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## SENATE BILL No. 163

Proposed Changes to introduced printing by AM016308

### DIGEST OF PROPOSED AMENDMENT

Property tax matters. Revises and limits the provision in the bill regarding the use of additional information in a property tax appeal to appeals involving residential property. Makes changes to the statute allocating the burden of proof in property tax assessment appeals by: (1) providing that the assessing official has the burden of proving that the assessment is correct; (2) removing the provision shifting the burden from the taxpayer to the assessing official when the property's assessment increased by more than 5% over the property's assessment for the prior tax year; and (3) removing language providing that if the totality of the evidence presented to the Indiana board of tax review is insufficient to determine the property's true tax value that the property's assessment is presumed to be equal to the property's true tax value as last determined by the assessing official or county property tax assessment board of appeals. Specifies the applicability of the changes made to the burden of proof in property tax assessment appeals to both new appeals and pending appeals. Removes SECTION 3 of the current bill which would have required the department of local government finance (DLGF) to develop and provide to each county a standard Internet user portal through which taxpayers may make property tax payments on at least a monthly basis by electronic payment to the county treasurers and replaces it with a provision requiring the DLGF to prepare a report regarding the creation of a portal through which taxpayers may make property tax payments on at least a monthly basis and present the report to the interim study committee on fiscal policy. Modifies a procedure pertaining to individuals who may serve as a tax representative of any taxpayer concerning property subject to property taxes. Revises and restates the definition of "first time home buyer" for purposes of the provisions of the bill establishing a county option first time home buyer property tax credit.

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

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JULY 1, 2026]: Sec. 14. (a) Except as provided in subsection (c) and except as provided in section 40.5 of this chapter, an individual may have the sum of fourteen thousand dollars (\$14,000) deducted from the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office) 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 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



1 naval forces of the United States; or  
 2 (C) died while performing inactive duty training in the  
 3 military or naval forces of the United States; and  
 4 the surviving spouse satisfies the requirement of subsection (a)(5) at  
 5 the time the deduction statement is filed. The surviving spouse is  
 6 entitled to the deduction regardless of whether the property for which  
 7 the deduction is claimed was owned by the deceased veteran or the  
 8 surviving spouse before the deceased veteran's death.

9 (c) **This subsection applies to assessment dates before January**  
 10 **1, 2027.** Except as provided in subsection (f), no one is entitled to the  
 11 deduction provided by this section if the assessed value of the  
 12 individual's Indiana real property, Indiana mobile home not assessed as  
 13 real property, and Indiana manufactured home not assessed as real  
 14 property, as shown by the tax duplicate, exceeds the assessed value  
 15 limit specified in subsection ~~(d)~~: **(d)(1) through (d)(3).**

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

17 (1) January 1, 2017, January 1, 2018, and January 1, 2019,  
 18 assessment dates, the assessed value limit for purposes of  
 19 subsection (c) is one hundred seventy-five thousand dollars  
 20 (\$175,000);

21 (2) January 1, 2020, January 1, 2021, January 1, 2022, and  
 22 January 1, 2023, assessment dates, the assessed value limit for  
 23 purposes of subsection (c) is two hundred thousand dollars  
 24 (\$200,000); ~~and~~

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

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

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

39 (f) **This subsection applies to assessment dates before January**  
 40 **1, 2027.** For purposes of determining the assessed value of the real  
 41 property, mobile home, or manufactured home under subsection ~~(d)~~  
 42 **(d)(1) through (d)(3)** for an individual who has received a deduction



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under this section in a previous year, increases in assessed value that occur after the later of:

(1) December 31, 2019; or

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

[ SECTION 2. IC 6-1.1-13-13, AS AMENDED BY P.L.174-2022, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) This section applies to both residential real property and commercial property, with an assessed value of three million dollars (\$3,000,000) or less, for which the assessed value was increased for a tax year by an assessing official for any reason other than by the application of the annual adjustment factor used by the assessing official to adjust property values for that year. However, this section does not apply to an assessment if the assessment is based on:

(1) structural improvements;

(2) zoning; or

(3) uses;

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

(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.~~

(c) This section does not apply if:

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

(d) If the taxpayer who appealed an increased assessment under this section sells the property, whose assessment was appealed, for fair market value, notwithstanding subsection (b), the assessor may reassess the property that was sold.

1 SECTION ~~2~~ [3]. IC 6-1.1-15-1.1, AS AMENDED BY P.L.9-2024, SECTION 167, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. (a) A taxpayer may appeal an assessment of a taxpayer's tangible property by filing a notice in writing with the township assessor, or the county assessor if the township is not served by a township assessor. Except as provided in subsections (e) and (h), an appeal under this section may raise any claim of an error related to the following:

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

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

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

- (1) For assessments before January 1, 2019, the earlier of:
  - (A) forty-five (45) days after the date on which the notice of assessment is mailed by the county; or
  - (B) forty-five (45) days after the date on which the tax statement is mailed by the county treasurer, regardless of whether the assessing official changes the taxpayer's assessment.



(2) For assessments of real property, after December 31, 2018,  
the earlier of:

(A) June 15 of the assessment year, if the notice of  
assessment is mailed by the county before May 1 of the  
assessment year; or

(B) June 15 of the year in which the tax statement is mailed  
by the county treasurer, if the notice of assessment is mailed  
by the county on or after May 1 of the assessment year.

(3) For assessments of personal property, forty-five (45) days  
after the date on which the county mails the notice under  
IC 6-1.1-3-20.

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

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

(d) An appeal under this section applies to a prior tax year if a  
county official took action regarding a prior tax year, and such action  
is reflected for the first time in the tax statement. A taxpayer who has  
timely filed a written notice of appeal under this section may be  
required to file a petition for each tax year, and each petition filed later  
must be considered timely.

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

(1) The denial of a deduction, exemption, abatement, or credit if  
the authority to approve or deny is not vested in the county  
board, county auditor, county assessor, or township assessor.

(2) The calculation of interest and penalties.

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

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

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

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

(1) the county board; and



- 1 (2) the county auditor, if the taxpayer raises a claim regarding a  
 2 matter that is in the discretion of the county auditor.
- 3 (h) A taxpayer may not raise any claim in an appeal under this  
 4 section related to the legality or constitutionality of:
- 5 (1) a user fee (as defined in IC 33-23-1-10.5);  
 6 (2) any other charge, fee, or rate imposed by a political  
 7 subdivision under any other law; or  
 8 (3) any tax imposed by a political subdivision other than a  
 9 property tax.
- 10 (i) This subsection applies only to an appeal based on a claim of  
 11 error in the determination of property that is or is not eligible for a  
 12 standard homestead deduction under IC 6-1.1-12-37 and only for an  
 13 assessment date occurring before January 1, 2024. A taxpayer may  
 14 appeal an error in the assessment of property as described in this  
 15 subsection any time after the official's action, but not later than one (1)  
 16 year after the date on which the property that is the subject of the  
 17 appeal was assessed.
- 18 (j) ~~<A county assessor who uses the contract services of a~~  
 19 ~~professional appraiser under IC 6-1.1-4-18.5 for assessment or~~  
 20 ~~reassessment purposes may not, anytime after the real property~~  
 21 ~~assessment date >~~ [In an appeal following the date of assessment  
 22 ]under IC 6-1.1-2-1.5] for residential property:
- 23 (1) no additional information may be introduced by a county  
 24 assessor in determining the appeal beyond the information:
- 25 (A) used by the county assessor or third party  
 26 contractor on the assessment date to determine the  
 27 assessment for the given assessment year;  
 28 (B) that is included in the property tax statement for the  
 29 given assessment year or the notice of assessment for the  
 30 given assessment year; and  
 31 (C) that is furnished to the taxpayer for the given  
 32 assessment year; and
- 33 (2) a county assessor shall not introduce or rely on any  
 34 information not used to determine the assessment on the  
 35 assessment date] for the given assessment year, <request,  
 36 ~~receive, consider, or use any additional advisory information~~  
 37 ~~provided to the county assessor from the professional~~  
 38 ~~appraiser for the purposes of a property tax appeal under~~  
 39 ~~this chapter, including >~~ [including any information from a  
 40 third party contractor.
- 41 For purposes of this subsection, an appeal includes] a preliminary  
 42 informal meeting under section 1.2(a) of this chapter.



SECTION ~~<3>~~[4]. IC 6-1.~~<1-30-21 IS ADDED TO THE INDIANA CODE>~~[1-15-17.3.] AS ~~<A-NEW>~~[AMENDED BY P.L.178-2021.] SECTION[ 3, IS AMENDED] TO READ AS FOLLOWS[EFFECTIVE UPON PASSAGE]: Sec. ~~<21.(a)>~~[17.3. (a)]  
As used in this section, "tax official" means:

- (1) a township assessor;
- (2) a county assessor;
- (3) a county auditor;
- (4) a county treasurer;
- (5) a member of a county board; or
- (6) any employee, contract employee, or independent contractor of an individual described in subdivisions (1) through (5).

(b) Except as provided in subsection (c), a tax official in a county may not serve as a tax representative of any taxpayer with respect to property subject to property taxes in the county before the county board of that county or the Indiana board. The prohibition under this subsection applies regardless of whether or not the individual receives any compensation for the representation or assistance.

(c) Subsection (b) does not:

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

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

- (1) the appeal involves the assessment of property located in:
  - (A) the county in which the individual was the county assessor or was an employee, contract employee, or independent contractor of the county assessor; or
  - (B) the township in which the individual was the township assessor or was an employee, contract employee, or independent contractor of the township assessor; and
- (2) while the individual was the county assessor or township



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assessor, was employed by or a contract employee of the county assessor or the township assessor, or was an independent contractor for the county assessor or the township assessor, the individual personally and substantially participated in the assessment of the property.

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

(e) The department shall ~~develop and provide to each county a standard Internet user portal through which taxpayers may make property tax payments on at least a monthly basis by electronic payment (as defined in IC 5-27-2-3) to the county treasurer.~~

~~— (b) The department shall make the portal available to each county treasurer not later than December 31, 2026.~~

~~— (c) After December 31, 2026, each county treasurer shall maintain on the treasurer's website~~ [prepare] and make available ~~for taxpayer use the portal described in subsection (a):~~

~~— SECTION 4—~~ [to taxpayers a power of attorney form that allows the owner of property that is the subject of an appeal under this article to appoint a relative (as defined in IC 2-2.2-1-17) for specific assessment years to represent the owner concerning the appeal before the county board or the department of local government finance. A relative who is appointed by the owner of the property under this subsection:

(1) may represent the owner before the county board or the department of local government finance but not the Indiana board concerning the appeal; and

(2) is not required to be certified as a tax representative in order to represent the owner concerning the appeal.

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

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

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

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



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is:

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

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

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

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

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

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

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

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

(iii) is submitted with the taxpayer's notice to initiate an appeal.

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

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

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

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



(1) as last corrected by an assessing official;

(2) as stipulated or settled by the taxpayer and the assessing official; or

(3) as determined by a reviewing authority.

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

(1) substantial renovations or new improvements;

(2) zoning; or

(3) uses;

that were not considered in the assessment for the prior tax year:

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

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

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

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

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

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

(1) all of the territory of the county; or

(2) one (1) or more specific geographic territories within the county;

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



(c) Subject to subsection ~~(h)~~; **(g)**, an ordinance adopted under this section must:

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

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

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

(e) The county fiscal body may rescind an ordinance adopted under this section.

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

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

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

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

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

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

**Sec. 1.** As used in this chapter, "first time home buyer" means an individual who is buying a home in Indiana for the first time and who has not had an ownership interest in a home at any time



preceding the date on which the individual purchases a home. [The term includes a married couple if one (1) spouse satisfies the definition set forth in this section.]

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

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

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

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

- (1) is a first time home buyer;
- (2) is:
  - (A) in the first year, eligible for the standard homestead deduction under IC 6-1.1-12-37; and
  - (B) in the second and following years, granted the standard homestead deduction under IC 6-1.1-12-37;
- (3) had:
  - (A) in the case of an individual who filed a single return, an adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding the amount specified in the ordinance adopted by the county under section 4(b)(2) of this chapter; or
  - (B) in the case of an individual who filed a joint income tax return with the individual's spouse, combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding the amount specified in the ordinance adopted by the county under section 4(b)(2) of this chapter;
- for the calendar year preceding by two (2) years the calendar year in which property taxes are first due and payable;
- (4) had an assessed value for the individual's Indiana real property that is an amount not more than the amount specified in the ordinance adopted by the county fiscal body under section 4(b)(3) of this chapter in the first year the credit will be applied; and
- (5) resides within the boundaries specified in the ordinance adopted by the county fiscal body under section 4(b)(1) of this chapter.

**Sec. 4. (a)** Subject to subsection (f), a county fiscal body may



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1 adopt an ordinance to provide a credit against a qualified  
2 individual's property tax liability as set forth in this chapter.

3 (b) Subject to subsection (f), an ordinance adopted under this  
4 section must:

5 (1) include a boundary description to which the ordinance  
6 applies;

7 (2) specify the income thresholds for a qualified individual  
8 under section 3(3)(A) and 3(3)(B) of this chapter, if any;

9 (3) specify the maximum assessed value for an individual's  
10 qualifying Indiana real property, if any; and

11 (4) specify the number of years the credit is to be applied,  
12 which must be at least one (1) calendar year but not more  
13 than five (5) consecutively succeeding calendar years,  
14 beginning with the calendar year that the qualified  
15 individual's home is first assessed as a first time home buyer.

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

20 (c) If a proposal is presented to the county fiscal body to adopt  
21 an ordinance under this section, the county fiscal body shall hear  
22 the proposal at a public meeting of the county fiscal body and may  
23 then vote to adopt the ordinance at the next meeting of the county  
24 fiscal body.

25 (d) The county fiscal body may rescind an ordinance adopted  
26 under this section. However, the rescission of an ordinance shall  
27 not affect those qualified individuals who are eligible and granted  
28 the credit for the qualified individual's property tax liability under  
29 the ordinance before the date of the rescission and would continue  
30 to be eligible to apply the credit under the term of years specified  
31 in the ordinance in one (1) or more succeeding years, if not for the  
32 rescission. The county fiscal body must state in the ordinance that  
33 the credit allowed under the ordinance shall continue in effect for  
34 those qualified individuals, notwithstanding the rescission.

35 (e) An ordinance adopted under this section is effective  
36 January 1 of the year following the year in which the ordinance is  
37 adopted.

38 (f) A county fiscal body shall prescribe the same income and  
39 assessed value thresholds and any other requirements and  
40 limitations related to eligibility for each boundary designated in  
41 the county.

42 Sec. 5. If a county fiscal body adopts an ordinance to either



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provide the credit under this chapter or rescind an ordinance previously adopted, the county fiscal body shall, not later than fifteen (15) days after the adoption of the ordinance, give notice of the adoption of the ordinance to:

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

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

(b) Not more than one (1) credit may be claimed under this chapter with respect to a particular homestead by any qualified individual.

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

- (1) the property tax liability first due and payable on the qualified individual's homestead property for the calendar year (excluding any property tax liability imposed in a voter approved referendum levy); minus
- (2) the result of:

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

(B) the sum of:

- (i) the applicable percentage under subsection (b), expressed as a decimal; plus
- (ii) one (1).

However, the credit provided by this chapter shall not apply to any



portion of property tax liability imposed on a qualified individual's homestead property that is used for trade or business purposes in connection with the production of income, and the qualified individual must attest to this on the application for the credit. In addition, the credit does not affect the allocation of taxes to a referendum fund.

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

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

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

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

(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



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

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

9 (b) An individual who fails to file the statement required by  
 10 this section is liable for any additional taxes that would have been  
 11 due on the property if the individual had filed the statement as  
 12 required by this section, plus a civil penalty equal to ten percent  
 13 (10%) of the additional taxes due. The additional taxes owed plus  
 14 the civil penalty become part of the property tax liability for  
 15 purposes of this article.

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

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

31 (b) An application submitted under subsection (a) must include:  
 32 (1) the name and address of the qualified project;  
 33 (2) the name and address of the owner of the qualified project;  
 34 and  
 35 (3) any other information required by the authority.

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

38 (1) the applicant is an eligible applicant;  
 39 (2) the project identified in the application is a qualified project;  
 40 and  
 41 (3) the tax credit application meets any other requirements for  
 42 receipt of state tax credits established by the authority.



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

(1) a percentage determined by the authority, which must be less than or equal to one hundred percent (100%); multiplied by

(2) the anticipated aggregate federal tax credits over the credit period as defined by Section 42(f) of the Internal Revenue Code and specified in a letter issued by the authority for the qualified project under Section 42(m) of the Internal Revenue Code (annual amount multiplied by ten (10) years).

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

(1) A unique identification code for the eligibility statement, determined by the authority.

(2) The name of the qualified project.

(3) For each taxable year in the state tax credit period of the qualified project, the maximum amount of state tax credit that the authority is awarding to the eligible applicant for the qualified project.

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

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

(b) To the extent that the tax credit applications requesting state tax credits exceed the amount of available state tax credits in a year, or the authority reasonably anticipates that the requests will exceed the state fiscal year limitation established in subsection (a), the authority may allocate the state tax credits in a manner that furthers the mission and purpose of the authority and otherwise promotes the establishment



of qualified projects.

SECTION ~~9~~ [11]. IC 6-3.1-35-11, AS ADDED BY P.L.137-2022, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 11. This chapter is subject to review under IC 2-5-3.2-1 to evaluate the effectiveness of the state tax credit. ~~one (1) year prior to its expiration under section 12 of this chapter.~~

SECTION 1 ~~10~~ [2]. IC 6-3.1-35-12, AS ADDED BY P.L.137-2022, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 12. This chapter expires July 1, 2028: 2033.

SECTION 1 ~~11~~ [3]. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "automated valuation system" means a centralized system of automated valuation models and algorithms that may be applied to homestead and residential property valuation.

(b) As used in this SECTION, "homestead" refers to a homestead that qualifies for a standard deduction under IC 6-1.1-12-37.

(c) As used in this SECTION, "residential property" has the meaning set forth in IC 6-1.1-20.6-4.

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

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

(f) This SECTION expires July 1, 2027.

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

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

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

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

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



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

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

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

(c) This SECTION expires July 1, 2027.

SECTION 15. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-15-20, as amended by this act, applies as follows:

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

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

(b) This SECTION expires December 31, 2028.

SECTION 1  [6]. An emergency is declared for this act. [

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