

SENATE BILL No. 163

AM016308 has been incorporated into introduced printing.

Synopsis: Various property tax matters.

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2026

IN 163—LS 6760/DI 120



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Introduced

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

SENATE BILL No. 163

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-12-14, AS AMENDED BY P.L.230-2025,
2 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 14. (a) Except as provided in subsection (c) and
4 except as provided in section 40.5 of this chapter, an individual may
5 have the sum of fourteen thousand dollars (\$14,000) deducted from the
6 assessed value of the real property, mobile home not assessed as real
7 property, or manufactured home not assessed as real property that the
8 individual owns (or the real property, mobile home not assessed as real
9 property, or 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 is
13 recorded in the county recorder's office) if:
14 (1) the individual served in the military or naval forces of the
15 United States for at least ninety (90) days;

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- (2) the individual received an honorable discharge;
- (3) the individual either:
 - (A) has a total disability; or
 - (B) is at least sixty-two (62) years old 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 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;on the date the statement required by section 15 of this chapter is filed.

(b) Except as provided in subsections (c) and ~~(d), (d)(1) through (d)(3)~~, the surviving spouse of an individual may receive the deduction provided by this section if:

- (1) the individual satisfied the requirements of subsection (a)(1) through (a)(4) at the time of death; or
- (2) the individual:
 - (A) was killed in action;
 - (B) died while serving on active duty in the military or naval forces of the United States; or
 - (C) died while performing inactive duty training in the military or naval forces of the United States; andthe surviving spouse satisfies the requirement of subsection (a)(5) at the time the deduction statement is filed. The surviving spouse is entitled to the deduction regardless of whether the property for which the deduction is claimed was owned by the deceased veteran or the surviving spouse before the deceased veteran's death.

(c) **This subsection applies to assessment dates before January 1, 2027.** Except as provided in subsection (f), no one is entitled to the deduction provided by this section if the assessed value of the individual's Indiana real property, Indiana mobile home not assessed as

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1 real property, and Indiana manufactured home not assessed as real
 2 property, as shown by the tax duplicate, exceeds the assessed value
 3 limit specified in subsection (d). **(d)(1) through (d)(3).**

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

5 (1) January 1, 2017, January 1, 2018, and January 1, 2019,
 6 assessment dates, the assessed value limit for purposes of
 7 subsection (c) is one hundred seventy-five thousand dollars
 8 (\$175,000);

9 (2) January 1, 2020, January 1, 2021, January 1, 2022, and
 10 January 1, 2023, assessment dates, the assessed value limit for
 11 purposes of subsection (c) is two hundred thousand dollars
 12 (\$200,000); **and**

13 (3) January 1, 2024, **January 1, 2025, and January 1, 2026,**
 14 assessment date **dates**, and for each assessment date thereafter,
 15 the assessed value limit for purposes of subsection (c) is two
 16 hundred forty thousand dollars (\$240,000); **and**

17 **(4) January 1, 2027, assessment date and for each assessment**
 18 **date thereafter, there shall be no assessed value limit to claim**
 19 **the deduction under this section.**

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

27 (f) **This subsection applies to assessment dates before January**
 28 **1, 2027.** For purposes of determining the assessed value of the real
 29 property, mobile home, or manufactured home under subsection (d)
 30 **(d)(1) through (d)(3)** for an individual who has received a deduction
 31 under this section in a previous year, increases in assessed value that
 32 occur after the later of:

33 (1) December 31, 2019; or

34 (2) the first year that the individual has received the deduction;
 35 are not considered unless the increase in assessed value is attributable
 36 to substantial renovation or new improvements. Where there is an
 37 increase in assessed value for purposes of the deduction under this
 38 section, the assessor shall provide a report to the county auditor
 39 describing the substantial renovation or new improvements, if any, that
 40 were made to the property prior to the increase in assessed value.

41 SECTION 2. IC 6-1-13-13, AS AMENDED BY P.L.174-2022,



1 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: Sec. 13. (a) This section applies to both residential
3 real property and commercial property, with an assessed value of three
4 million dollars (\$3,000,000) or less, for which the assessed value was
5 increased for a tax year by an assessing official for any reason other
6 than by the application of the annual adjustment factor used by the
7 assessing official to adjust property values for that year. However, this
8 section does not apply to an assessment if the assessment is based on:

9 (1) structural improvements;
10 (2) zoning; or
11 (3) uses;

12 that were not considered in the assessment for the prior tax year.

13 (b) If the taxpayer:

(1) appeals an increased assessment as described in subsection (a) to the county property tax assessment board of appeals or the Indiana board; and

(2) prevails in an appeal described in subdivision (1) or any resulting subsequent appeal of the increased assessment described in subsection (a);

the assessing official shall not increase the assessed value of the property until the first year of the next four (4) year cyclical assessment cycle for any reason other than by application of the annual adjustment factor used by the assessing official to adjust property values for a tax year. During this period, the taxpayer may not appeal an increased assessment made by the assessor unless the taxpayer believes that the increased assessment is arbitrary and capricious and not made consistent with the annual adjustment factor used by the assessing official to adjust property values for a tax year. If the taxpayer does appeal during this period on the grounds that the increased assessment is arbitrary and capricious and not made consistent with the annual adjustment factor used by the assessing official to adjust property values for a tax year, the provision shifting the burden to the assessing official **has the burden** to prove that the assessment is correct under IC 6-1.1-15-17.2(d) (before its repeal) or IC 6-1.1-15-20. does not apply.

36 (c) This section does not apply if:

37 (1) the reduction in assessed value is the result of a settlement
38 agreement between the taxpayer and the assessing official; or
39 (2) the appeal is based on a correction of error under
40 IC 6-1-1-15-1.1(a) and IC 6-1-1-15-1.1(b).

41 (d) If the taxpayer who appealed an increased assessment under

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1 this section sells the property, whose assessment was appealed, for fair
 2 market value, notwithstanding subsection (b), the assessor may reassess
 3 the property that was sold.

4 SECTION 3. IC 6-1.1-15-1.1, AS AMENDED BY P.L.9-2024,
 5 SECTION 167, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: Sec. 1.1. (a) A taxpayer may appeal
 7 an assessment of a taxpayer's tangible property by filing a notice in
 8 writing with the township assessor, or the county assessor if the
 9 township is not served by a township assessor. Except as provided in
 10 subsections (e) and (h), an appeal under this section may raise any
 11 claim of an error related to the following:

- 12 (1) The assessed value of the property.
- 13 (2) The assessment was against the wrong person.
- 14 (3) The approval, denial, or omission of a deduction, credit,
 15 exemption, abatement, or tax cap.
- 16 (4) A clerical, mathematical, or typographical mistake.
- 17 (5) The description of the real property.
- 18 (6) The legality or constitutionality of a property tax or
 19 assessment.

20 A written notice under this section must be made on a form designated
 21 by the department of local government finance. A taxpayer must file a
 22 separate petition for each parcel.

23 (b) A taxpayer may appeal an error in the assessed value of the
 24 property under subsection (a)(1) any time after the official's action, but
 25 not later than the following:

- 26 (1) For assessments before January 1, 2019, the earlier of:
 - 27 (A) forty-five (45) days after the date on which the notice of
 28 assessment is mailed by the county; or
 - 29 (B) forty-five (45) days after the date on which the tax
 30 statement is mailed by the county treasurer, regardless of
 31 whether the assessing official changes the taxpayer's
 32 assessment.
- 33 (2) For assessments of real property, after December 31, 2018,
 34 the earlier of:
 - 35 (A) June 15 of the assessment year, if the notice of
 36 assessment is mailed by the county before May 1 of the
 37 assessment year; or
 - 38 (B) June 15 of the year in which the tax statement is mailed
 39 by the county treasurer, if the notice of assessment is mailed
 40 by the county on or after May 1 of the assessment year.
- 41 (3) For assessments of personal property, forty-five (45) days



1 after the date on which the county mails the notice under
2 IC 6-1.1-3-20.

3 A taxpayer may appeal an error in the assessment under subsection
4 (a)(2), (a)(3), (a)(4), (a)(5), or (a)(6) not later than three (3) years after
5 the taxes were first due.

6 (c) Except as provided in subsection (d), an appeal under this
7 section applies only to the tax year corresponding to the tax statement
8 or other notice of action.

15 (e) A taxpayer may not appeal under this section any claim of error
16 related to the following:

20 (2) The calculation of interest and penalties.

21 (3) A matter under subsection (a) if a separate appeal or review
22 process is statutorily prescribed.

23 However, a claim may be raised under this section regarding the
24 omission or application of a deduction approved by an authority other
25 than the county board, county auditor, county assessor, or township
26 assessor.

27 (f) The filing of a written notice under this section constitutes a
28 request by the taxpayer for a preliminary informal meeting with the
29 township assessor, or the county assessor if the township is not served
30 by a township assessor.

31 (g) A county or township official who receives a written notice
32 under this section shall forward the notice to:

33 (1) the county board; and

34 (2) the county auditor, if the taxpayer raises a claim regarding a
35 matter that is in the discretion of the county auditor.

36 (h) A taxpayer may not raise any claim in an appeal under this
37 section related to the legality or constitutionality of:

38 (1) a user fee (as defined in IC 33-23-1-10.5);

39 (2) any other charge, fee, or rate imposed by a political
40 subdivision under any other law; or

41 (3) any tax imposed by a political subdivision other than a



1 property tax.

(A) used by the county assessor or third party contractor on the assessment date to determine the assessment for the given assessment year;

(B) that is included in the property tax statement for the given assessment year or the notice of assessment for the given assessment year; and

(C) that is furnished to the taxpayer for the given assessment year; and

22 (2) a county assessor shall not introduce or rely on any
23 information not used to determine the assessment on the
24 assessment date for the given assessment year, including any
25 information from a third party contractor.

26 For purposes of this subsection, an appeal includes a preliminary
27 informal meeting under section 1.2(a) of this chapter.

28 SECTION 4. IC 6-1.1-15-17.3, AS AMENDED BY P.L.178-2021,
29 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 UPON PASSAGE]: Sec. 17.3. (a) As used in this section, "tax official"
31 means:

32 (1) a township assessor;

33 (2) a county assessor;

34 (3) a county auditor;

35 (4) a county treasurer;

36 (5) a member of a county board; or

37 (6) any employee, contract employee, or independent contractor
38 of an individual described in subdivisions (1) through (5).

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1 subsection applies regardless of whether or not the individual receives
2 any compensation for the representation or assistance.

3 (c) Subsection (b) does not:

4 (1) prohibit a contract employee or independent contractor of a
5 tax official from serving as a tax representative before the county
6 board or Indiana board for a taxpayer with respect to property
7 subject to property taxes in the county unless the contract
8 employee or independent contractor personally and substantially
9 participated in the assessment of the property; or
10 (2) prohibit an individual from appearing before the county
11 board or Indiana board regarding property owned by the
12 individual.

13 (d) An individual who is a former county assessor, former
14 township assessor, former employee or contract employee of a county
15 assessor or township assessor, or an independent contractor formerly
16 employed by a county assessor or township assessor may not serve as
17 a tax representative for or otherwise assist another person in an
18 assessment appeal before a county board or the Indiana board if:

19 (1) the appeal involves the assessment of property located in:
20 (A) the county in which the individual was the county
21 assessor or was an employee, contract employee, or
22 independent contractor of the county assessor; or
23 (B) the township in which the individual was the township
24 assessor or was an employee, contract employee, or
25 independent contractor of the township assessor; and
26 (2) while the individual was the county assessor or township
27 assessor, was employed by or a contract employee of the county
28 assessor or the township assessor, or was an independent
29 contractor for the county assessor or the township assessor, the
30 individual personally and substantially participated in the
31 assessment of the property.

32 The prohibition under this subsection applies regardless of whether the
33 individual receives any compensation for the representation or
34 assistance. However, this subsection does not prohibit an individual
35 from appearing before the Indiana board or county board regarding
36 property owned by the individual.

37 (e) The department shall prepare and make available to taxpayers
38 a power of attorney form that allows the owner of property that is the
39 subject of an appeal under this article to appoint a relative (as defined
40 in IC 2-2.2-1-17) for specific assessment years to represent the owner
41 concerning the appeal before the county board or the department of



1 local government finance. A relative who is appointed by the owner of
 2 the property under this subsection:

3 (1) may represent the owner before the county board or the
 4 department of local government finance but not the Indiana
 5 board concerning the appeal; and
 6 (2) is not required to be certified as a tax representative in order
 7 to represent the owner concerning the appeal.

8 (f) Notwithstanding any other law, but subject to subsections (b)
 9 and (d) and IC 6-1.1-31.7-3.5, an individual may serve as a tax
 10 representative of any taxpayer concerning property subject to property
 11 taxes in the county:

12 (1) before the county board of that county, if:

13 (A) the individual is certified as a level two
 14 assessor-appraiser under IC 6-1.1-35.5; and

15 (B) the taxpayer **authorizes has provided written**
 16 **authorization, which may not be electronic and may not**
 17 **be effective for more than one (1) year, to** the individual
 18 to serve as the taxpayer's tax representative on a form that:
 19 **is:**

20 (i) **is prepared by the department of local government**
 21 **finance; and**

22 (ii) **contains an attestation that the taxpayer has**
 23 **provided written authorization for the individual**
 24 **designated to serve as the taxpayer's tax**
 25 **representative; and**

26 (iii) **is submitted with the taxpayer's notice to**
 27 **initiate an appeal; or**

28 (2) before the county board of that county or the Indiana board,
 29 if:

30 (A) the individual is certified as a level three
 31 assessor-appraiser under IC 6-1.1-35.5; and

32 (B) the taxpayer **has provided written authorization,**
 33 **which may not be electronic and may not be effective for**
 34 **more than one (1) year, to the individual to serve as the**
 35 **taxpayer's tax representative on a form that:**

36 (i) **is prepared by the department of local**
 37 **government finance;**

38 (ii) **contains an attestation that the taxpayer has**
 39 **provided written authorization for the individual**
 40 **designated to serve as the taxpayer's tax**
 41 **representative; and**

42 (iii) **is submitted with the taxpayer's notice to**



1 **initiate an appeal.**

2 **The taxpayer must also have a signed agreement with the**
 3 **individual designated to serve as the taxpayer's tax representative**
 4 **which must be attested to by the taxpayer as required under**
 5 **subdivisions (1) and (2).**

6 SECTION 5. IC 6-1.1-15-20, AS ADDED BY P.L.174-2022,
 7 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: Sec. 20. (a) In an appeal under this chapter, ~~except~~
 10 as provided in subsection (b), the assessment as last determined by an
 11 assessing official or the county board is presumed to be equal to the
 12 property's true tax value until rebutted by evidence presented by the
 13 parties.

14 (b) If a property's assessment increased more than five percent
 15 (5%) over the property's assessment for the prior tax year, then the
 16 assessment is no longer presumed to be equal to the property's true tax
 17 value, and the assessing official has the burden of proof.

18 (c) (b) For purposes of this chapter, an assessment for a prior tax
 19 year means the final value:

- 19 (1) as last corrected by an assessing official;
- 20 (2) as stipulated or settled by the taxpayer and the assessing
 21 official; or
- 22 (3) as determined by a reviewing authority.

23 (d) Subsection (b) does not apply if the increase in the assessment
 24 on appeal is based on:

- 25 (1) substantial renovations or new improvements;
- 26 (2) zoning; or
- 27 (3) uses;

28 that were not considered in the assessment for the prior tax year.

29 (e) (c) Both parties in an appeal under this chapter may present
 30 evidence of the true tax value of the property, seeking to decrease or
 31 increase the assessment.

32 (f) (d) In an appeal under this chapter, the Indiana board shall, as
 33 trier of fact, weigh the evidence and decide the true tax value of the
 34 property as compelled by the totality of the probative evidence before
 35 it. The Indiana board's determination of the property's true tax value
 36 may be higher or lower than the assessment or the value proposed by
 37 a party or witness. If the totality of the evidence presented to the
 38 Indiana board is insufficient to determine the property's true tax value
 39 in an appeal governed by subsection (a), then the property's assessment
 40 is presumed to be equal to the property's true tax value. If the totality
 41 of the evidence presented to the Indiana board is insufficient to



1 determine the property's true tax value in an appeal, ~~governed by~~
 2 subsection (b), then the property's prior year assessment is presumed
 3 to be equal to the property's true tax value.

4 (g) (e) The Indiana board shall hear its matters without regard to
 5 motions related to notice pleading or judgments on the evidence.

6 (h) ~~This section applies only to appeals filed after the effective~~
 7 ~~date of this section as added by HEA 1260-2022.~~

8 SECTION 6. IC 6-1.1-49-4, AS ADDED BY P.L.95-2023,
 9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2026]: Sec. 4. (a) Subject to subsection (h), (g), a county fiscal
 11 body may adopt an ordinance to provide a credit against a qualified
 12 individual's property tax liability as set forth in this chapter.

13 (b) An ordinance adopted under this section may designate a
 14 neighborhood enhancement district. A neighborhood enhancement
 15 district may include:

16 (1) all of the territory of the county; or
 17 (2) one (1) or more specific geographic territories within the
 18 county;

19 as an area in which qualified individuals may apply for the credit.

20 (c) Subject to subsection (h), (g), an ordinance adopted under this
 21 section must:

22 (1) include a boundary description of the neighborhood
 23 enhancement district or districts to which the ordinance applies;
 24 (2) specify the income thresholds for a qualified individual under
 25 section 3(5)(A) and 3(5)(B) of this chapter, if any; and
 26 (3) specify the percentage of increase on a qualified individual's
 27 property tax liability in a particular year compared to the prior
 28 year that is to be used in determining the amount of the county
 29 option circuit breaker tax credit calculated under section 7(2)(B)
 30 of this chapter. The percentage must be at least two percent (2%)
 31 but not more than five percent (5%).

32 The boundary description required under subdivision (1) must be
 33 sufficient to identify the parcel or parcels to which the credit may be
 34 applied, including identification by taxing district, a parcel list, or a
 35 legal description.

36 (d) If a proposal is presented to the county fiscal body to adopt an
 37 ordinance under this section, the county fiscal body shall hear the
 38 proposal at a public meeting of the county fiscal body and may then
 39 vote to adopt the ordinance at the next meeting of the county fiscal
 40 body.

41 (e) The county fiscal body may rescind an ordinance adopted



1 under this section.

2 (f) An ordinance adopted under this section is effective January 1
3 of the year following the year in which the ordinance is adopted.

4 (g) An ordinance adopted under this section must specify that the
5 credit does not apply for property taxes first due and payable after
6 December 31, 2027.

7 (h) (g) A county fiscal body shall prescribe the same income
8 thresholds, credit amounts, and any other requirements related to
9 eligibility for each neighborhood enhancement district designated in
10 the county.

11 SECTION 7. IC 6-1.1-49-11 IS REPEALED [EFFECTIVE JULY
12 1, 2026]. See. 11. This chapter expires January 1, 2028.

13 SECTION 8. IC 6-1.1-53 IS ADDED TO THE INDIANA CODE
14 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
15 UPON PASSAGE]:

16 **Chapter 53. County Option First Time Home Buyer's Circuit
17 Breaker Tax Credit**

18 **Sec. 1. As used in this chapter, "first time home buyer" means
19 an individual who is buying a home in Indiana for the first time
20 and who has not had an ownership interest in a home at any time
21 preceding the date on which the individual purchases a home. The
22 term includes a married couple if one (1) spouse satisfies the
23 definition set forth in this section.**

24 **Sec. 2. As used in this chapter, "home" means an individual's
25 principal place of residence in Indiana that is:**

- 26 (1) in the first year, eligible for the standard homestead
27 deduction under IC 6-1.1-12-37; and
- 28 (2) in the second and following years, granted the standard
29 homestead deduction under IC 6-1.1-12-37.

30 The term does not include a newly constructed home that is less
31 than one hundred percent (100%) completed.

32 **Sec. 3. As used in this chapter, "qualified individual" means an
33 individual who:**

- 34 (1) is a first time home buyer;
- 35 (2) is:
 - 36 (A) in the first year, eligible for the standard homestead
37 deduction under IC 6-1.1-12-37; and
 - 38 (B) in the second and following years, granted the
39 standard homestead deduction under IC 6-1.1-12-37;
- 40 (3) had:
 - 41 (A) in the case of an individual who filed a single return,
42 an adjusted gross income (as defined in Section 62 of the



1 **Internal Revenue Code) not exceeding the amount**
 2 **specified in the ordinance adopted by the county under**
 3 **section 4(b)(2) of this chapter; or**
 4 **(B) in the case of an individual who filed a joint income**
 5 **tax return with the individual's spouse, combined**
 6 **adjusted gross income (as defined in Section 62 of the**
 7 **Internal Revenue Code) not exceeding the amount**
 8 **specified in the ordinance adopted by the county under**
 9 **section 4(b)(2) of this chapter;**
 10 **for the calendar year preceding by two (2) years the calendar**
 11 **year in which property taxes are first due and payable;**
 12 **(4) had an assessed value for the individual's Indiana real**
 13 **property that is an amount not more than the amount**
 14 **specified in the ordinance adopted by the county fiscal body**
 15 **under section 4(b)(3) of this chapter in the first year the**
 16 **credit will be applied; and**
 17 **(5) resides within the boundaries specified in the ordinance**
 18 **adopted by the county fiscal body under section 4(b)(1) of**
 19 **this chapter.**
 20 **Sec. 4. (a) Subject to subsection (f), a county fiscal body may**
 21 **adopt an ordinance to provide a credit against a qualified**
 22 **individual's property tax liability as set forth in this chapter.**
 23 **(b) Subject to subsection (f), an ordinance adopted under this**
 24 **section must:**
 25 **(1) include a boundary description to which the ordinance**
 26 **applies;**
 27 **(2) specify the income thresholds for a qualified individual**
 28 **under section 3(3)(A) and 3(3)(B) of this chapter, if any;**
 29 **(3) specify the maximum assessed value for an individual's**
 30 **qualifying Indiana real property, if any; and**
 31 **(4) specify the number of years the credit is to be applied,**
 32 **which must be at least one (1) calendar year but not more**
 33 **than five (5) consecutively succeeding calendar years,**
 34 **beginning with the calendar year that the qualified**
 35 **individual's home is first assessed as a first time home buyer.**
 36 **The boundary description required under subdivision (1) must be**
 37 **sufficient to identify the parcel or parcels to which the credit may**
 38 **be applied, including identification by taxing district, a parcel list,**
 39 **or a legal description.**
 40 **(c) If a proposal is presented to the county fiscal body to adopt**
 41 **an ordinance under this section, the county fiscal body shall hear**
 42 **the proposal at a public meeting of the county fiscal body and may**



1 then vote to adopt the ordinance at the next meeting of the county
 2 fiscal body.

3 (d) The county fiscal body may rescind an ordinance adopted
 4 under this section. However, the rescission of an ordinance shall
 5 not affect those qualified individuals who are eligible and granted
 6 the credit for the qualified individual's property tax liability under
 7 the ordinance before the date of the rescission and would continue
 8 to be eligible to apply the credit under the term of years specified
 9 in the ordinance in one (1) or more succeeding years, if not for the
 10 rescission. The county fiscal body must state in the ordinance that
 11 the credit allowed under the ordinance shall continue in effect for
 12 those qualified individuals, notwithstanding the rescission.

13 (e) An ordinance adopted under this section is effective
 14 January 1 of the year following the year in which the ordinance is
 15 adopted.

16 (f) A county fiscal body shall prescribe the same income and
 17 assessed value thresholds and any other requirements and
 18 limitations related to eligibility for each boundary designated in
 19 the county.

20 Sec. 5. If a county fiscal body adopts an ordinance to either
 21 provide the credit under this chapter or rescind an ordinance
 22 previously adopted, the county fiscal body shall, not later than
 23 fifteen (15) days after the adoption of the ordinance, give notice of
 24 the adoption of the ordinance to:

25 (1) the department on the form and in the manner prescribed
 26 by the department;
 27 (2) the county auditor;
 28 (3) the fiscal officer of each taxing unit within each boundary
 29 to which the ordinance applies; and
 30 (4) in the case of a county that has rescinded an ordinance
 31 under section 4(d) of this chapter, each qualified individual
 32 who has already been granted and will continue to be eligible
 33 to apply the credit to the qualified individual's property tax
 34 liability under the ordinance, notwithstanding the rescission,
 35 advising them that they will continue to be eligible to do so;
 36 including a certified copy of the adopted ordinance.

37 Sec. 6. (a) A qualified individual who has a credit provided
 38 under this chapter applied to the qualified individual's property
 39 tax liability in a particular calendar year may not also have a
 40 credit under IC 6-1.1-20.6-8.5 applied to the qualified individual's
 41 property tax liability in the same calendar year.

42 (b) Not more than one (1) credit may be claimed under this



1 **chapter with respect to a particular homestead by any qualified
2 individual.**

3 **Sec. 7. (a) The amount of the credit under this chapter is equal
4 to the greater of zero (0) or the result of:**

5 **(1) the property tax liability first due and payable on the
6 qualified individual's homestead property for the calendar
7 year (excluding any property tax liability imposed in a voter
8 approved referendum levy); minus**

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

10 **(A) the property tax liability first due and payable on
11 the qualified individual's homestead property for the
12 immediately preceding year after the application of the
13 credit granted under this section for that year
14 (excluding any property tax liability imposed in a voter
15 approved referendum levy); multiplied by**

16 **(B) the sum of:**

17 **(i) the applicable percentage under subsection (b),
18 expressed as a decimal; plus**

19 **(ii) one (1).**

20 **However, the credit provided by this chapter shall not apply to any
21 portion of property tax liability imposed on a qualified individual's
22 homestead property that is used for trade or business purposes in
23 connection with the production of income, and the qualified
24 individual must attest to this on the application for the credit. In
25 addition, the credit does not affect the allocation of taxes to a
26 referendum fund.**

27 **(b) The following percentage applies under subsection
28 (a)(2)(B)(i) depending on the number of years the credit is to be
29 applied under section 4(b)(4) of this chapter:**

30 **(1) For the first calendar year that a credit is applied to the
31 qualified individual's homestead property under this
32 chapter, the applicable percentage under subsection
33 (a)(2)(B)(i) is two percent (2%) for that calendar year.**

34 **(2) If a credit is applied to the qualified individual's
35 homestead property under this chapter for a second calendar
36 year, the applicable percentage under subsection (a)(2)(B)(i)
37 is two percent (2%) for that calendar year.**

38 **(3) If a credit is applied to the qualified individual's
39 homestead property under this chapter for a third calendar
40 year, the applicable percentage under subsection (a)(2)(B)(i)
41 is three percent (3%) for that calendar year.**

42 **(4) If a credit is applied to the qualified individual's**



homestead property under this chapter for a fourth calendar year, the applicable percentage under subsection (a)(2)(B)(i) is four percent (4%) for that calendar year.

(5) If a credit is applied to the qualified individual's homestead property under this chapter for a fifth calendar year, the applicable percentage under subsection (a)(2)(B)(i) is five percent (5%) for that calendar year.

Sec. 8. If the ownership of a homestead for which a qualified individual received a credit under this chapter changes, and the qualified individual no longer owns or principally resides in the homestead, the county auditor shall remove the designation of the individual as a qualified individual with respect to that homestead.

Sec. 9. The auditor of each county shall, in a particular year, apply a credit provided under this chapter to each qualified individual who received the credit in the preceding year, unless the county auditor determines that the individual is no longer eligible for the credit.

Sec. 10. (a) If a qualified individual who is receiving the credit provided by this chapter:

(1) knows or should have known that the individual does not qualify for the credit under this chapter; or

(2) changes the use of the individual's property so that part or all of the property no longer qualifies for the credit under this chapter;

the individual must file a certified statement with the county auditor notifying the county auditor that subdivision (1) or (2) applies not more than sixty (60) days after the date subdivision (1) or (2) first applies.

(b) An individual who fails to file the statement required by this section is liable for any additional taxes that would have been due on the property if the individual had filed the statement as required by this section, plus a civil penalty equal to ten percent (10%) of the additional taxes due. The additional taxes owed plus the civil penalty become part of the property tax liability for purposes of this article.

(c) The civil penalty imposed under this section is in addition to any interest and penalties for a delinquent payment that might otherwise be due. One percent (1%) of the total civil penalty collected under this section shall be transferred by the county to the department for use by the department in establishing and maintaining the homestead property data base under IC 6-1.1-12-37(j) and, to the extent there is money remaining, for

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1 **any other purposes of the department.**

2 SECTION 9. IC 6-3.1-35-7, AS AMENDED BY P.L.194-2023,
 3 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2026]: Sec. 7. (a) An eligible applicant who wishes to obtain
 5 the state tax credit provided by this chapter for a qualified project must
 6 submit an application to the authority after June 30, 2023, and before
 7 January 1, 2028, 2033, in the manner prescribed by the authority.

8 (b) An application submitted under subsection (a) must include:

- 9 (1) the name and address of the qualified project;
- 10 (2) the name and address of the owner of the qualified project;
 11 and
- 12 (3) any other information required by the authority.

13 (c) Subject to section 8 of this chapter, the authority may approve
 14 a tax credit application if:

- 15 (1) the applicant is an eligible applicant;
- 16 (2) the project identified in the application is a qualified project;
 17 and
- 18 (3) the tax credit application meets any other requirements for
 19 receipt of state tax credits established by the authority.

20 (d) If the authority approves a tax credit application for a qualified
 21 project, for each taxable year in the tax credit period the authority may
 22 approve a maximum amount of state tax credits. The maximum
 23 aggregate amount of state tax credits awarded by the authority for the
 24 state tax credit period of a qualified project is an amount that is the
 25 product of:

- 26 (1) a percentage determined by the authority, which must be less
 27 than or equal to one hundred percent (100%); multiplied by
- 28 (2) the anticipated aggregate federal tax credits over the credit
 29 period as defined by Section 42(f) of the Internal Revenue Code
 30 and specified in a letter issued by the authority for the qualified
 31 project under Section 42(m) of the Internal Revenue Code
 32 (annual amount multiplied by ten (10) years).

33 (e) If the authority approves a tax credit application for a qualified
 34 project, the authority shall issue an eligibility statement to the eligible
 35 applicant. The eligibility statement must specify at least the following:

- 36 (1) A unique identification code for the eligibility statement,
 37 determined by the authority.
- 38 (2) The name of the qualified project.
- 39 (3) For each taxable year in the state tax credit period of the
 40 qualified project, the maximum amount of state tax credit that
 41 the authority is awarding to the eligible applicant for the



1 qualified project.

(f) The authority shall transmit a copy of each eligibility statement issued under subsection (e) to the department.

4 SECTION 10. IC 6-3.1-35-8, AS ADDED BY P.L.137-2022,
5 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2026]: Sec. 8. (a) For each state fiscal year beginning after
7 June 30, 2023, and before July 1, 2028; 2033, the aggregate amount of
8 state tax credits awarded by the authority under this chapter may not
9 exceed thirty million dollars (\$30,000,000). For purposes of calculating
10 the aggregate state tax credit limit for a state fiscal year, the amounts
11 awarded by the authority are considered to be awarded in the year the
12 award is made to the state tax credit recipient by the authority,
13 notwithstanding the fact that the awarded state tax credit is to be
14 claimed over the state tax credit period.

22 SECTION 11. IC 6-3.1-35-11, AS ADDED BY P.L.137-2022,
23 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2026]: Sec. 11. This chapter is subject to review under
25 IC 2-5-3.2-1 to evaluate the effectiveness of the state tax credit. ~~one (1)~~
26 ~~year prior to its expiration under section 12 of this chapter.~~

27 SECTION 12. IC 6-3.1-35-12, AS ADDED BY P.L.137-2022,
28 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2026]: Sec. 12. This chapter expires July 1, 2028. 2033.

30 SECTION 13. [EFFECTIVE UPON PASSAGE] (a) As used in
31 this SECTION, "automated valuation system" means a centralized
32 system of automated valuation models and algorithms that may be
33 applied to homestead and residential property valuation.

39 (d) The department of local government finance shall prepare
40 a report regarding the creation of an automated valuation system
41 for local assessors to use in the state for the assessment of
42 homestead and residential property values.

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1 (e) The department of local government finance shall present
 2 the report prepared under subsection (d) to the interim study
 3 committee on fiscal policy on or before November 1, 2026.

4 (f) This SECTION expires July 1, 2027.

5 SECTION 14. [EFFECTIVE UPON PASSAGE] (a) The
 6 department of local government finance shall prepare a report
 7 regarding the creation of a standard Internet user portal through
 8 which taxpayers may make property tax payments on at least a
 9 monthly basis by means of an electronic funds transfer. The report
 10 must contain the following information:

11 (1) The number of counties that allow monthly payments and
 12 if the payments are made by an electronic funds transfer.

13 (2) The cost to the county to purchase the software necessary
 14 to create the portal.

15 (3) Whether the county charges the user a fee.

16 (4) The percentage of taxpayers that pay property taxes on
 17 a monthly basis.

18 (5) How the county confirms that the property taxes are paid
 19 timely.

20 In compiling the report, the department of local government
 21 finance shall also solicit bids from at least three (3) vendors to
 22 obtain estimates of the cost to the department of local government
 23 finance to purchase the software needed to allow for monthly
 24 payments and if there would be an additional cost for a county to
 25 obtain a license to use the software.

26 (b) The department of local government finance shall present
 27 the report prepared under subsection (a) to the interim study
 28 committee on fiscal policy on or before November 1, 2026.

29 (c) This SECTION expires July 1, 2027.

30 SECTION 15. [EFFECTIVE UPON PASSAGE] (a)

31 IC 6-1.1-15-20, as amended by this act, applies as follows:

32 (1) To an appeal filed under IC 6-1.1-15 on or after the
 33 effective date of this act.

34 (2) To an appeal filed under IC 6-1.1-15 before the effective
 35 date of this act that is pending on the effective date of this
 36 act.

37 (b) This SECTION expires December 31, 2028.

38 SECTION 16. An emergency is declared for this act.

