

SENATE BILL No. 217

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-53.5.

Synopsis: Circuit breaker credit for homesteads. Limits the year over year increase in property tax liability for homesteads to not more than 4%.

Effective: January 1, 2026 (retroactive).

Buck, Niemeyer

January 8, 2026, read first time and referred to Committee on Tax and Fiscal Policy.



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. 217

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 6-1.1-53.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2026 (RETROACTIVE)]:

4 **Chapter 53.5. Maximum Increase in Homestead Property Tax**
5 **Liability**

6 **Sec. 1. This chapter applies to taxes first due and payable after**
7 **December 31, 2026.**

8 **Sec. 2. As used in this chapter, "homestead" has the meaning set**
9 **forth in IC 6-1.1-12-37.**

10 **Sec. 3. As used in this chapter, "property tax liability" means**
11 **liability for the tax imposed on homestead property under this**
12 **article determined after application of all credits and deductions**
13 **under this article, but does not include any interest or penalty**
14 **imposed under this article.**

15 **Sec. 4. As used in this chapter, "qualified individual" means an**
16 **individual who:**

17 **(1) has received a standard homestead deduction granted**



under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year (or was married at the time of death to a deceased spouse who qualified for a standard homestead deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year); and

(2) is receiving a standard homestead deduction granted under IC 6-1.1-12-37 for the same homestead property in the current calendar year.

Sec. 5. A credit shall be applied against a qualified individual's homestead property tax liability as set forth in this chapter. The amount of the credit 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) one and four-hundredths (1.04).

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. In addition, the credit does not affect the allocation of taxes to a referendum fund.

Sec. 6. (a) Except as provided in subsection (b), the amount of property tax liability determined under this chapter is the maximum property tax liability to which homestead property is subject for the applicable calendar year.

(b) If a physical change to homestead property results in an increased assessment of the homestead property for an assessment date after December 31, 2026, for which property tax liability is imposed, the property tax liability of a person for property taxes first due and payable for that assessment date with respect to the homestead property is the sum of the:

(1) amount of the person's property tax liability attributable to the homestead property as determined under this chapter



1 for the calendar year; plus
2 (2) amount of the person's property tax liability that is
3 directly attributable to the physical change in the homestead
4 property.
5 Sec. 7. A person is not required to file an application for the
6 credit under this chapter. The county auditor shall:
7 (1) identify the homestead property in the county eligible for
8 the credit under this chapter; and
9 (2) apply the credit under this chapter to homestead property
10 tax liability on the identified property.
11 SECTION 2. An emergency is declared for this act.

