

How does reassessment work in Indiana?

In Indiana, property tax reassessment is a structured process designed to ensure that property taxes reflect current market values. Here's how it works:

What Is Reassessment?

Reassessment is the periodic reevaluation of a property's taxable value. It ensures that property taxes are fair and based on the property's current market value, not outdated figures.

How Often Does It Happen?

Indiana follows a **cyclical reassessment system**, meaning:

- Every property is reassessed **once every four years**.
- Additionally, **annual adjustments** (called “trending”) are made based on market data to keep values aligned with real estate trends.

Key Dates

- The current reassessment cycle began **May 1, 2023**, and must be completed by **December 31, 2026**.

Timing and Valuation Date

- Assessments are based on the market value-in-use as of **January 1** of the assessment year.
- Sales from the previous calendar year are used to determine values, with adjustments for market changes (called **trending**)

Assessed Value vs. Market Value

- **Assessed value:** Used to calculate property taxes.
- **Market value:** What a buyer would pay in an open market. Indiana aims to align assessed value with market value, but discrepancies can occur due to standardized formulas.

If you're curious about your own property's assessed value, you can search by address or parcel number on Indiana's Assessment Portal.

How Is Value Determined?

- **Top Property Features That Affect Assessed Value in Indiana**
 - Indiana assessors use a standardized mass appraisal system to determine property values, and several key features can significantly influence your assessed value:

Physical Characteristics

- **Square footage:** Larger homes typically have higher values.
- **Number of bedrooms and bathrooms:** More rooms generally increase value.
- **Finished square footage.**
- **Story height:** One story, two story, etc.
- **Finished basement.**
- **Lot size:** Bigger lots can raise land value.
- **Age and condition:** Newer or well-maintained homes are valued higher; depreciation is factored in for older properties.
- **Construction quality:** Materials and workmanship affect the cost approach valuation.

Improvements and Renovations

- **Additions:** Finished basements, garages, decks, or extra rooms increase value.
- **Upgrades:** Kitchen remodels, new roofing, HVAC systems, or energy-efficient windows can boost assessed value.
- **Outbuildings:** Sheds, barns, or guest houses are included in improvement value.

Location Factors

- **Neighborhood desirability:** Proximity to good schools, parks, shopping, and low crime rates can raise value.
- **Zoning and land use:** Residential vs. commercial zoning affects valuation.
- **Local market trends:** Sales of similar properties in the area influence trending adjustments.

Land vs. Improvement Value

Indiana assessments break down into:

- **Land value:** Based on location, size, and usability.
- **Improvement value:** Based on structures and enhancements on the land.

All this data is data entered into the CAMA System

How can renovations impact my property tax assessments?

Renovations can absolutely impact your property tax assessments in Indiana—and sometimes in surprising ways. Here's how it works and what to watch out for:

How Renovations Affect Assessments

- **Increased Assessed Value:** Major renovations that add square footage, improve structural integrity, or introduce luxury features (like a pool or fireplace) typically raise your home's market value—and your assessed value along with it.
- **Permit Triggers:** Filing a building permit alerts the local assessor's office. They may reassess your property to include the value of the improvements.
- **Timing Matters:** If renovations are completed just before a reassessment cycle, the changes will likely be reflected immediately. If done after, it may take time to show up on your tax bill.

Renovations That Often Increase Taxes

Renovation Type	Likely Tax Impact
Adding a room or finishing a basement	High
Installing a new bathroom or kitchen	Moderate to High
Building a deck or sunroom	Moderate
In-ground pool or hot tub	High
Structural upgrades (foundation, roof)	Moderate to High

Renovations That Usually Don't Affect Taxes

- Painting or wallpapering
- Replacing flooring or fixtures
- Landscaping (unless it adds permanent structures)
- Installing new appliances
- Cosmetic updates without permits

These are considered **non-structural** or **non-permanent** and typically don't trigger reassessment.

Smart Strategies to Minimize Tax Impact

- **Time your renovations:** If possible, complete them after your property has been assessed for the year.
- **Consult your assessor:** Ask which projects are likely to affect your tax bill.
- **Explore exemptions:** Energy-efficient upgrades or accessibility improvements may qualify for deductions or credits.

Keep records: Document costs and permits in case you need to appeal a reassessment.

County's CAMA system.

- Computer Assisted Mass Appraisal
- It develops the value based on the replacement cost new (RCN)
- The RCN is reduced by the age and condition. The replacement cost new less depreciation (RCNLD)

Ratio Study

- Annual adjustments are submitted with a **Ratio Study**, which compares assessed values to actual sale prices to ensure accuracy.
- A ratio study is a sales analysis conducted by neighborhood.
- It is required by the Department of Local Governmental Finance (DLGF)
- It must meet statistical standards set forth by the International Association of Assessing Officers (IAAO)
- According to the DLGF Assessment Manual a neighborhood needs valid sales that represent 3% of the total parcel within the neighborhood (Chapter 2, page 7)
- "For the purpose of this section, a "representative number" shall mean a number that is no less than three percent (3%) of the total number of parcels within the neighborhood".
- 50 IAC 27-5-4, counties must use at least five (5) sales to calculate a trend factor for a neighborhood, unless justified by the assessor.

Market factor

- A market factor is a multiplicative factor that is designed to raise or lower the cost for the neighborhood to be inline with the sales for that neighborhood.

Appeals Process

If you disagree with your reassessment:

- File **Form 130** with your county assessor by **June 15** of the year following the assessment date.
- You'll have a hearing before the **Property Tax Assessment Board of Appeals (PTABOA)**.

Tips for Homeowners

- Stay informed about your property's assessed value.
- Review your property record for accuracy.
- Engage with your local assessor if you notice discrepancies.

How does reassessment affect property values over time?

Reassessment can significantly affect property values over time, but the impact depends on several factors. Here's a breakdown of how it works and what it means for homeowners:

How Reassessment Influences Property Values

- **Market Alignment:** Reassessments adjust a property's assessed value to reflect current market conditions. If the real estate market has appreciated, reassessed values typically rise.
- **Neighborhood Trends:** Improvements in local infrastructure, schools, or amenities can lead to higher reassessed values, even if the property itself hasn't changed.
- **Home Improvements:** Renovations like adding a room or upgrading a kitchen can trigger a reassessment, increasing the property's value and tax liability.

Impact on Property Taxes

- **Not Always a Tax Increase:** A higher assessed value doesn't automatically mean higher taxes. If the overall tax rate is adjusted downward (as sometimes happens), your tax bill might stay the same or even decrease.
- **Relative Value Matters:** If your property's value increases more than the average in your area, you may pay more. If it increases less, you might pay less.

Long-Term Effects

- **Equity Adjustments:** Over time, reassessments help ensure fair tax distribution. Properties that were undervalued may see increases, while overvalued ones may see reductions.

- **Disparities and Challenges:** In some areas, reassessments have led to disproportionate tax burdens, especially in communities of color or lower-income neighborhoods. For example, in Cook County, Illinois, reassessments doubled property values for many residents, dramatically increasing their tax bills.
- **Shift in Tax Burden:** Reassessments can shift the tax burden between residential and commercial properties. In Delaware, reassessments led to residential taxpayers shouldering more of the tax load while some commercial properties saw reductions.

What You Can Do

- **Review Your Assessment:** Check for accuracy in square footage, condition, and improvements.
- **Appeal If Needed:** If you believe your reassessment is too high, you can file an appeal.
- **Explore Exemptions:** Indiana offers exemptions for seniors, veterans, and low-income homeowners that can reduce your tax burden.

What exemptions are available to reduce property taxes?

Indiana offers a variety of property tax exemptions and deductions that can significantly reduce your tax burden. Here's a breakdown of the most common ones:

Homestead Deduction

- **Who qualifies:** Homeowners using the property as their primary residence.
- **Benefit:** Reduces assessed value by the lesser of 60% or \$48,000.
- **Supplemental deduction:**
 - 37.5% on remaining value up to \$600,000
 - 27.5% on value exceeding \$600,000.
- **Applies to:** The home and up to one acre of land Learn how to qualify and file.

Over 65 Deduction

- **Who qualifies:** Homeowners aged 65+ by December 31 of the previous year.
- **Benefit:** Up to \$14,000 off assessed value.
- **Income limits:**
 - \$34,494.86 for individuals
 - \$45,993.15 for couples
- **Property value cap:** Must not exceed \$240,000.

Blind or Disabled Person Deduction

- **Who qualifies:** Individuals legally blind or with a disability.
- **Benefit:** Reduces assessed value (amount varies by county).
- **Documentation:** Proof of disability or blindness required.

Veteran Deductions

- **Who qualifies:** Veterans with service-connected disabilities or certain active-duty service.
- **Benefit:** Can range from \$12,000 to full exemption depending on disability rating and service history.

Rehabilitated Property Deduction

- **Who qualifies:** Owners of historically rehabilitated properties.
- **Benefit:** Reduces assessed value for a set period to encourage preservation.

Energy System Deduction

- **Who qualifies:** Homeowners who install geothermal, solar, wind, or hydroelectric systems.
- **Benefit:** Deduction based on system value and installation costs.

Enterprise Zone Investment Deduction

- **Who qualifies:** Businesses investing in designated enterprise zones.
- **Benefit:** Reduces assessed value of qualifying investments.

How to Apply

- File with your **County Auditor**.
- Most deductions require **Form 1** or a specific exemption form.
- Deadlines vary, but typically **January 15** for deductions to apply to the next tax year.

You can find all forms and eligibility details on the Indiana Department of Local Government Finance site.

What strategies can I use to maximize my property tax exemptions?

To maximize your property tax exemptions in Indiana, especially in light of recent legislative changes, here are some smart strategies you can use:

Know the New Rules

Indiana passed major reforms in 2025 that expand and adjust exemptions:

- **Homestead Deduction:** The standard deduction will phase out by 2030, but the **supplemental deduction** will increase annually from 37.5% to 66.7%.
- **New Homestead Tax Credit:** Starting in 2026, a 10% credit (capped at \$300) will apply to homestead property taxes.
- **Over-65 Credit:** Eligible seniors will receive a \$150 tax credit beginning in 2026.

Audit Your Property Record

- Check for errors in square footage, number of rooms, or condition.
- Ensure all eligible improvements (like energy systems) are documented.
- Correcting inaccuracies can lower your assessed value and increase deductions.

Stack Your Exemptions

You can often combine multiple exemptions:

- Homestead + Over-65
- Homestead + Disability
- Homestead + Veteran status Just make sure you meet the eligibility criteria for each.

Time Renovations Strategically

- Major upgrades can trigger reassessments.
- If you're planning improvements, consider timing them after your property has been assessed for the year to delay any increase in taxable value.

Use Estimation Tools

Online calculators can help you estimate savings based on your assessed value and eligible exemptions. This helps you plan ahead and avoid surprises.

Stay Informed About Local Ballot Measures

Starting in 2026, property tax referenda can only appear on general election ballots. These can affect your rates, so vote accordingly.

The County Assessor does not consider race, color, ethnicity, religion, political affiliation, gender, sexual orientation, or any other prohibited factor in determining assessments.