

The background of the slide is split into two vertical panels. The left panel is a solid teal color with a subtle, wavy pattern. The right panel is a light grey color with a more pronounced, wavy pattern. The text is positioned on the left panel.

2025 legislative changes

Homestead property assessment deductions & credits

	2025	2026	2027	2028	2029	2030	2031
Standard deduction	\$48,000	\$48,000	\$40,000	\$30,000	\$20,000	\$10,000	\$0
Supplemental homestead deduction	37.5%	40%	46.0%	52.0%	57.0%	62.0%	66.7%
Supplemental homestead credit		Lesser of \$300 or 10.0% of net property tax bill	Lesser of \$300 or 10.0% of net property tax bill	Lesser of \$300 or 10.0% of net property tax bill	Lesser of \$300 or 10.0% of net property tax bill	Lesser of \$300 or 10.0% of net property tax bill	Lesser of \$300 or 10.0% of net property tax bill
65 & over (credit)		\$150	\$150	\$150	\$150	\$150	\$150
Disabled homeowner (credit)		\$125	\$125	\$125	\$125	\$125	\$125

“65 and Over” Credit Qualification Threshold:

•For a **single filer**, the adjusted gross income must not exceed **\$60,000**.

•For a **joint filer**, the adjusted gross income must not exceed **\$70,000**.

Income eligibility is based on the calendar year **two years prior** to the year in which the property taxes are due.



SEA 1 HIGHLIGHTS

Homestead property assessment deductions & credits

	2025	2026	2027	2028	2029	2030	2031
Home Value (1)	\$240,714	\$240,714	\$240,714	\$240,714	\$240,714	\$240,714	\$240,714
Standard deduction	\$48,000	\$48,000	\$40,000	\$30,000	\$20,000	\$10,000	\$0
Supplemental homestead deduction	<u>\$72,267</u>	<u>\$77,086</u>	<u>\$92,328</u>	<u>\$109,571</u>	<u>\$125,807</u>	<u>\$143,043</u>	<u>\$160,556</u>
Net assessed value	\$120,446	\$115,628	\$108,386	\$101,143	\$94,907	\$87,671	\$80,158
Annual % +/-		-4.0%	-6.3%	-6.7%	-6.2%	-7.6%	-8.6%

(1) Indiana average home value per Zillow, Inc. [Indiana Housing Market: 2025 Home Prices & Trends | Zillow](#).



2% Property assessment deductions

	2025	2026	2027	2028	2029	2030	2031
Standard Deduction	0%	6%	12%	19%	25%	30%	33.4%

2% properties include agricultural, non-homestead residential, and long-term care facilities.

Note: The agricultural land base rate changed and is anticipated to decrease land assessed value.

Business personal property

	2025	2026	2027
<i>De minimis</i> exemption from taxation - acquisition cost of equipment	\$80,000	\$80,000	\$2,000,000

Removes 30% personal property floor for equipment placed in service after January 1, 2025. Except for taxpayers in a TIF allocation area established prior to January 1, 2025.

Max Levy Growth Quotient (MLGQ)

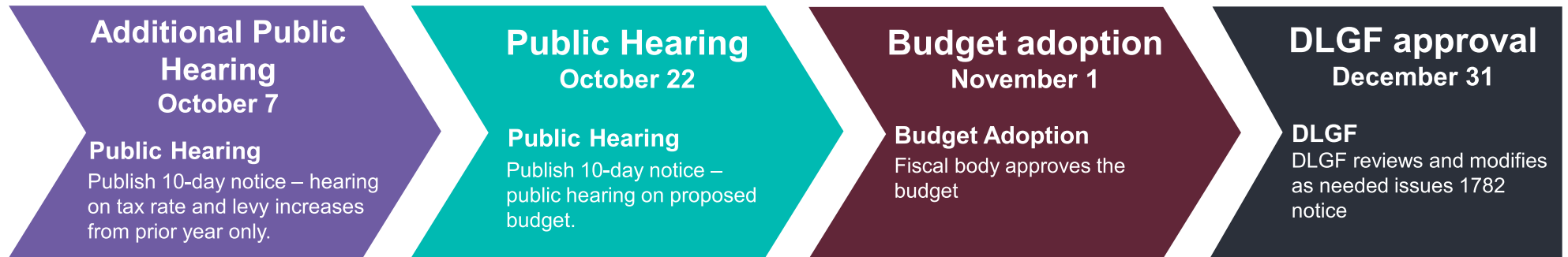
- MLGQ capped at 4% again in 2026. Was estimated at 5.6% without the cap.
- After 2026 the MLGQ will be based on the current formula (6-year average of non-farm personal income).
- Beginning in 2029 (for budget year 2030), the budgeted property tax levy may not exceed the levy of the preceding annual budget unless the fiscal body adopts an ordinance affirming a tax rate and tax levy increase following a separate public hearing no later than 15 days before the regular budget public hearing.

Budget process

CURRENT BUDGET PROCESS



BUDGET PROCESS – BEGINNING IN 2029



New county income tax limits (Effective beginning in 2028)

	Expenditure Rate - 2.9% max combined rate				
	County services (1)	Fire protection & EMS (1)	Non-municipal (1)	Municipalities population <3,500 (2)	Municipalities population at least 3,500
Max rate	1.20%	0.40%	0.20% (3)	1.20%	1.20%
Adopting body	County	County	County upon petition from non-municipal units	County upon petition from municipal units	Municipalities
Tax base	AGI of local taxpayers of County	AGI of local taxpayers of County	AGI of local taxpayers of County	AGI of County excluding AGI of municipalities =>3,500	AGI of local taxpayers of municipality
Uses	Same uses as the General Fund.	Fire Protection & EMS	Same uses as the General Fund.	Same uses as the General Fund.	Same uses as the General Fund.
Distribution	County	Fire and EMS providers	Non-Municipal Units	Municipalities population <3,500	Municipalities population at least 3,500

Notes:

(1) The combined rate for County Services, Fire Protection/EMS, and Non-Municipal may not exceed 1.7%.

(2) A County that adopts the maximum County Services rate of 1.2% and subsequently adopts the Municipal under 3,500 population LIT may retain 75% for County purposes. The remaining 25% will be distributed to municipalities under 3,500 population that requested to receive a share of LIT.

(3) For any given unit type, the tax rate may not exceed .05%.

(4) Beginning after December 31, 2030, expenditure rates expire on December 31 each year unless renewed by an ordinance by October 1 of each year.



Road funding

- Reduces the percentage that counties and municipalities are required to allocate to MVH Restricted from 50% to 40% under the condition that both of the following criteria are met: the average pavement quality (PASER) ratings are a minimum of 6 in the previous calendar year, and no more than 15% of the highways are classified as being in failed condition.
- Community Crossings Matching Grant (CCMG)
 - Lowers the local match obligation from 25% to 20% for:
 - Counties with populations below 50,000
 - Municipalities with populations under 10,000
 - While adopting a wheel tax is not mandatory to access CCMG funds, local units are encouraged to implement the tax to be eligible for an extra distribution based on total lane mileage.
- Clarifies that a municipality is liable for maintaining a bridge located within its corporate limits if it is less than twenty (20) feet in length and not part of the state highway system. (This could lead to reduced county expenses for bridge maintenance.)

Miscellaneous provisions

- Three-year growth excess levy appeals removed (but may file in 2025 for taxes payable in 2026)
- DLGF to develop and maintain a property tax transparency portal by January 1, 2026, where taxpayers can:
 - Compare property tax liability in current tax statement to potential property tax liability based on changes under a proposed tax rate
 - Provide taxpayer feedback to the DLGF and local units