

Reprinted 3/80

*Amend per S-5202
to Base 42 (p. 507)*

FILED JAN 16 1979

SENATE FILE 69

By SCHWENGELS, HULTMAN and
JUNKINS

Passed Senate, Date 3-3-80 (p. 647) Passed House, Date _____
Vote: Ayes 50 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the income requirement of a totally
2 disabled person seeking a special assessment tax
3 abatement.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SENATE FILE 69

S-5202

- 1 Amend Senate File 69 as follows:
- 2 1. Page 1, line 2, by inserting after the figure
- 3 "1979" the words "as amended by Acts of the Sixty-
- 4 eighth General Assembly, 1979 Session, chapter forty-
- 5 three (43), section nine (9),".
- 6 2. Page 1, line 5, by striking the words
- 7 "reimbursement for property taxes paid" and inserting
- 8 in lieu thereof the words "credit for property taxes
- 9 due".
- 10 3. Page 1, line 9, by striking the words "during
- 11 the-base-year".
- 12 4. Page 1, line 18, by striking the word
- 13 "reimbursement" and inserting in lieu thereof the
- 14 word "credit".

S-5202 FILED
FEBRUARY 25, 1980
Adopted 3/3 (p. 647)

BY COMMITTEE ON WAYS AND MEANS
ROLF V. CRAFT, CHAIRPERSON

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1 Section 1. Section four hundred twenty-five point twenty-
2 three (425.23), subsection three (3), Code 1979, is amended
3 to read as follows:

4 3. a. Any person who is eligible to file a claim for
5 reimbursement for property taxes paid and who has a household
6 income of five thousand dollars or less and who has a special
7 assessment levied against the homestead may file a claim with
8 the county treasurer that the claimant had a household income
9 of five thousand dollars or less ~~during-the-base-year~~ and
10 that a special assessment is presently levied against the
11 homestead. The department shall provide to the respective
12 county treasurers such forms as are necessary for the
13 administration of this subsection. The claim shall be filed
14 not later than September thirtieth of each year. Upon the
15 filing of the claim, no penalty or interest for late payment
16 shall accrue against the amount of the special assessment
17 due and payable. The claim filed by the claimant shall
18 constitute a claim for reimbursement of an amount equal to
19 the actual amount due and payable upon the special assessment
20 payable during the fiscal year against the homestead of the
21 claimant or an amount equal to the annual payment of the
22 special assessment levied against the homestead of the claimant
23 and payable in annual installments through the period of years
24 provided by the governing body of the city, whichever is less.
25 The department of revenue shall, upon the filing of the claim
26 with the department by the county treasurer, pay that amount
27 of the special assessment during the current fiscal year to
28 the county treasurer. The county treasurer shall submit the
29 claims to the director of revenue not later than October
30 fifteenth of each year. The director of revenue shall certify
31 to the state comptroller the amount of reimbursement due each
32 county for special assessment credits allowed under this
33 subsection. The amount of reimbursement due each county shall
34 be paid by the state comptroller on November fifteenth of
35 each year, drawn upon warrants payable to the respective

1 county treasurer. There is appropriated annually from the
2 general fund of the state to the department of revenue an
3 amount sufficient to carry out the provisions of this
4 subsection. The county treasurer shall credit any moneys
5 received from the department against the amount of the special
6 assessment due and payable on the homestead of the claimant.

7 b. For purposes of this subsection, a totally disabled
8 person in computing household income shall deduct all medical
9 and necessary care expenses paid during the tax year which
10 are attributable to the person's total disability.

11 Sec. 2. This Act is effective January first following
12 enactment.

13 EXPLANATION

14 This bill permits a totally disabled person to deduct
15 medical and necessary care costs in determining his or her
16 household income for purposes of qualifying for the special
17 assessment tax abatement. This bill is effective January
18 first following its enactment.

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SENATE FILE 69

S-5237

1 Amend Senate File 69 as follows:

2 1. Page 2, line 9, by striking the words "tax
3 year" and inserting in lieu thereof the words "twelve-
4 month income tax accounting periods used in computing
5 household income".

6 2. Page 2, line 10, by inserting after the word
7 "disability." the words "Medical and necessary care
8 expenses" are those used in computing the federal
9 income tax deduction under section 213 of the Internal
10 Revenue Code of 1954 as defined in section four hundred
11 twenty-two point four (422.4) of the Code."

S-5237 FILED
FEBRUARY 28, 1980
Adopted 2/3 (p. 6+7)

BY RICHARD R. RAMSEY

SENATE FILE 69
FISCAL NOTE

DATE: FEBRUARY 7, 1979

REQUESTED BY: SENATOR SCHWENGELS

In compliance with a written request received January 10, 19 79, there is hereby submitted a Fiscal Note for S.F. 69 pursuant to Joint Rule 16. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

S.F. 69, An Act relating to the income requirement of a totally disabled person seeking a special assessment tax abatement.

Current statutes provide that totally disabled individuals with less than \$5,000 of income may receive a credit equal to 100 percent of their special assessments. This bill makes two changes in the calculation of income for purposes of qualifying for this reimbursement of special assessment. First, totally disabled individuals would be allowed to deduct medical and necessary care expenses when determining income. Second, such deductions are to be those expenses incurred during the tax year rather than the base year. The effect of this legislation would be to increase the amount of reimbursement the state must pay under the special assessment reimbursement program. Persons who would now have incomes in excess of the \$5,000 limit would be able to qualify for the program by deducting medical and necessary care expenses to lower their income below the \$5,000 maximum. While a precise cost estimate of the additional participation cannot be determined, the cost to the state from this legislation would be expected to be minimal.

SOURCE: REVENUE

FILED
FEBRUARY 8, 1979

BY GERRY RANKIN, DIRECTOR
LEGISLATIVE FISCAL BUREAU

1 Section 1. Section four hundred twenty-five point twenty-
2 three (425.23), subsection three (3), Code 1979 as amended
3 by Acts of the Sixty-eighth General Assembly, 1979 Session,
4 chapter forty-three (43), section nine (9), is amended to
5 read as follows:

6 3. a. Any person who is eligible to file a claim for
7 credit for property taxes due and who has a household income
* 8 of five thousand dollars or less and who has a special
9 assessment levied against the homestead may file a claim with
10 the county treasurer that the claimant had a household income
11 of five thousand dollars or less and that a special assessment
12 is presently levied against the homestead. The department
13 shall provide to the respective county treasurers such forms
14 as are necessary for the administration of this subsection.
15 The claim shall be filed not later than September thirtieth
16 of each year. Upon the filing of the claim, no penalty or
17 interest for late payment shall accrue against the amount
18 of the special assessment due and payable. The claim filed
19 by the claimant shall constitute a claim for credit of an
20 amount equal to the actual amount due and payable upon the
21 special assessment payable during the fiscal year against
22 the homestead of the claimant or an amount equal to the annual
23 payment of the special assessment levied against the homestead
24 of the claimant and payable in annual installments through
25 the period of years provided by the governing body of the
26 city, whichever is less. The department of revenue shall,
27 upon the filing of the claim with the department by the county
28 treasurer, pay that amount of the special assessment during
29 the current fiscal year to the county treasurer. The county
30 treasurer shall submit the claims to the director of revenue
31 not later than October fifteenth of each year. The director
32 of revenue shall certify to the state comptroller the amount
33 of reimbursement due each county for special assessment credits
34 allowed under this subsection. The amount of reimbursement
35 due each county shall be paid by the state comptroller on

1 November fifteenth of each year, drawn upon warrants payable
2 to the respective county treasurer. There is appropriated
3 annually from the general fund of the state to the department
4 of revenue an amount sufficient to carry out the provisions
5 of this subsection. The county treasurer shall credit any
6 moneys received from the department against the amount of
7 the special assessment due and payable on the homestead of
8 the claimant.

9 b. For purposes of this subsection, a totally disabled
10 person in computing household income shall deduct all medical
11 and necessary care expenses paid during the twelve-month
12 income tax accounting periods used in computing household
13 income which are attributable to the person's total disability.
14 "Medical and necessary care expenses" are those used in
15 computing the federal income tax deduction under section 213
16 of the Internal Revenue Code of 1954 as defined in section
17 four hundred twenty-two point four (422.4) of the Code.

18 Sec. 2. This Act is effective January first following
19 enactment.
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SENATE FILE 69

AN ACT

RELATING TO THE INCOME REQUIREMENT OF A TOTALLY DISABLED PERSON SEEKING A SPECIAL ASSESSMENT TAX ABATEMENT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section four hundred twenty-five point twenty-three (425.23), subsection three (3), Code 1979 as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter forty-three (43), section nine (9), is amended to read as follows:

3. a. Any person who is eligible to file a claim for credit for property taxes due and who has a household income of five thousand dollars or less and who has a special assessment levied against the homestead may file a claim with the county treasurer that the claimant had a household income of five thousand dollars or less and that a special assessment is presently levied against the homestead. The department shall provide to the respective county treasurers such forms as are necessary for the administration of this subsection. The claim shall be filed not later than September thirtieth of each year. Upon the filing of the claim, no penalty or

interest for late payment shall accrue against the amount of the special assessment due and payable. The claim filed by the claimant shall constitute a claim for credit of an amount equal to the actual amount due and payable upon the special assessment payable during the fiscal year against the homestead of the claimant or an amount equal to the annual payment of the special assessment levied against the homestead of the claimant and payable in annual installments through the period of years provided by the governing body of the city, whichever is less. The department of revenue shall, upon the filing of the claim with the department by the county treasurer, pay that amount of the special assessment during the current fiscal year to the county treasurer. The county treasurer shall submit the claims to the director of revenue not later than October fifteenth of each year. The director of revenue shall certify to the state comptroller the amount of reimbursement due each county for special assessment credits allowed under this subsection. The amount of reimbursement due each county shall be paid by the state comptroller on November fifteenth of each year, drawn upon warrants payable to the respective county treasurer. There is appropriated annually from the general fund of the state to the department of revenue an amount sufficient to carry out the provisions of this subsection. The county treasurer shall credit any moneys received from the department against the amount of the special assessment due and payable on the homestead of the claimant.

b. For purposes of this subsection, a totally disabled person in computing household income shall deduct all medical and necessary care expenses paid during the twelve-month income tax accounting periods used in computing household income which are attributable to the person's total disability. "Medical and necessary care expenses" are those used in computing the federal income tax deduction under section 213 of the Internal Revenue Code of 1954 as defined in section four hundred twenty-two point four (422.4) of the Code.

Sec. 2. This Act is effective January first following enactment.

TERRY E. BRANSTAD
President of the Senate

WILLIAM H. HARBOR
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 69, Sixty-eighth General Assembly.

FRANK J. STORK
Secretary of the Senate

Approved May 19, 1980

ROBERT D. RAY
Governor