
SENATE BILL No. 163

AM016313 has been incorporated into January 28, 2026 printing.

Synopsis: Various property tax matters.

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SB 163—LS 6760/DI 120



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Reprinted
January 28, 2026

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.

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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 6-1.1-15-1.2, AS AMENDED BY P.L.9-2024,
2 SECTION 168, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 1.2. (a) A county or township
4 official who receives a written notice under section 1.1 of this chapter
5 shall schedule, at a time during business hours that is convenient to the
6 taxpayer, a preliminary informal meeting with the taxpayer in order to
7 resolve the appeal. If the taxpayer raises a claim regarding a matter that
8 is in the discretion of the county auditor, the informal meeting must
9 include the county auditor. At the preliminary informal meeting, in
10 order to facilitate understanding and the resolution of disputed issues:
11 (1) a county or township official;
12 (2) the county auditor, if the matter is in the discretion of the
13 county auditor; and
14 (3) the taxpayer;
15 shall exchange the information that each party is relying on at the time
16 of the preliminary informal meeting to support the party's respective
17 position on each disputed issue concerning the assessment or

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1 deduction. If additional information is obtained by the county or
 2 township official, the county auditor, or the taxpayer after the
 3 preliminary informal meeting and before the hearing held by the county
 4 board, the party obtaining the information shall provide the information
 5 to the other party. If the county or township official, the county auditor,
 6 or the taxpayer obtains additional information and provides the
 7 information to the other party for the first time at the hearing held by
 8 the county board, the county board, unless waived by the receiving
 9 party, shall continue the hearing until a future hearing date of the
 10 county board so that the receiving party has an opportunity to review
 11 all the information that the offering party is relying on to support the
 12 offering party's positions on the disputed issues concerning the
 13 assessment or deduction.

14 (b) The official shall report on a form prescribed by the
 15 department of local government finance the results of the informal
 16 meeting. If the taxpayer and the official agree on the resolution of all
 17 issues in the appeal, the report shall state the agreed resolution of the
 18 matter and be signed by the official and the taxpayer. If an informal
 19 meeting is not held, or the informal meeting is unsuccessful, the official
 20 shall report those facts on the form. The official shall forward the
 21 report on the informal meeting to the county board.

22 (c) If the county board receives a report on the informal meeting
 23 indicating an agreed resolution of the matter, the county board shall
 24 vote to accept or deny the agreed resolution. If the county board accepts
 25 the agreed resolution, the county board shall issue a notification of final
 26 assessment determination adopting the agreed resolution and vacating
 27 the hearing if scheduled.

28 (d) The county board, upon receipt of a written notice under
 29 section 1.1 of this chapter, shall hold a hearing on the appeal not later
 30 than one hundred eighty (180) days after the filing date of the written
 31 notice. The county board shall, by mail, give at least thirty (30) days
 32 notice of the date, time, and place fixed for the hearing to the taxpayer,
 33 the county or township official with whom the taxpayer filed the
 34 written notice, and the county auditor. If the county board has notice
 35 that the taxpayer is represented by a third person, any hearing notice
 36 shall be mailed to the representative.

37 (e) If good cause is shown, the county board shall grant a request
 38 for continuance filed in writing at least ten (10) days before the
 39 hearing, and reschedule the hearing under subsection (d).

40 (f) A taxpayer may withdraw an appeal by filing a written request
 41 at least ten (10) days before the hearing. The county board shall issue
 42 a notification of final assessment determination indicating the

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1 withdrawal and no change in the assessment. A withdrawal waives a
2 taxpayer's right to appeal to the Indiana board.

3 (g) The county board shall determine an appeal without a hearing
4 if requested by the taxpayer in writing at least twenty (20) days before
5 the hearing.

6 (h) If a taxpayer appeals the assessment of tangible property under
7 section 1.1 of this chapter, the taxpayer is not required to have an
8 appraisal of the property in order to initiate the appeal or prosecute the
9 appeal. If the taxpayer presents an appraisal to the county board that:

10 (1) is prepared by a certified appraiser in compliance with the
11 Uniform Standards of Professional Appraisal Practice to
12 determine the market value in use;

13 (2) is addressed to the property owner or the assessor's office;

14 (3) is commissioned for the purpose of the assessment appeal;
15 and

16 (4) has an effective date that is the same date as the date of the
17 assessment that is the subject of the appeal;

18 the value of the property contained in the appraisal is presumed to be
19 correct. If the county board disagrees with the taxpayer's appraisal, the
20 county board may seek review of the appraisal by a third party
21 independent certified appraiser or obtain an independent appraisal
22 report conducted by a certified appraiser in compliance with the
23 Uniform Standards of Professional Appraisal Practice. If the county
24 board's appraisal differs from the taxpayer's appraisal, the county board
25 shall weigh the evidence and determine the true tax value of the
26 property based on the totality of the probative evidence before the
27 county board. The county board's determination of the property's true
28 tax value may be higher or lower than the assessment but may not be
29 lower than the lowest appraisal presented to or obtained by the county
30 board, or higher than the highest appraisal presented to or obtained by
31 the county board. After the assignment of value, the parties shall retain
32 their rights to appeal the assessment or assessments to the Indiana
33 board, which must hear the appeal de novo.

34 (i) At a hearing under subsection (d), the taxpayer shall have the
35 opportunity to present testimony and evidence regarding the matters on
36 appeal. If the matters on appeal are in the discretion of the county
37 auditor, the county auditor or the county auditor's representative shall
38 attend the hearing. A county or township official, or the county auditor
39 or the county auditor's representative, shall have an opportunity to
40 present testimony and evidence regarding the matters on appeal. The
41 county board may adjourn and continue the hearing to a later date in
42 order to make a physical inspection or consider the evidence presented.

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1 **However, the county board or assessing official shall not enter a**
 2 **property to conduct a physical inspection without first receiving**
 3 **the permission of the taxpayer to enter the property to make the**
 4 **physical inspection. Notwithstanding any other provision to the**
 5 **contrary, the county board shall not issue an order (including an**
 6 **order issued under 52 IAC 4-8-3) authorizing entry onto a**
 7 **taxpayer's property without the taxpayer's permission.**

8 (j) The county board shall determine the assessment by motion and
 9 majority vote. Except as provided in subsection (m), a county board
 10 may, based on the evidence before it, increase an assessment. The
 11 county board shall issue a written decision. Written notice of the
 12 decision shall be given to the township official, county official, county
 13 auditor, and the taxpayer.

14 (k) If more than one hundred eighty (180) days have passed since
 15 the date the notice of appeal was filed, and the county board has not
 16 issued a determination, a taxpayer may initiate any appeal with the
 17 Indiana board of tax review under section 3 of this chapter.

18 (l) The county assessor may assess a penalty of fifty dollars (\$50)
 19 against the taxpayer if the taxpayer or representative fails to appear at
 20 a hearing under subsection (d) and, under subsection (e), the taxpayer's
 21 request for continuance is denied, or the taxpayer's request for
 22 continuance, request for the board to take action without a hearing, or
 23 withdrawal is not timely filed. A taxpayer may appeal the assessment
 24 of the penalty to the Indiana board or directly to the tax court. The
 25 penalty may not be added as an amount owed on the property tax
 26 statement under IC 6-1.1-22 or IC 6-1.1-22.5.

27 (m) The determination of an appealed assessed value of tangible
 28 property by a county or township official resulting from an informal
 29 meeting under subsection (a), or by a county board resulting from an
 30 appeal hearing under subsection (d), may be less than or equal to the
 31 tangible property's original appealed assessed value at issue, but may
 32 not exceed the original appealed assessed value at issue. However, an
 33 increase in assessed value that is attributable to substantial renovation,
 34 new improvements, zoning change, or use change is excluded from the
 35 limitation under this subsection.

36 SECTION 2. IC 6-1.1-15-17.3, AS AMENDED BY P.L.178-2021,
 37 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 UPON PASSAGE]: Sec. 17.3. (a) As used in this section, "tax official"
 39 means:

- 40 (1) a township assessor;
 41 (2) a county assessor;
 42 (3) a county auditor;

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1 (4) a county treasurer;
 2 (5) a member of a county board; or
 3 (6) any employee, contract employee, or independent contractor
 4 of an individual described in subdivisions (1) through (5).
 5 (b) Except as provided in subsection (c), a tax official in a county
 6 may not serve as a tax representative of any taxpayer with respect to
 7 property subject to property taxes in the county before the county board
 8 of that county or the Indiana board. The prohibition under this
 9 subsection applies regardless of whether or not the individual receives
 10 any compensation for the representation or assistance.
 11 (c) Subsection (b) does not:
 12 (1) prohibit a contract employee or independent contractor of a
 13 tax official from serving as a tax representative before the county
 14 board or Indiana board for a taxpayer with respect to property
 15 subject to property taxes in the county unless the contract
 16 employee or independent contractor personally and substantially
 17 participated in the assessment of the property; or
 18 (2) prohibit an individual from appearing before the county
 19 board or Indiana board regarding property owned by the
 20 individual.
 21 (d) An individual who is a former county assessor, former
 22 township assessor, former employee or contract employee of a county
 23 assessor or township assessor, or an independent contractor formerly
 24 employed by a county assessor or township assessor may not serve as
 25 a tax representative for or otherwise assist another person in an
 26 assessment appeal before a county board or the Indiana board if:
 27 (1) the appeal involves the assessment of property located in:
 28 (A) the county in which the individual was the county
 29 assessor or was an employee, contract employee, or
 30 independent contractor of the county assessor; or
 31 (B) the township in which the individual was the township
 32 assessor or was an employee, contract employee, or
 33 independent contractor of the township assessor; and
 34 (2) while the individual was the county assessor or township
 35 assessor, was employed by or a contract employee of the county
 36 assessor or the township assessor, or was an independent
 37 contractor for the county assessor or the township assessor, the
 38 individual personally and substantially participated in the
 39 assessment of the property.
 40 The prohibition under this subsection applies regardless of whether the
 41 individual receives any compensation for the representation or
 42 assistance. However, this subsection does not prohibit an individual

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1 from appearing before the Indiana board or county board regarding
2 property owned by the individual.

3 (e) The department shall prepare and make available to taxpayers
4 a power of attorney form that allows the owner of property that is the
5 subject of an appeal under this article to appoint a relative (as defined
6 in IC 2-2.2-1-17) for specific assessment years to represent the owner
7 concerning the appeal before the county board or the department of
8 local government finance. A relative who is appointed by the owner of
9 the property under this subsection:

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

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

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

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

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

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

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

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

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

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

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

39 (B) **the taxpayer has provided written authorization,**
40 **which may be by electronic means and may not be**
41 **effective for more than one (1) year, to the individual to**
42 **serve as the taxpayer's tax representative on a form**

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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 3. 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), 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), 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

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1 ordinance under this section, the county fiscal body shall hear the
2 proposal at a public meeting of the county fiscal body and may then
3 vote to adopt the ordinance at the next meeting of the county fiscal
4 body.

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

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

9 (g) An ordinance adopted under this section must specify that the
10 credit does not apply for property taxes first due and payable after
11 ~~December 31, 2027~~. **December 31, 2028.**

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

16 SECTION 4. IC 6-1.1-49-11, AS ADDED BY P.L.95-2023,
17 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2026]: Sec. 11. This chapter expires January 1, ~~2028~~. **2029.**

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

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

- 26 (1) the name and address of the qualified project;
- 27 (2) the name and address of the owner of the qualified project;
- 28 and
- 29 (3) any other information required by the authority.

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

- 32 (1) the applicant is an eligible applicant;
- 33 (2) the project identified in the application is a qualified project;
- 34 and
- 35 (3) the tax credit application meets any other requirements for
36 receipt of state tax credits established by the authority.

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

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- 1 (1) a percentage determined by the authority, which must be less
- 2 than or equal to one hundred percent (100%); multiplied by
- 3 (2) the anticipated aggregate federal tax credits over the credit
- 4 period as defined by Section 42(f) of the Internal Revenue Code
- 5 and specified in a letter issued by the authority for the qualified
- 6 project under Section 42(m) of the Internal Revenue Code
- 7 (annual amount multiplied by ten (10) years).
- 8 (e) If the authority approves a tax credit application for a qualified
- 9 project, the authority shall issue an eligibility statement to the eligible
- 10 applicant. The eligibility statement must specify at least the following:
- 11 (1) A unique identification code for the eligibility statement,
- 12 determined by the authority.
- 13 (2) The name of the qualified project.
- 14 (3) For each taxable year in the state tax credit period of the
- 15 qualified project, the maximum amount of state tax credit that
- 16 the authority is awarding to the eligible applicant for the
- 17 qualified project.
- 18 (f) The authority shall transmit a copy of each eligibility statement
- 19 issued under subsection (e) to the department.

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

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

38 SECTION 7. IC 6-3.1-35-12, AS ADDED BY P.L.137-2022,
 39 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2026]: Sec. 12. This chapter expires July 1, ~~2028~~, **2033**.

41 SECTION 8. [EFFECTIVE UPON PASSAGE] (a) **As used in this**
 42 **SECTION, "automated valuation system" means a centralized**

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- 1 system of automated valuation models and algorithms that may be
- 2 applied to homestead and residential property valuation.
- 3 (b) As used in this SECTION, "homestead" refers to a
- 4 homestead that qualifies for a standard deduction under
- 5 IC 6-1.1-12-37.
- 6 (c) As used in this SECTION, "residential property" has the
- 7 meaning set forth in IC 6-1.1-20.6-4.
- 8 (d) The department of local government finance shall prepare
- 9 a report regarding the creation of an automated valuation system
- 10 for local assessors to use in the state for the assessment of
- 11 homestead and residential property values. The report must
- 12 include the following information:
- 13 (1) A description of how automated valuation systems work.
- 14 (2) A review of existing literature on the use of automated
- 15 valuation systems in the assessment of property.
- 16 (3) A review of how automated valuation systems are used in
- 17 other states.
- 18 (4) Any other topics the department of local government
- 19 finance considers relevant.
- 20 (e) The department of local government finance shall present
- 21 the report prepared under subsection (d) to the interim study
- 22 committee on fiscal policy on or before November 1, 2026.
- 23 (f) This SECTION expires July 1, 2027.
- 24 SECTION 9. [EFFECTIVE UPON PASSAGE] (a) The
- 25 department of local government finance shall prepare a report
- 26 regarding county and electronic Internet payment systems with
- 27 which taxpayers may make property tax payments. The report
- 28 must contain the following information:
- 29 (1) The number of counties that allow monthly payments and
- 30 if the payments are made by an electronic funds transfer.
- 31 (2) The cost to the county to allow monthly payments by an
- 32 electronic funds transfer. (3) Whether the county charges
- 33 the user a fee.
- 34 (4) The percentage of taxpayers that pay property taxes on
- 35 a monthly basis.
- 36 (5) How the county confirms that the property taxes are paid
- 37 timely.
- 38 (b) The department of local government finance shall present
- 39 the report prepared under subsection (a) to the interim study
- 40 committee on fiscal policy on or before November 1, 2026.
- 41 (c) This SECTION expires July 1, 2027.
- 42 SECTION 10. [EFFECTIVE UPON PASSAGE] (a) The

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1 **department of local government finance shall prepare a report for**
2 **the interim study committee on fiscal policy that identifies**
3 **alternatives to:**
4 **(1) the annual adjustment or trending process; and**
5 **(2) the use of cost tables;**
6 **in property assessment under current law.**
7 **(b) The department of local government finance shall present**
8 **the report prepared under subsection (a) to the interim study**
9 **committee on fiscal policy on or before November 1, 2026.**
10 **(c) This SECTION expires July 1, 2027.**
11 **SECTION 11. An emergency is declared for this act.**

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