

STATE OF INDIANA

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To: County Auditors
From: DLGF Budget Division
Re: Deduction Changes
Date: May 2007

SEA 287-2007 amended various deductions for 2007 pay 2008. The assessed value limit for the following deductions has been changed with an effective date of March 1, 2007:

IC 6-1.1-12-9 increases the assessed value limit for the Over 65 deduction to \$182,430;
IC 6-1.1-12-14, increases the assessed value limit for the veteran's deduction to \$143,160; and
IC 6-1.1-12-17.4 increases the assessed value limit for the WWI veteran's deduction to \$206,500.

Also, IC 6-1.1-11-3, retroactive to January 1, 2007, allows exemptions applications to be filed on or before May 15.

HEA1478-2007, effective July 1, 2007, amends the homestead standard deduction amount to the following:

2007 pay 2008 taxes	\$45,000	2010 pay 2011 taxes	\$42,000
2008 pay 2009 taxes	\$44,000	2011 pay 2012 taxes	\$41,000
2009 pay 2010 taxes	\$43,000	2012 pay 2013 taxes	\$40,000

SEA416-2007 amends the various property tax deduction statutes to read that the filing deadline for real property is the twelve months before June 11 and for mobile home or manufactured home not assessed as real property, the filing deadline is the twelve months before March 31. The following statutes are affected by this change:

IC 6-1.1-12-2, mortgage deduction;
IC 6-1.1-12-10.1, Over 65 deduction;
IC 6-1.1-12-12, blind deduction;
IC 6-1.1-12-15, disabled deduction;
IC 6-1.1-12-17, surviving spouse of a veteran's deduction;
IC 6-1.1-12-17.5, veteran's deduction;
IC 6-1.1-12-27.1, solar energy or heating system deduction;
IC 6-1.1-12-30, wind power device deduction;
IC 6-1.1-12-35.5, for those under IC 6-1.1-12-31 (coal conversion); IC 6-1.1-12-33 (hydroelectric); IC 6-1.1-12-34 (geothermal); and
IC 6-1.1-20.9-3, homestead standard deduction.

HEA1508-2007, effective July 1, 2007, provides that a trust is entitled to certain property tax deductions for real property owned by the trust if the property (1) is occupied by an individual who has a beneficial interest in the trust; (2) the occupier is a life tenant of the property (considered the owner of the property under IC 6-1.1-1-9(f)); and (3) otherwise qualifies for the deduction. It applies to the following deductions: Over 65, blind or disabled, partially disabled veteran, disabled veteran, surviving spouse of a veteran, and WWI veteran.

The Department is currently updating deduction forms and memoranda to include the aforementioned changes. The *Quick Reference Chart of Property Tax Deductions for 2007 pay 2008*, with the changes highlighted above, is now available on the Department's website. Questions regarding deductions, including this memorandum, should be directed to Pam Eustace at (317) 232-3758.