

SENATE FILE 100
Ways and Means
Rogers, Chairperson
Nottins
Curtis
Van Gust
Keddy

FILED FEB 10 1977

SENATE FILE 100

By ORR

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act to provide property tax relief by providing a
2 reimbursement for property taxes paid and rent
3 constituting property taxes paid.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 100

1 Section 1. Section four hundred twenty-five point seven-
2 teen (425.17), subsections five (5) and nine (9), Code 1977,
3 are amended to read as follows:

4 5. "Claimant" means a person filing a claim for reim-
5 bursement under this division who has attained the age of
6 sixty-five eighteen years on or before December 31 thirty-
7 first of the base year ~~or who is a surviving spouse having~~
8 ~~attained the age of fifty-five years on or before December~~
9 ~~31 of the base year, or who is totally disabled and was totally~~
10 ~~disabled on or before December 31 of the base~~ and has not
11 been claimed as a dependent by another person on a state
12 income tax return filed in the preceding calendar year, and
13 was domiciled in this state during the entire base year and
14 is domiciled in this state at the time the claim is filed.

15 "Claimant" includes a vendee in possession under a contract
16 for deed and may include one or more joint tenants or tenants
17 in common. In the case of a claim for rent constituting
18 property taxes paid, the claimant shall have rented the
19 property during any part of the base year. When two per-
20 sons of a household are able to meet the qualifications for
21 a claimant, they may determine between them who will be the
22 claimant. If they are unable to agree, the matter shall be
23 referred to the director of revenue not later than July 31
24 thirty-first of each year and his decision shall be final.
25 If a homestead is occupied by two or more persons, and more
26 than one person is able to qualify as a claimant, and some
27 or all of the qualified persons are not related, the persons
28 may determine among them who will be the claimant. If they
29 are unable to agree, the matter shall be referred to the di-
30 rector of revenue not later than July 31 thirty-first of each
31 year and his decision shall be final.

32 9. "Property taxes paid" means property taxes including
33 one-half of any special assessments, but exclusive of delin-
34 quent interest and charges for services, paid on a claimant's
35 homestead in this state, but includes only property taxes

1 for which the claimant was liable and which were actually
2 paid by the claimant. If the property taxes have actually
3 been paid, they shall be deemed to have been paid when due,
4 regardless of the date of actual payment. "Property taxes
5 paid" shall be computed with no deduction for any credit under
6 this division or for any homestead credit allowed under section
7 425.1. Claims for property tax reimbursement filed in 1974
8 shall be based upon the property taxes paid in 1973. Claims
9 for property tax reimbursement filed in 1975 shall be limited
10 to two-thirds of the property taxes paid in 1974 and the first
11 one-half of 1975. Each year thereafter, each claim shall
12 be based upon the taxes paid during the base year. If a
13 homestead is owned by two or more persons as joint tenants
14 or tenants in common, and one or more persons are not a mem-
15 ber of claimant's household, "property taxes paid" is that
16 part of property taxes paid on the homestead which equals
17 the ownership percentage of the claimant and his household.
18 The county treasurer shall include with the tax receipt a
19 statement that if the owner of the property is ~~sixty-five~~
20 eighteen years of age or over ~~or-is-totally-disabled,-or-is~~
21 ~~a-surviving-spouse-of-such-person-who-is-over-the-age-of~~
22 fifty-five-years-of-age and has not been claimed as a dependent
23 by another person on a state income tax return filed in the
24 preceding calendar year, the person may be eligible for the
25 credit allowed under this division. If a claimant changes
26 his homestead, this shall not prevent him from filing a claim
27 based on property taxes for which the claimant was liable
28 and which were actually paid by the claimant, but duplication
29 of claims shall not be allowed. If a homestead is an integral
30 part of a farm, the claimant may use the total property taxes
31 paid for the larger unit, but not exceeding forty acres of
32 land. If a homestead is an integral part of a multidwelling
33 or multipurpose building the property taxes paid for the
34 purpose of this subsection shall be prorated to reflect the
35 portion which the value of the property that the household

1 occupies as its homestead is to the value of the entire struc-
 2 ture. For purposes of this subsection, "unit" refers to that
 3 parcel of property covered by a single tax statement of which
 4 the homestead is a part.

5 Sec. 2. Section four hundred twenty-five point seventeen
 6 (425.17), Code 1977, is amended by adding the following new
 7 subsection:

8 NEW SUBSECTION. "Investment income" means that income
 9 derived from rental property, income which is received in
 10 the form of interest or dividends and any other income received
 11 from the investment of capital whether or not such income
 12 is subject to taxation.

13 Sec. 3. Section four hundred twenty-five point seventeen
 14 (425.17), Code 1977, is amended by striking subsection six
 15 (6).

16 Sec. 4. Section four hundred twenty-five point twenty-
 17 three (425.23), subsection one (1), Code 1977, is amended
 18 by striking the subsection and inserting in lieu thereof the
 19 following:

20 1. The tentative reimbursement shall be determined ac-
 21 cording to the following schedule:

		Percent of property taxes paid or rent consti- tuting property taxes paid allowed as a reim- bursement for various household sizes:					
If the household income is:		<u>1 per-</u>	<u>2 per-</u>	<u>3 per-</u>	<u>4 per-</u>	<u>5 per-</u>	<u>6 or more</u>
		<u>son</u>	<u>sons</u>	<u>sons</u>	<u>sons</u>	<u>sons</u>	<u>persons</u>
27	\$ 0- 999.99..	100%	100%	100%	100%	100%	100%
28	1,000- 1,999.99..	100	100	100	100	100	100
29	2,000- 2,999.99..	90	90	90	90	90	90
30	3,000- 3,999.99..	75	80	80	80	80	85
31	4,000- 4,999.99..	60	65	65	70	75	80
32	5,000- 5,999.99..	45	55	55	60	65	70
33	6,000- 6,999.99..	30	40	45	50	55	60
34	7,000- 7,999.99..	--	30	40	45	50	55
35	8,000- 8,999.99..	--	25	35	40	45	50

1	9,000- 9,999.99..	--	--	30	35	40	45
2	10,000-10,999.99..	--	--	25	30	35	40
3	11,000-11,999.99..	--	--	--	25	30	35
4	12,000-12,999.99..	--	--	--	--	25	30
5	13,000-13,999.99..	--	--	--	--	--	25

6 Sec. 5. Section four hundred twenty-five point twenty-
 7 six (425.26), subsection one (1), Code 1977, is amended to
 8 read as follows:

9 1. ~~Age and total disability, if any;~~

10 Sec. 6. Section four hundred twenty-five point twenty-
 11 six (425.26), Code 1977, is amended by striking subsection
 12 nine (9).

13 Sec. 7. Chapter four hundred twenty-five (425), Code 1977,
 14 is amended by adding the following new section:

15 NEW SECTION. INVESTMENT INCOME. If a claimant receives
 16 investment income in excess of two thousand five hundred dol-
 17 lars during the base year, an amount equal to ten percent
 18 of the investment income shall be credited against the amount
 19 of property taxes paid or rent constituting property taxes
 20 paid during the base year or the maximum property tax provided
 21 in section four hundred twenty-five point twenty-four (425.24)
 22 of the Code, whichever is less, and the amount of reimbursement
 23 for property taxes paid or rent constituting property taxes
 24 paid shall be computed on the difference.

25 Sec. 8. This Act is effective January 1, 1978.

26 EXPLANATION

27 The bill provides for a reimbursement for property taxes
 28 paid or rent constituting property taxes paid to certain
 29 owners or renters who are eighteen years of age or older.
 30 The reimbursement allowed varies depending upon the number
 31 of individuals in the household and disallowing reimburse-
 32 ment for a single individual with \$7,000 in income while al-
 33 lowing reimbursement for a household with six or more people
 34 with a total income not exceeding \$14,000.

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