

# PROPOSED AMENDMENT

## HB 1210 # 40

### DIGEST

Deduction for surviving spouses of WWI veterans. Restores the property tax deduction available to a surviving spouse of a World War I veteran that was limited to property taxes imposed for an assessment date before January 1, 2025, by SEA 1-2025 (P.L. 68-2025).

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- 1       Page 13, between lines 1 and 2, begin a new paragraph and insert:  
2       "SECTION 14. IC 6-1.1-12-16, AS AMENDED BY P.L.68-2025,  
3       SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4       JANUARY 1, 2025 (RETROACTIVE)]: Sec. 16. (a) Except as  
5       provided in section 40.5 of this chapter, a surviving spouse may have  
6       the sum of eighteen thousand seven hundred twenty dollars (\$18,720)  
7       deducted from the assessed value of the surviving spouse's tangible  
8       property, or real property, mobile home not assessed as real property,  
9       or manufactured home not assessed as real property that the surviving  
10      spouse is buying under a contract that provides that the surviving  
11      spouse 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 deceased spouse served in the military or naval forces of  
15          the United States before November 12, 1918;  
16          (2) the deceased spouse received an honorable discharge; and  
17          (3) the surviving spouse:  
18              (A) owns the real property, mobile home, or manufactured  
19              home; or  
20              (B) is buying the real property, mobile home, or manufactured  
21              home under contract;  
22      on the date the statement required by section 17 of this chapter is  
23      filed.  
24      (b) A surviving spouse who receives the deduction provided by this  
25      section may not receive the deduction provided by section 13 of this  
26      chapter. However, the surviving spouse may receive any other

deduction which the surviving spouse is entitled to by law.

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

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

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

SECTION 15. IC 6-1.1-12-17, AS AMENDED BY P.L.68-2025, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17. ~~(a)~~ Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a surviving spouse who desires to claim the deduction provided by section 16 of this chapter must file a statement with the auditor of the county in which the surviving spouse resides. To obtain the deduction for a desired calendar year in which property taxes are first due and payable, the statement must be completed, dated, and filed with the county auditor on or before January 15 of the calendar year in which the property taxes are first due and payable. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain:

(1) a sworn statement that the surviving spouse is entitled to the deduction; and

(2) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property on a contract that provides that the individual is to pay property taxes on the real property.

In addition to the statement, the surviving spouse shall submit to the county auditor for the auditor's inspection a letter or certificate from the United States Department of Veterans Affairs establishing the service of the deceased spouse in the military or naval forces of the United States before November 12, 1918.

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

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

SECTION 16. IC 6-1.1-12-17.8, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL

ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17.8. (a) An individual who receives a deduction provided under section 9 (before its expiration), 11 (before its expiration), 13, 14, 16, ~~(before its expiration)~~, 17.4 (before its expiration), or 37 of this chapter in a particular year and who remains eligible for the deduction in the following year is not required to file a statement to apply for the deduction in the following year. However, for purposes of a deduction under section 37 of this chapter, the county auditor may, in the county auditor's discretion, terminate the deduction for assessment dates after January 15, 2012, if the individual does not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the county auditor, before January 1, 2013. Before the county auditor terminates the deduction because the taxpayer claiming the deduction did not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013, the county auditor shall mail notice of the proposed termination of the deduction to:

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

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

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

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

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

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

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

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

(1) the individual who occupies the real property receives a deduction provided under section 9 (before its expiration), 11 (before its expiration), 13, 14, 16, ~~(before its expiration)~~, 17.4 (before its expiration), or 37 of this chapter in a particular year; and

(2) the trust remains eligible for the deduction in the following year.

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

(f) A cooperative housing corporation (as defined in 26 U.S.C. 216) that is entitled to a deduction under section 37 of this chapter in the immediately preceding calendar year for a homestead (as defined in

section 37 of this chapter) is not required to file a statement to apply for the deduction for the current calendar year if the cooperative housing corporation remains eligible for the deduction for the current calendar year. However, the county auditor may, in the county auditor's discretion, terminate the deduction for assessment dates after January 15, 2012, if the individual does not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the county auditor, before January 1, 2013. Before the county auditor terminates a deduction because the taxpayer claiming the deduction did not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013, the county auditor shall mail notice of the proposed termination of the deduction to:

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

(g) An individual who:

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

is not required to file a statement to apply for a deduction under section 37 of this chapter if the individual remains eligible for the deduction in the current year. An individual who filed for a homestead credit under IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if the property is real property), or after January 1, 2008 (if the property is personal property), shall be treated as an individual who has filed for a deduction under section 37 of this chapter. However, the county auditor may, in the county auditor's discretion, terminate the deduction for assessment dates after January 15, 2012, if the individual does not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the county auditor, before January 1, 2013. Before the county auditor terminates the deduction because the taxpayer claiming the deduction did not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013, the county auditor shall mail notice of the proposed termination

of the deduction to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book.

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

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

**(j) A surviving spouse who received the deduction provided by section 16 of this chapter for the January 1, 2024, assessment date is not required to file a statement to reapply for the deduction to receive the deduction for the January 1, 2025, assessment date. The county auditor shall apply the deduction provided by section 16 of this chapter for the surviving spouse for the January 1, 2025, assessment date on the surviving spouse's property tax statement for property taxes first due and payable in 2026.**

SECTION 17. IC 6-1.1-12-17.9, AS AMENDED BY P.L.230-2025, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17.9. A trust is entitled to a deduction under section 9 (before its expiration), 11 (before its expiration), 13, 14, 16, (~~before its expiration~~), or 17.4 (before its expiration) of this chapter for real property owned by the trust and occupied by an individual if the county auditor determines that the individual:

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

(A) a beneficial interest in the trust; or

(B) the right to occupy the real property rent free under the terms of a qualified personal residence trust created by the individual under United States Treasury Regulation 25.2702-5(c)(2); and

(2) otherwise qualifies for the deduction."

Page 21, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 19. IC 6-1.1-12-43, AS AMENDED BY P.L.230-2025,

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

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

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

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

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

(A) first lien purchase money mortgage transaction; or

(B) refinancing transaction.

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

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

(1) on one (1) side:

(A) list each benefit; and

(B) list the eligibility criteria for each benefit;

(2) on the other side indicate:

(A) each action by and each type of documentation from the customer required to file for each benefit; and

(B) sufficient instructions and information to permit a party to terminate a standard deduction under section 37 of this chapter on any property on which the party or the spouse of the party will no longer be eligible for the standard deduction under section 37 of this chapter after the party or the party's spouse begins to reside at the property that is the subject of the closing, including an explanation of the tax consequences and

applicable penalties, if a party unlawfully claims a standard deduction under section 37 of this chapter; and

(3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the form from other documents typically used in a closing referred to in subsection (b).

(d) A closing agent:

(1) may reproduce the form referred to in subsection (c);

(2) in reproducing the form, must use a print color prescribed by the department of local government finance; and

(3) is not responsible for the content of the form referred to in subsection (c) and shall be held harmless by the department of local government finance from any liability for the content of the form.

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

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

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

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

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

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

*(2) shall be paid into:*

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



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

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

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

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

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

~~(1) examine the closing agent to determine compliance with this section; and~~

~~(2) impose and collect penalties under subsection (g);~~

SECTION 20. IC 6-1.1-12-46, AS AMENDED BY P.L.230-2025, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 46. (a) This section applies to real property for an assessment date in 2011 or a later year if:

(1) the real property is not exempt from property taxation for the assessment date;

(2) title to the real property is transferred after the assessment date and on or before the December 31 that next succeeds the assessment date;

(3) the transferee of the real property applies for an exemption under IC 6-1.1-11 for the next succeeding assessment date; and

(4) the county property tax assessment board of appeals determines that the real property is exempt from property taxation for that next succeeding assessment date.

(b) For the assessment date referred to in subsection (a)(1), real property is eligible for any deductions for which the transferor under subsection (a)(2) was eligible for that assessment date under the 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.

(5) IC 6-1.1-12-14.

1 (6) IC 6-1.1-12-16. ~~(before its expiration)~~;

2 (7) IC 6-1.1-12-17.4 (before its expiration).

3 (8) IC 6-1.1-12-18 (before its expiration).

4 (9) IC 6-1.1-12-22 (before its expiration).

5 (10) IC 6-1.1-12-37.

6 (11) IC 6-1.1-12-37.5.

7 (c) For the payment date applicable to the assessment date referred  
8 to in subsection (a)(1), real property is eligible for the credit for  
9 excessive residential property taxes under IC 6-1.1-20.6 for which the  
10 transferor under subsection (a)(2) would be eligible for that payment  
11 date if the transfer had not occurred."

12 Page 49, between lines 12 and 13, begin a new paragraph and insert:

13 "SECTION 48. IC 6-6-5-5, AS AMENDED BY P.L.230-2025,  
14 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 5. A person that owns a  
16 vehicle and that is entitled to a property tax deduction under  
17 IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16 ~~(before its~~  
18 ~~expiration)~~ is entitled to a credit against the vehicle excise tax as  
19 follows: Any remaining deduction from assessed valuation to which the  
20 person is entitled, applicable to property taxes payable in the year in  
21 which the excise tax imposed by this chapter is due, after allowance of  
22 the deduction on real estate and personal property owned by the person,  
23 shall reduce the vehicle excise tax in the amount of two dollars (\$2) on  
24 each one hundred dollars (\$100) of taxable value or major portion  
25 thereof. The county auditor shall, upon request, furnish a certified  
26 statement to the person verifying the credit allowable under this  
27 section, and the statement shall be presented to and retained by the  
28 bureau to support the credit.

29 SECTION 49. IC 6-6-5-5.2, AS AMENDED BY P.L.230-2025,  
30 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 5.2. (a) This section  
32 applies to a registration year beginning after December 31, 2013.

33 (b) Subject to subsection (d), an individual may claim a credit  
34 against the tax imposed by this chapter upon a vehicle owned by the  
35 individual if the individual is eligible for the credit under any of the  
36 following:

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

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

40 (B) The individual received an honorable discharge.

- 1 (C) The individual has a disability with a service connected  
2 disability of ten percent (10%) or more.
- 3 (D) The individual's disability is evidenced by:
- 4 (i) a pension certificate, an award of compensation, or a  
5 disability compensation check issued by the United States  
6 Department of Veterans Affairs; or
- 7 (ii) a certificate of eligibility issued to the individual by the  
8 Indiana department of veterans' affairs after the Indiana  
9 department of veterans' affairs has determined that the  
10 individual's disability qualifies the individual to receive a  
11 credit under this section.
- 12 (E) The individual does not own property to which a property  
13 tax deduction may be applied under IC 6-1.1-12-13.
- 14 (2) The individual meets all the following requirements:
- 15 (A) The individual served in the military or naval forces of the  
16 United States for at least ninety (90) days.
- 17 (B) The individual received an honorable discharge.
- 18 (C) The individual either:
- 19 (i) has a total disability; or
- 20 (ii) is at least sixty-two (62) years of age and has a disability  
21 of at least ten percent (10%).
- 22 (D) The individual's disability is evidenced by:
- 23 (i) a pension certificate or an award of compensation issued  
24 by the United States Department of Veterans Affairs; or
- 25 (ii) a certificate of eligibility issued to the individual by the  
26 Indiana department of veterans' affairs after the Indiana  
27 department of veterans' affairs has determined that the  
28 individual's disability qualifies the individual to receive a  
29 credit under this section.
- 30 (E) The individual does not own property to which a property  
31 tax deduction may be applied under IC 6-1.1-12-14.
- 32 (3) The individual meets both of the following requirements:
- 33 (A) The individual is the surviving spouse of any of the  
34 following:
- 35 (i) An individual who would have been eligible for a credit  
36 under this section if the individual had been alive in 2013  
37 and this section had been in effect in 2013.
- 38 (ii) An individual who received a credit under this section in  
39 the previous calendar year.
- 40 (iii) A World War I veteran.

- 1 (B) The individual does not own property to which a property  
2 tax deduction may be applied under IC 6-1.1-12-13,  
3 IC 6-1.1-12-14, or IC 6-1.1-12-16. ~~(before its expiration)~~.
- 4 (c) The amount of the credit that may be claimed under this section  
5 is equal to the lesser of the following:
- 6 (1) The amount of the excise tax liability for the individual's  
7 vehicle as determined under section 3 or 3.5 of this chapter, as  
8 applicable.
- 9 (2) Seventy dollars (\$70).
- 10 (d) The maximum number of motor vehicles for which an individual  
11 may claim a credit under this section is two (2).
- 12 (e) An individual may not claim a credit under both:
- 13 (1) this section; and  
14 (2) section 5 of this chapter.
- 15 (f) The credit allowed by this section must be claimed on a form  
16 prescribed by the bureau. An individual claiming the credit must attach  
17 to the form an affidavit from the county auditor stating that the  
18 claimant does not own property to which a property tax deduction may  
19 be applied under IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16.  
20 ~~(before its expiration)~~".
- 21 Renumber all SECTIONS consecutively.  
(Reference is to HB 1210 as introduced.)