30 (e) Notwithstanding subsection (c), a married couple filing a
31 joint return for a taxable year may not claim a deduction under
32 subsection (c) of more than twenty thousand dollars (\$20,000) for
33 the taxable year.

34 (f) **Each taxable year, an individual who is a partially disabled**
35 **veteran and claims a deduction under subsection (a) for the taxable**
36 **year may deduct an additional amount from the individual's**
37 **adjusted gross income equal to the lesser of:**

38 **(1) the product of:**

39 **(A) the amount of the deduction granted under subsection**
40 **(a); multiplied by**

(B) the individual's disability rating as determined by the United States Department of Veterans Affairs; or
(2) ten thousand dollars (\$10,000).

(g) If:

- (1) a married couple files a joint return for the taxable year; and
- (2) each spouse has a different disability rating determined by the United States Department of Veterans Affairs;

9 the married couple shall use the disability rating of the spouse that
10 is greater to calculate the amount of the additional deduction
11 claimed by the married couple under subsection (f).

16 (e) (i) The deduction provided by this section does not apply to an
17 individual who rents a dwelling that is exempt from Indiana property
18 tax.

19 (f) (j) For purposes of this section, a "dwelling" includes a single
20 family dwelling and unit of a multi-family dwelling.

SECTION 21. IC 6-6-5-5, AS AMENDED BY P.L.230-2025, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 5. A person that owns a vehicle and that is entitled to a property tax deduction under IC 6-1.1-12-13 (**before its expiration**), IC 6-1.1-12-14, or IC 6-1.1-12-16 (before its expiration) is entitled to a credit against the vehicle excise tax as follows: Any remaining deduction from assessed valuation to which the person is entitled, applicable to property taxes payable in the year in which the excise tax imposed by this chapter is due, after allowance of the deduction on real estate and personal property owned by the person, shall reduce the vehicle excise tax in the amount of two dollars (\$2) on each one hundred dollars (\$100) of taxable value or major portion thereof. The county auditor shall, upon request, furnish a certified statement to the person verifying the credit allowable under this section, and the statement shall be presented to and retained by the bureau to support the credit.

37 SECTION 22. IC 6-6-5-5.2, AS AMENDED BY P.L.230-2025,
38 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 5.2. (a) This section
40 applies to a registration year beginning after December 31, 2013.

5 (1) The individual meets all the following requirements:

6 (A) The individual served in the military or naval forces of the
7 United States during any of its wars.

8 (B) The individual received an honorable discharge.

9 (C) The individual has a disability with a service connected
10 disability of ten percent (10%) or more.

11 (D) The individual's disability is evidenced by:

12 (i) a pension certificate, an award of compensation, or a
13 disability compensation check issued by the United States
14 Department of Veterans Affairs; or

15 (ii) a certificate of eligibility issued to the individual by the
16 Indiana department of veterans' affairs after the Indiana
17 department of veterans' affairs has determined that the
18 individual's disability qualifies the individual to receive a
19 credit under this section.

20 (E) The individual does not own property to which a property
21 tax deduction may be applied under IC 6-1.1-12-13 **(before its**
22 **expiration).**

23 (2) The individual meets all the following requirements:

(A) The individual served in the military or naval forces of the United States for at least ninety (90) days.

26 (B) The individual received an honorable discharge.

27 (C) The individual either:

28 (i) has a total disability; or

(ii) is at least sixty-two (62) years of age and has a disability of at least ten percent (10%).

31 (D) The individual's disability is evidenced by:

32 (i) a pension certificate or an award of compensation issued
33 by the United States Department of Veterans Affairs; or

34 (ii) a certificate of eligibility issued to the individual by the
35 Indiana department of veterans' affairs after the Indiana
36 department of veterans' affairs has determined that the
37 individual's disability qualifies the individual to receive a
38 credit under this section.

39 (E) The individual does not own property to which a property
40 tax deduction may be applied under IC 6-1.1-12-14.

31 SECTION 23. IC 6-6-6.5-13, AS AMENDED BY P.L.230-2025,
32 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 13. (a) As the basis for
34 measuring the tax imposed by this chapter, the department shall
35 classify every taxable aircraft in its proper class according to the
36 following classification plan:

37	CLASS	DESCRIPTION
38	A	Piston-driven
39	B	Piston-driven,
40		and Pressurized

1	C	Turbine driven
2		or other Powered
3	D	Homebuilt, Gliders, or
4		Hot Air Balloons

5 (b) The tax imposed under this chapter is based on the age, class,
 6 and maximum landing weight of the taxable aircraft. The amount of tax
 7 imposed on the taxable aircraft is based on the following table:

8	Age	Class A	Class B	Class C	Class D
9	0-4	\$.04/lb	\$.065/lb	\$.09/lb	\$.0175/lb
10	5-8	\$.035/lb	\$.055/lb	\$.08/lb	\$.015/lb
11	9-12	\$.03/lb	\$.05/lb	\$.07/lb	\$.0125/lb
12	13-16	\$.025/lb	\$.025/lb	\$.025/lb	\$.01/lb
13	17-25	\$.02/lb	\$.02/lb	\$.02/lb	\$.0075/lb
14	over 25	\$.01/lb	\$.01/lb	\$.01/lb	\$.005/lb

15 (c) An aircraft owner, who sells an aircraft on which the owner has
 16 paid the tax imposed under this chapter, is entitled to a credit for the
 17 tax paid. The credit equals excise tax paid on the aircraft that was sold,
 18 times the lesser of:

- 19 (1) ninety percent (90%); or
- 20 (2) ten percent (10%) times the number of months remaining in
- 21 the registration year after the sale of the aircraft.

22 The credit may only be used to reduce the tax imposed under this
 23 chapter on another aircraft purchased by that owner during the
 24 registration year in which the credit accrues. A person may not receive
 25 a refund for a credit under this subsection.

26 (d) A person who is entitled to a property tax deduction under
 27 IC 6-1.1-12-13 (**before its expiration**) or IC 6-1.1-12-14 is entitled to
 28 a credit against the tax imposed on the person's aircraft under this
 29 chapter. The credit equals the amount of the property tax deduction to
 30 which the person is entitled under IC 6-1.1-12-13 (**before its**
 31 **expiration**) and IC 6-1.1-12-14 minus the amount of that deduction
 32 used to offset the person's property taxes or vehicle excise taxes, times
 33 seven hundredths (.07). The credit may not exceed the amount of the
 34 tax due under this chapter. The county auditor shall, upon the person's
 35 request, furnish a certified statement showing the credit allowable
 36 under this subsection. The department may not allow a credit under this
 37 subsection until the auditor's statement has been filed in the
 38 department's office.".

39 Page 32, between lines 16 and 17, begin a new paragraph and insert:
 40 "SECTION 28. [EFFECTIVE JANUARY 1, 2026

1 (RETROACTIVE)] **(a) IC 6-1.1-51.3-5 and IC 6-1.1-51.3-6, both as**
2 **added by this act, apply to property taxes imposed for assessment**
3 **dates after December 31, 2025.**

4 **(b) This SECTION expires January 1, 2028.**

5 "SECTION 29. [EFFECTIVE JANUARY 1, 2026
6 (RETROACTIVE)] **(a) IC 6-1.1-12-14 and IC 6-3-2-6, both as**
7 **amended by this act, applies to property taxes for assessment dates**
8 **after December 31, 2025.**

9 **(b) This SECTION expires January 1, 2028."**

10 Renumber all SECTIONS consecutively.

 (Reference is to HB 1177 as introduced.)