

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

LS 6760
BILL NUMBER: SB 163

NOTE PREPARED: Feb 17, 2026
BILL AMENDED: Feb 17, 2026

SUBJECT: Various Property Tax Matters.

FIRST AUTHOR: Sen. Rogers
FIRST SPONSOR: Rep. Snow

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *County Option Circuit Breaker Credit*: The bill changes the expiration date for the county option circuit breaker tax credit.

Orders to Enter Property: The bill provides that a county board or assessing official shall not enter a property to conduct a physical inspection without first receiving the permission of the taxpayer to enter the property.

Property Appeals: The bill provides that under specific circumstances, that an individual may serve as a tax representative of any taxpayer concerning property subject to property taxes.

DLGF Reporting Requirements: The bill describes elements that must be included in a report that must be prepared by the Department of Local Government Finance (DLGF) and presented to an interim study committee regarding automated valuation systems.

Effective Date: Upon passage; July 1, 2026.

Explanation of State Expenditures: *DLGF Reporting Requirements*: These provisions will result in a temporary increase in the workload for the DLGF.

Affordable and Workforce Housing Tax Credit - Department of State Revenue (DOR): The DOR will experience additional workload and expenses to put the bill's changes in place. The DOR should be able to make these changes within current resource levels.

Affordable and Workforce Housing Tax Credit - Indiana Housing and Community Development Authority (IHCDA): The bill's requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues: *Affordable and Workforce Housing Tax Credit*: Extending the Affordable and Workforce Housing Tax Credit for five years could reduce state General Fund revenue beginning in FY

2029. The bill will allow the IHCD to award up to \$30 M in tax credits annually in FY 2029 through FY 2033. The annual revenue impact of extending the credit will be split over several years after the credits are awarded and cannot exceed the total amount of credit awards.

Additional Information - *Affordable and Workforce Housing Tax Credit*: The state tax credit is awarded to the developer of a qualified project to build low income housing. Projects must also be awarded a federal affordable housing tax credit awarded using a 30% present value of the qualified basis of the building. Developers sell the credits to investors to help finance the project. Once the project is complete and is placed in service, the tax credit may be claimed over a period of five taxable years.

The credit may be applied to a taxpayer's tax liability for the following taxes:

- Income tax,
- Financial institutions tax,
- Insurance premiums tax,
- Insurance premiums retaliatory tax.

The credit may be carried forward for up to nine taxable years following the first taxable year of the credit holder's state tax credit period.

Explanation of Local Expenditures: *Orders to Enter Property*: These provisions may potentially lead to a minor increase in the workload for local assessors and county boards.

Property Appeals: These provisions should not have any significant impact on the workload for local assessors.

Explanation of Local Revenues: (Revised) *County Option Circuit Breaker Credit*: This credit is currently set to expire by the end of CY 2027, meaning that any properties receiving this credit will be subject to a higher property tax liability starting in CY 2028. This bill will result in a further reduction of property tax revenue for those taxing units that serve the parcels receiving the credit since it keeps the credit in place for one additional year (i.e., CY 2028).

Additional Information - *County Option Circuit Breaker Credit*: For taxes payable in CY 2025, two counties have enacted a county option circuit breaker credit: Marion and St. Joseph. In Marion County, 131 homestead property owners have claimed the credit, for a total credit amount of approximately \$19,800. In St. Joseph County, 6,639 homestead property owners have claimed the credit, for a total credit amount of approximately \$2.67 M.

State Agencies Affected: Department of Local Government Finance; Department of State Revenue; Indiana Housing and Community Development Authority.

Local Agencies Affected: County fiscal bodies; Local assessors; County property tax assessment boards of appeals; Civil taxing units and school corporations.

Information Sources: Pay 2025 county property tax data; Department of State Revenue; Indiana Housing and Community Development Authority, 2024 Annual Report. IHCD. (2025, September 26.) Affordable and Workforce Housing Tax Credit.

<https://storymaps.arcgis.com/stories/2ae29e4ea6b34fc3b077684ede7f986f>.

ACS 1-Year Estimates Public Use Microdata Sample (2024).

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