



# INDIANA PROPERTY TAX BENEFITS

State Form 51781 (R7 / 6-09)

Prescribed by the Department of Local Government Finance

## INSTRUCTIONS:

**(THIS FORM MUST BE PRINTED ON GOLD OR YELLOW PAPER)**

Listed below are certain deductions and credits that are available to lower property taxes in Indiana. Taxpayers may claim these benefits by filing an application with the Auditor in the County where the property is situated. The mortgage deduction application also may be filed with the Recorder in the County where the property is situated. The previous tax bill will facilitate filing, but it is not required.

Applications for deductions against real property must be filed during the year in which the deduction is sought to be effective for taxes payable in the following year. The filing deadline for deduction applications for mobile homes and manufactured homes that are not assessed as real property is the twelve months before March 31, unless noted below.

The deduction will appear on the tax bill the year following the assessment date. For additional information on these and other benefits, please consult Indiana Code §§ 6-1.1-12 and 6-1.1-20.9.

**Note:** The Sales Disclosure Form is not an application for the Homestead, or any other relevant deductions, for an annually assessed mobile or manufactured home.

| DEDUCTION<br>(Indiana Code)   | MAXIMUM AMOUNT<br>**   | ELIGIBILITY REQUIREMENTS  | APPLICATION FORM AND<br>VERIFICATION (PROOF)<br>REQUIRED  | RESTRICTIONS WHEN<br>COMBINING WITH OTHER<br>DEDUCTIONS**  |
|---|--|---|---|--|
| Homestead Standard Deduction<br>(6-1.1-12-37)   | The lesser of:<br>(1) sixty-percent (60%) of the assessed value of the real property, or<br>(2) forty five thousand dollars (\$45,000).  | 1) Residential real property improvements (including a house or garage) located in Indiana that an individual uses as the individual's principal residence, including a mobile or manufactured home not assessed as real property;<br>2) On the assessment date (March 1, or in the case of a mobile home that is assessed as personal property, the immediately following January 15) or any date in the same year after an assessment date, the individual or entity owns; is buying under a contract that provides that the individual is to pay the property taxes; is entitled to occupy as a tenant stockholder of a cooperative housing corporation; or is an individual as described in IC 6-1.1-12-17.9 and the residence is owned by a trust as described in IC 6-1.1-12-17.9;<br>3) Consists of dwelling and real estate not to exceed one acre surrounding the dwelling;<br>4) One standard deduction per married couple or individual.<br><i>Note: Homestead does not include property owned by a corporation, partnership, limited liability company, or entity not described in IC 6-1.1-12-37.</i><br><i>An individual who changes the use of his real property and fails to file a certified statement with the auditor of the county notifying the county of the change of use within sixty (60) days after the date of the change is liable for the amount of the deduction he was allowed for that real property plus a civil penalty equal to ten percent (10%) of the additional taxes due.</i> | Sales Disclosure Form 46021 or DLGF Form HC10 (State Form 5473). One form filed for both the Homestead Standard Deduction and Supplemental Homestead Deduction. |  |
| Supplemental Homestead Deduction<br>(Effective on January 1, 2009 and applies to property taxes first due in 2009 and thereafter.)<br>(6-1.1-12-37.5) | Equal to the Sum of the Following:<br>(1) thirty-five percent (35%) of the assessed value that is less than six hundred thousand dollars (\$600,000).<br>(2) twenty-five percent (25%) of the assessed value that is more than six hundred thousand dollars (\$600,000). | An individual who is entitled to a homestead standard deduction from the assessed value of property under IC 6-1.1-12-37 also is entitled to receive a supplemental homestead deduction from the assessed value of the homestead to which the standard deduction applies after the application of the standard deduction but before the application of any other deduction, exemption, or credit for which the individual is eligible.  | Sales Disclosure Form 46021 or DLGF Form HC10 (State Form 5473). One form filed for both the Homestead Standard Deduction and Supplemental Homestead Deduction. | This deduction must not be considered in applying the limits in IC 6-1.1-12-40.5, which states that the sum of the deductions provided to an annually assessed mobile home or manufactured home may not exceed one-half (1/2) of its assessed value. |

\* Any unused portion after application to residence property applies next to personal property and lastly as Excise Tax Credit on either motor vehicle excise tax (IC 6-6-5-5) or aircraft license tax (IC 6-6-6.5).

\*\* The sum of the deductions provided to a mobile home or to a manufactured home that is not assessed as real property may not exceed one-half (1/2) of the assessed value of the mobile home or manufactured home. (IC 6-1.1-12-40.5)

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| DEDUCTION<br>(Indiana Code)   | MAXIMUM AMOUNT<br>***   | ELIGIBILITY REQUIREMENTS  | APPLICATION FORM AND<br>VERIFICATION (PROOF)<br>REQUIRED  | RESTRICTIONS WHEN<br>COMBINING WITH OTHER<br>DEDUCTIONS**   |
|---|---|---|---|---|
| Solar Energy Heating or Cooling Systems<br>(6-1.1-12-26)<br>Wind Power Device<br>(6-1.1-12-29)<br>Hydroelectric Power Device<br>(6-1.1-12-33)<br>Geothermal Device<br>(6-1.1-12-34) | Assessed value (AV) with the device, less the AV without the device. In other words, the value of the device. | <ol style="list-style-type: none"> <li>1) Person must own or be buying on contract the real property or mobile or manufactured home not assessed as real property on the date the application is filed;</li> <li>2) Real property or mobile home not assessed as real property is equipped with a solar energy system, wind power device, hydroelectric power device, or geothermal energy heating or cooling device;</li> <li>3) With respect to real property, file during the year for which the person desires to obtain the deduction, and with respect to mobile home which is not assessed as real property file during the twelve months before March 31 of each year for which the deduction is sought (if mailed the mailing must be postmarked on or before the last day for filing).</li> </ol> | <p><b>Solar:</b> Sales Disclosure Form 46021 or State Form 18865</p> <p><b>Wind:</b> Sales Disclosure Form 46021 or State Form 18865</p> <p><b>Hydroelectric:</b> Sales Disclosure Form 46021 or State Form 18865; and</p> <p>Indiana Department of Environmental Management (IDEM) certification, which may be obtained by mailing copy of State Form to IDEM, 100 N. Senate Ave., Indianapolis, IN 46204</p> <p><b>Geothermal:</b> Sales Disclosure Form 46021 or State Form 18865</p> <p>Indiana Department of Environmental Management (IDEM) certification, which may be obtained by mailing copy of State Form to IDEM, 100 N. Senate Ave., Office of Water Quality, 65-40 Geothermal, Indianapolis, IN 46204</p> | PARTIALLY - These deductions may be claimed with all other deductions EXCEPT the Over 65 Deduction. |

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| DEDUCTION<br>(Indiana Code)       | MAXIMUM AMOUNT<br>**   | ELIGIBILITY REQUIREMENTS  | APPLICATION FORM AND<br>VERIFICATION (PROOF)<br>REQUIRED   | RESTRICTIONS WHEN<br>COMBINING WITH OTHER<br>DEDUCTIONS**   |
|-----------------------------------|--|---|--|---|
| <b>Mortgage</b><br>(6-1.1-12-1)   | The lesser of:<br>(1) \$3,000;<br>(2) amount of mortgage or contract indebtedness on assessment date of that year; or<br>(3) one half (1/2) of the total assessed value. | <ol style="list-style-type: none"> <li>1) Person must be resident of Indiana;</li> <li>2) Person must own or be buying on contract the real property or mobile or manufactured home not assessed as real property on the date the application is filed;</li> <li>3) Property located in Indiana;</li> <li>4) Person owes a debt secured by a mortgage or recorded contract on the real property or mobile or manufactured home not assessed as real property, which provides that the contract buyer is to pay the property taxes;</li> <li>5) With respect to real property, file during the year for which the person desires to obtain the deduction, and with respect to mobile or manufactured homes not assessed as real property, file during the twelve months before March 31 of each year for which the deduction is sought (if mailed the mailing must be postmarked on or before the last day for filing);</li> <li>6) Contract buyer must submit copy of memorandum of the recorded contract, containing a legal description with the first statement filed under this deduction.</li> </ol> | <p>State Form 43709</p> <p>Applications may be filed with either the Auditor or Recorder in the County where the property is situated.</p> <p><b>Note:</b> A new application must be filed whenever a loan on real estate is refinanced.</p> | None  |
| <b>Over 65</b><br>(6.1.1-12-9)    | \$12,480<br><br><b>Note:</b> If all joint tenants or tenants in common are not at least 65 years of age, the deduction allowed shall be reduced.                         | <ol style="list-style-type: none"> <li>1) Individual must own or be buying on contract the real property or mobile or manufactured home not assessed as real property on the date the application is filed;</li> <li>2) Individual is at least 65 by December 31 of the year preceding the year in which the deduction is claimed;</li> <li>3) Individual resides on the real property or mobile home or manufactured home;</li> <li>4) Combined adjusted gross income not exceeding \$25,000;</li> <li>5) Individual has owned the real property or mobile home or manufactured home for at least one (1) year before claiming the deduction;</li> <li>6) Assessed property value not exceeding \$182,430;</li> <li>7) Surviving, un-remarried spouse at least 60 years of age if deceased was 65 at the time of death;</li> <li>8) Individual may not be denied the deduction because the individual is absent from the real property or mobile home or manufactured home while in a nursing home or hospital.</li> </ol>   | <p>State Form 43708<br/>Internal Revenue Service Form 1040 for the previous calendar year.<br/>This requirement includes submitting the 1040 for the applicant and all co-owners.</p>  | PARTIALLY - May not claim any deductions other than the Mortgage and the Homestead Deductions.      |
| <b>Blind</b><br>(6-1.1-12-11; 12) | \$12,480   | <ol style="list-style-type: none"> <li>1) Individual is blind as defined in IC 12-7-2-21(1);</li> <li>2) The real property or mobile or manufactured home is principally used and occupied by the individual as the individual's residence;</li> <li>3) Individual must own or be buying on contract the real property or mobile or manufactured home not assessed as real property on the date the application is filed;</li> <li>4) Individual's taxable gross income does not exceed \$17,000;</li> <li>5) With respect to real property, file during the year for which the person desires to obtain the deduction, and with respect to mobile or manufactured homes not assessed as real property, file during the twelve months before March 31 of each year for which the deduction is sought (if mailed the mailing must be postmarked on or before the last day for filing).</li> </ol>  | <p>State Form 43710<br/>Proof of Blindness</p>   | PARTIALLY - These deductions may be claimed with all other deductions EXCEPT the Over 65 Deduction. |

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|--|---|---|--|---|
| <b>Over 65 Circuit Breaker Credit<br/>(6-1.1-20.6-8.5)</b> | Tax liability minus the product of tax for preceding year multiplied by 1.02. | <ol style="list-style-type: none"> <li>1) Individual qualified for homestead standard deduction in preceding calendar year and qualifies in current year;</li> <li>2) For individual who files single return, adjusted gross income cannot exceed \$30,000, for individual who files a joint return with spouse, adjusted gross income cannot exceed \$40,000;</li> <li>3) Homestead qualifies as a "qualified homestead property" for the calendar year and filing requirements are met. ("Qualified homestead property" means the individual who owns, is purchasing the homestead on contract or has beneficial interest in the owner, is or will be at least 65 on or before December 31 of the calendar year immediately preceding the calendar year in which the taxes are due, and the gross assessed value of the homestead on the assessment date is less than \$160,000.)</li> <li>4) With respect to real property, file during the year for which the person desires to obtain the credit, and with respect to mobile or manufactured homes not assessed as real property, file during the twelve months before March 31 of each year for which the credit is sought (if mailed the mailing must be postmarked on or before the last day for filing);</li> <li>5) File in same manner as for 6-1.1-12-9 (over 65 deduction);</li> <li>6) Applies to taxes first due and payable in 2009.</li> </ol> | State Form 43708<br>Internal Revenue Service Form 1040 for the previous calendar year for applicant and spouse.  | None  |
| <b>Disabled<br/>(6-1.1-12-11; 12)</b>                      | \$12,480  | <ol style="list-style-type: none"> <li>1) An individual is "disabled" if he is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment, which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months;</li> <li>2) The real property or mobile or manufactured home is principally used and occupied by the individual as the individual's residence;</li> <li>3) Individual must own or be buying on contract the real property or mobile or manufactured home not assessed as real property on the date the application is filed;</li> <li>4) Individual's taxable gross income does not exceed \$17,000;</li> <li>5) With respect to real property, file during the year for which the person desires to obtain the deduction, and with respect to mobile or manufactured homes not assessed as real property, file during the twelve months before March 31 of each year for which the deduction is sought (if mailed the mailing must be postmarked on or before the last day for filing).</li> </ol>  | State Form 43710<br>Proof of Disability: proof that applicant is eligible to receive disability benefits under the federal Social Security Act constitutes proof for purposes of this section; however, an individual with a disability not so covered must be examined by a physician under the same standards as used by Social Security Administration. | PARTIALLY - These deductions may be claimed with all other deductions EXCEPT the Over 65 Deduction. |
| <b>Disabled Veteran<br/>(6-1.1-12-14; 15)</b>              | \$12,480*   | <ol style="list-style-type: none"> <li>1) Individual must own or be buying on contract the real property or mobile or manufactured home not assessed as real property on the date the application is filed;</li> <li>2) Individual served in U.S. military service for at least 90 days and was honorably discharged;</li> <li>3) Individual is either totally disabled or at least age 62 with at least 10% disability;</li> <li>4) Assessed value of individual's tangible property is not greater than \$143,160;</li> <li>5) With respect to real property, file during the year for which the person desires to obtain the deduction, and with respect to mobile or manufactured homes not assessed as real property, file during the twelve months before March 31 of each year for which the deduction is sought (if mailed the mailing must be postmarked on or before the last day for filing);</li> <li>6) Surviving spouse may apply if the individual would qualify if alive.</li> </ol>  | State Form 12662<br>Either VA Form 20-5455 Code 1 In Item #15; Pension Certificate; Award of Compensation from VA or DOD; or Certificate of eligibility from IN Dept of VA.  | PARTIALLY - These deductions may be claimed with all other deductions EXCEPT the Over 65 Deduction. |

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|---|----------------------|--|---|--|
| <b>Veteran with Service Connected</b><br>(6-1.1-12-13; 15)          | \$24,960*            | 1) Individual must own or be buying on contract the real property or mobile or manufactured home not assessed as real property on the date the application is filed;<br>2) Individual received an honorable discharge after serving in U.S. military or naval forces during any of its wars;<br>3) Individual has service connected disability of at least 10%;<br>4) With respect to real property, file during the year for which the person desires to obtain the deduction, and with respect to mobile or manufactured homes not assessed as real property, file during the twelve months before March 31 of each year for which the deduction is sought (if mailed the mailing must be postmarked on or before the last day for filing);<br>5) Surviving spouse may apply if the individual would qualify if alive. | State Form 12662<br>Either VA Form 20-5455 Code 2 In Item #15; Pension Certificate; Award of Compensation from VA or DOD; or Certificate of eligibility from IN Dept of VA. | PARTIALLY - This deduction may be claimed with all other deductions EXCEPT the Over 65 Deduction and Surviving Spouse of WW I Veteran Deduction. |
| <b>Veteran World War I</b><br>(6-1.1-12-17.4)                       | \$18,720*            | 1) Individual must own or be buying on contract the real property or mobile or manufactured home not assessed as real property on the date the application is filed;<br>2) Individual must be resident of Indiana;<br>3) Property must be the veteran's principal residence;<br>4) Individual is a Veteran of World War I;<br>5) Assessed value of the residence property does not exceed \$206,500;<br>6) Veteran owns the real property or mobile home or manufactured home for at least one year prior to claiming deduction;<br>7) Individual may not be denied the deduction because the individual is absent from the real property or mobile home or manufactured home while in a nursing home or hospital.   | State Form 12662<br>Letter from VA or Department of Defense; or Discharge Documents.  | PARTIALLY - This deduction may be claimed with all other deductions EXCEPT the Over 65 Deduction.  |
| <b>Surviving Spouse of World War I Veteran</b><br>(6-1.1-12-16; 17) | \$18,720*            | 1) Surviving spouse must own or be buying on contract the real property or mobile or manufactured home not assessed as real property on the date the application is filed;<br>2) Individual is spouse of deceased person who served in the U.S. military before November 12, 1918;<br>3) Deceased spouse received an honorable discharge;<br>4) With respect to real property, file during the year for which the person desires to obtain the deduction, and with respect to mobile or manufactured homes not assessed as real property, file during the twelve months before March 31 of each year for which the deduction is sought (if mailed the mailing must be postmarked on or before the last day for filing).  | State Form 12662<br>Letter from VA or Department of Defense; or Discharge Documents.  | PARTIALLY - This deduction may be claimed with all other deductions EXCEPT the Over 65 Deduction and Veteran with Service Connected Disability.  |

\* Any unused portion after application to residence property applies next to personal property and lastly as Excise Tax Credit on either motor vehicle excise tax (IC 6-6-5-5) or aircraft license tax (IC 6-6-6.5)

\*\* The sum of the deductions provided to a mobile home or to a manufactured home that is not assessed as real property may not exceed one-half (1/2) of the assessed value of the mobile home or manufactured home. (IC 6-1.1-12-40.5)

Specific deduction claim forms are available from the county auditor or on the Indiana Department of Local Government Finance website: <http://www.in.gov/icpr/webfile/formsdiv/2897.htm>.

By signing below, customer acknowledges receipt of the Indiana Tax Benefits Form

|                                  |                          |
|----------------------------------|--------------------------|
| Customer Verification Signature: |                          |
| Please Print Name:               | Date (Month, Day, Year): |