Sen. Senate File 556 6/2
Ways and Means
Gluba, Chairman
Rodgers
Shaff

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SENATE FILE 556

By GLUBA, RODGERS, KINLEY, DODERER, PRIEBE, VAN GILST, CULVER, MILLER of Des Moines, MERRITT, CARR, PALMER, WILLITS, NOLTING, HEYING, ROBINSON, NORPEL, NOLIN, SCOTT, REDMOND, GLENN, GALLAGHER, SOVERN, COLEMAN, ORR and JUNKINS

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act to provide reimbursement for property taxes paid and
2 rent constituting property taxes paid for persons sixty-
3 five years of age or older or totally disabled.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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S.F. 556 H.F. _____

Section 1. Section four hundred twenty-five point seventeen (425.17), subsections two (2), four (4), and eight (8), Code 1975, are amended to read as follows:

2. "NET WORTH" means the total assets of a person less his total liabilities as of December 31 of the base year. The value of property shall be its market value as defined in section 441.21. For purposes of computing a person's income, ten percent of his net worth exceeding ~~thirty-five~~ fifty thousand dollars shall be considered as income.

4. "HOUSEHOLD INCOME" means all income of ~~all persons of~~ the claimant and the claimant's spouse in a household and actual monetary contributions received from any other household member during their respective twelve-month income tax accounting periods ending with or during the base year.

8. "RENT CONSTITUTING PROPERTY TAXES PAID" means ~~twenty~~ twenty-five percent of the gross rent actually paid in cash or its equivalent during the base year by the claimant or ~~his~~ the claimant's household solely for the right of occupancy of their homestead in the base year, and which rent constitutes the basis, in the succeeding year, of a claim for reimbursement under this division by the claimant.

Sec. 2. Section four hundred twenty-five point twenty-three (425.23), subsection one (1), Code 1975, is amended by striking paragraphs a and b and inserting in lieu thereof the following:

a. The amount shall be determined in accordance with the following schedule:

If the household income is:	Percent of property taxes paid or rent constituting property taxes paid allowed as a reimbursement:
$ 0 - 999.99	100%
1,000 - 1,999.99	90
2,000 - 2,999.99	80
3,000 - 3,999.99	65

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4,000 - 4,999.99	50
5,000 - 5,999.99	40
6,000 - 6,999.99	30
7,000 - 7,999.99	25

b. If the claim is for property taxes paid and the household income of the claimant is less than four thousand dollars, the alternative tentative reimbursement shall be one hundred twenty-five dollars, but not to exceed the amount of property taxes paid during the base year.

Sec. 3. The provisions of this Act shall become effective January 1, 1976 for all claims for property taxes paid and rent constituting property taxes paid filed on or after January 1, 1976.

EXPLANATION

The bill redefines household income to include only the income of the claimant and the claimant's spouse and any additional income received by the claimant as rent from a person residing in the household who is related to the claimant or the claimant's spouse. The bill revises the definition of net worth to increase the net worth factor from 10% of $35,000 to 10% of 50,000. The bill also increases the rent constituting property taxes paid from 20% to 25%. The bill also revises the schedule for reimbursement for property taxes paid and rent constituting property taxes paid and extends the coverage to those elderly with incomes from $6,000 to $8,000 in addition to those under $6,000. The schedule also provides that claimants with a household income of less than $4,000 shall receive a reimbursement of $125, except that if the amount of property taxes paid is less than $125, then the amount of the reimbursement shall be the amount of property taxes paid.