

# Property Tax Overview

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# Types of Property Tax Relief

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- ▶ **Exemption** = property is not taxable
  - Churches, Charitable Organizations, etc.
  - IC 6-1.1-10; IC 6-1.1-11
- ▶ **Deduction** = reduces the taxable assessed value of a property by a fixed dollar amount before taxes are calculated
  - Homestead, Mortgage, Over 65, Disabled Veteran, etc.
  - IC 6-1.1-12
- ▶ **Credit** = reduce the net tax bill by a designated percentage or prevent a tax bill from exceeding a certain percentage
  - Circuit Breaker, Over 65, Local Homestead Credit



# Exemptions

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- ▶ Application must be filed on or before May 15<sup>th</sup> of the assessment year with the county assessor.
  - May 15, 2011 for the 2011–pay–2012 property taxes
- ▶ Exempt entity must own property as of March 1
- ▶ Must be re–filed every even year unless:
  - The exempt property is owned, occupied and used for educational, literary, scientific, religious or charitable purposes
  - The property continues to meet the requirements of IC 6–1.1–10–16 or IC 6–1.1–10–21
  - An application was properly filed at least once in accordance with these statutes
- ▶ Exemption is valid after change in ownership if the property continues to meet the requirements under IC 6–1.1–10–16 or IC 6–1.1–10–21



# Deductions for Real Property

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- ▶ Application must be completed and dated by December 31 and filed with the Auditor on or before January 5 of the immediately succeeding calendar year.
  - Completed and dated by December 31, 2011 and filed on or before January 5, 2012 for 2011 pay 2012 property taxes
  - There is no March 1 ownership requirement
- ▶ The Homestead, Mortgage, and Over 65 deduction applications can be completed and submitted online at [allencountyauditor.us](http://allencountyauditor.us)



# Deductions for Real Property

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- ▶ **Two** ways to receive a deduction for the 2011–pay–2012 property taxes:
    1. The deduction was accurately in place on the property as of March 1, 2011.
- OR**
2. Meet all eligibility requirements for a specific deduction, complete and date an application on or before December 31, 2011 and file the application on or before January 5, 2012.

# Property Tax Credits

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- ▶ Circuit Breaker Cap Credit
  - To receive the 1% cap, the taxpayer must apply for and be eligible to receive the homestead deductions. Separate application not required for credit.
- ▶ LOIT Homestead Credit
  - Taxpayer must apply for and be eligible to receive the homestead deductions. Separate application not required for credit.
- ▶ Over 65 Circuit Breaker Credit
  - Application required. Same deadlines as those for deductions.



# Circuit Breaker Credit Example

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Property Type: Rental Property – 2% category

Gross Assessed Value: \$100,000

Deductions: \$3,000

Net Assessed Value: \$97,000

Gross Tax ( $\$97,000 / 100 \times 2.9703$ ) = \$2,881.20

Tax Cap ( $\$100,000 \times 2\%$ ) = \$2,000 (maximum tax bill)

Circuit Breaker Credit ( $\$2,881.20 - 2,000$ ) = \$881.20



# Assessed Value Limitations

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- ▶ **Over 65 Deduction**

- AV of entire parcel where qualifying individual resides cannot exceed **\$182,430**

- ▶ **Over 65 Circuit Breaker Credit**

- AV of homestead property only cannot exceed **\$160,000**

- ▶ **Disabled Veteran Deduction**

- AV of all tangible property owned by the veteran cannot exceed **\$143,160**



# Income Limitations

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- ▶ **Over 65 Deduction**

- **Combined Adjusted Gross Income** of the individual and the individual's spouse or all other individuals who share ownership as joint tenants or tenants in common cannot exceed **\$25,000**

- ▶ **Over 65 Circuit Breaker Credit**

- **Adjusted Gross Income** of the individual may not exceed **\$30,000**.
- **Combined Adjusted Gross Income** of the individual and his or her spouse may not exceed **\$40,000**.

- ▶ **Blind/Disabled Deduction**

- Qualifying individual's **Taxable Gross Income** cannot exceed **\$17,000**.



# Homestead Verification Form

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- ▶ The form must be returned at least once by **January 1, 2013** or the homestead may be removed from the 2012 pay 2013 property taxes.
- ▶ If a form has not been returned by January 1, 2013, a final letter will be sent to the taxpayer.
- ▶ A homestead verification form is not required for new homestead applicants as the required information is provided on the initial application now.



# Homestead Verification Form

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- ▶ Allen County homeowners may submit their completed forms any of the following ways:
  - ▶ Complete and submit online at [www.allencountyauditor.us](http://www.allencountyauditor.us)
  - ▶ Complete, scan, and email to [acauditor@allencounty.us](mailto:acauditor@allencounty.us)
  - ▶ Hand deliver hard copy to address listed below
  - ▶ Complete and mail to:
    - Allen County Auditor
    - 1 E. Main St. Rm 102
    - Fort Wayne, IN 46802



**Questions?**

# Contact Allen County Auditor

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- **Property Tax Division**
  - Telephone: (260)449-7241
  - Fax: (260)449-7679
  - E-mail: [acauditor@allencounty.us](mailto:acauditor@allencounty.us)
- **Web site:**  
[www.allencountyauditor.us](http://www.allencountyauditor.us)