

*Wagner 11/11/79*

*W/B. 5/2 (g. 1542)*

FILED FEB 28 1979

SENATE FILE 326

By RODGERS

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved \_\_\_\_\_

### A BILL FOR

1 An Act providing for the elderly and disabled to file a claim  
 2 for a credit on the property taxes due in the coming fiscal  
 3 year if their incomes are less than ten thousand dollars.

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

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1 Section 1. Section four hundred twenty-five point sixteen  
2 (425.16), Code 1979, is amended to read as follows:

3 425.16 ADDITIONAL TAX CREDIT. In addition to the homestead  
4 tax credit allowed under section 425.1, subsections 1 to 4,  
5 persons who own or rent their homesteads and who meet the  
6 qualifications provided in this division are eligible for  
7 an extraordinary property tax credit or reimbursement payable  
8 ~~in-September-of-any-year.~~

9 Sec. 2. Section four hundred twenty-five point seventeen  
10 (425.17), subsections five (5), nine (9), ten (10) and eleven  
11 (11), Code 1979, are amended to read as follows:

12 5. "Claimant" means a person filing a claim for credit  
13 or reimbursement under this division who has attained the  
14 age of sixty-five years on or before December 31 thirty-first  
15 of the base year or who is a surviving spouse having attained  
16 the age of fifty-five years on or before December 31 thirty-  
17 first of the base year, or who is totally disabled and was  
18 totally disabled on or before December 31 thirty-first of  
19 the base year, and was domiciled in this state during the  
20 entire base year and is domiciled in this state at the time  
21 the claim is filed. "Claimant" includes a vendee in possession  
22 under a contract for deed and may include one or more joint  
23 tenants or tenants in common. In the case of a claim for  
24 rent constituting property taxes paid, the claimant shall  
25 have rented the property during any part of the base year.  
26 When two persons of a household are able to meet the  
27 qualifications for a claimant, they may determine between  
28 them who will be the claimant. If they are unable to agree,  
29 the matter shall be referred to the director of revenue not  
30 later than July 31 thirty-first of each year and ~~his~~ the  
31 director's decision shall be final. If a homestead is occupied  
32 by two or more persons, and more than one person is able to  
33 qualify as a claimant, and some or all of the qualified persons  
34 are not related, the persons may determine among them who  
35 will be the claimant. If they are unable to agree, the matter

1 shall be referred to the director of revenue not later than  
 2 July 31 thirty-first of each year and ~~his~~ the director's  
 3 decision shall be final.

4 9. "Property taxes paid due" means property taxes including  
 5 any special assessments, but exclusive of delinquent interest  
 6 and charges for services, paid due on a claimant's homestead  
 7 in this state, but includes only property taxes for which  
 8 the claimant ~~was~~ is liable and which ~~were~~ will actually ~~be~~  
 9 paid by the claimant. ~~If-the-property-taxes-have-actually~~  
 10 ~~been-paid,-they-shall-be-deemed-to-have-been-paid-when-due,-~~  
 11 ~~regardless-of-the-date-of-actual-payment-~~ "Property taxes  
 12 paid due" shall be computed with no deduction for any credit  
 13 under this division or for any homestead credit allowed under  
 14 section 425.1. Each claim shall be based upon the taxes paid  
 15 due during the fiscal year next following the base year.  
 16 If a homestead is owned by two or more persons as joint tenants  
 17 or tenants in common, and one or more persons are not a member  
 18 of claimant's household, "property taxes paid due" is that  
 19 part of property taxes paid due on the homestead which equals  
 20 the ownership percentage of the claimant and his or her  
 21 household. The county treasurer shall include with the tax  
 22 receipt a statement that if the owner of the property is  
 23 sixty-five years of age or over or is totally disabled, or  
 24 is a surviving spouse of such person who is over the age  
 25 of fifty-five years of age, the person may be eligible for  
 26 the credit allowed under this division. ~~If-a-claimant-changes~~  
 27 ~~his-or-her-homestead,-this-shall-not-prevent-him-or-her-from~~  
 28 ~~filing-a-claim-based-on-property-taxes-for-which-the-claimant~~  
 29 ~~was-liable-and-which-were-actually-paid-by-the-claimant,-~~  
 30 ~~but-duplication-of-claims-shall-not-be-allowed-~~ If a homestead  
 31 is an integral part of a farm, the claimant may use the total  
 32 property taxes paid due for the larger unit, but not exceeding  
 33 forty acres of land. If a homestead is an integral part of  
 34 a multidwelling or multipurpose building the property taxes  
 35 paid due for the purpose of this subsection shall be prorated

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

6 10. "Special assessment" means special assessments made  
7 pursuant to sections 384.37 to 384.79. The amount of a special  
8 assessment which may be included in the amount of property  
9 taxes paid due for one year shall be an amount equal to one-  
10 tenth of the total amount of the special assessment levied  
11 against the homestead of the claimant, if the claimant ~~elects~~  
12 elects to pay the total amount of the special assessment in  
13 one payment. If the claimant elects to pay the special  
14 assessment in ten annual installments as provided by law,  
15 the claimant may include as a portion of the property taxes  
16 paid due during the fiscal year next following the base year  
17 an amount equal to the special assessment, including interest,  
18 paid due during that same base fiscal year.

19 11. "Base year" means:

20 a. For a claimant filing a claim for rent constituting  
21 property taxes paid, the calendar year last ending before  
22 the claim is filed.

23 b. For a claimant filing a claim for property taxes paid  
24 due, the state fiscal year ending in the calendar year in  
25 which the claim is filed.

26 Sec. 3. Section four hundred twenty-five point eighteen  
27 (425.18), Code 1979, is amended to read as follows:

28 425.18 CLAIM IS PERSONAL. The right to file a claim under  
29 this division shall be personal to the claimant and shall  
30 not survive the claimant's death, but the right may be  
31 exercised on behalf of a claimant by his or her legal guardian,  
32 spouse or attorney. If a claimant dies after having filed  
33 a claim for reimbursement for rent constituting property taxes  
34 paid, the amount of the reimbursement may be paid to another  
35 member of the household as determined by the director. If

1 the claimant was the only member of the household, the  
2 reimbursement may be paid to the claimant's executor or  
3 administrator, but if neither is appointed and qualified  
4 within one year from the date of the filing of the claim,  
5 the reimbursement shall escheat to the state. If a claimant  
6 dies after having filed a claim for credit for property taxes  
7 due, the amount of credit shall be paid as if the claimant  
8 had not died.

9 Sec. 4. Section four hundred twenty-five point nineteen  
10 (425.19), Code 1979, is amended to read as follows:

11 425.19 CLAIM AND CREDIT OR REIMBURSEMENT. Subject to  
12 the limitations provided in this division, a claimant may  
13 annually claim a reimbursement credit for property taxes paid  
14 due during the fiscal year next following the base year or  
15 claim a reimbursement for rent constituting property taxes  
16 paid in the base year. The amount of the reimbursement credit  
17 for property taxes paid due for a homestead, after audit or  
18 certification by the director, shall be paid to the county  
19 treasurer who shall credit the money received against the  
20 amount of the property taxes due and payable on the homestead  
21 of the claimant and the amount of the reimbursement for rent  
22 constituting property taxes paid shall be paid to the claimant  
23 from the state general fund on or before September 25 November  
24 fifteenth of each year commencing in 1974. -- However, the  
25 claimant for reimbursement for property taxes paid may  
26 designate on the claim at the time it is filed that the check  
27 for reimbursement for property taxes paid be made payable  
28 to the claimant and the county treasurer of the county in  
29 which the homestead is located.

30 Sec. 5. Section four hundred twenty-five point twenty  
31 (425.20), Code 1979, is amended to read as follows:

32 425.20 FILING DATE. A claim for reimbursement for property  
33 ~~taxes paid or~~ rent constituting property taxes paid shall  
34 not be paid or allowed, unless the claim is actually filed  
35 with and in the possession of the department of revenue on

1 or before ~~July-31~~ September thirtieth of the year following  
2 the base year, ~~beginning-July-31,-1974~~.

3 A claim for credit for property taxes due shall not be  
4 paid or allowed unless the claim is actually filed with the  
5 county treasurer on or before September thirtieth of the  
6 fiscal year during which the property taxes are due and  
7 contains an affidavit of the claimant's intent to occupy the  
8 homestead for six months or more during the fiscal year for  
9 which the claim is filed. The county treasurer shall submit  
10 the claim to the director of revenue on or before October  
11 fifteenth of each year.

12 In case of sickness, absence, or other disability of the  
13 claimant or if, in the judgment of the director of revenue,  
14 good cause exists and the claimant requests an extension prior  
15 to ~~August-1~~ October first, the director may extend the time  
16 for filing a claim for reimbursement or credit for a period  
17 not to exceed three months. The director may also extend  
18 the time for filing for all claimants or for any reasonable  
19 group or class of claimants for a period not to exceed three  
20 months if, in ~~his~~ the director's judgment, good cause exists.

21 Sec. 6. Section four hundred twenty-five point twenty-  
22 one (425.21), Code 1979, is amended to read as follows:

23 425.21 SATISFACTION OF OUTSTANDING TAX LIABILITIES. The  
24 amount of any claim for credit or reimbursement payable under  
25 this division may be applied by the department of revenue  
26 against any tax liability outstanding on the books of the  
27 department against the claimant, or against a spouse who was  
28 a member of the claimant's household in the base year.

29 Sec. 7. Section four hundred twenty-five point twenty-  
30 two (425.22), Code 1979, is amended to read as follows:

31 425.22 ONE CLAIMANT PER HOUSEHOLD. Only one claimant  
32 per household per year shall be entitled to reimbursement  
33 under this division and only one claimant per household per  
34 fiscal year shall be entitled to a credit under this division.

35 Sec. 8. Section four hundred twenty-five point twenty-

1 three (425.23), Code 1979, is amended to read as follows:

2 425.23 SCHEDULE FOR CLAIMS FOR CREDIT OR REIMBURSEMENT.

3 The amount of any claim for credit or reimbursement filed  
 4 under this division shall be determined as provided in this  
 5 section.

6 1. The tentative credit or reimbursement shall be the  
 7 higher of the two amounts determined as follows:

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

10	Percent of property taxes
11	<u>paid due</u> or rent constituting
12 If the household	property taxes paid allowed
13 income is:	as a <u>credit or reimbursement</u> :
14 \$ 0 - 999.99 .....	100%
15 1,000 - 1,999.99 .....	100
16 2,000 - 2,999.99 .....	95
17 3,000 - 3,999.99 .....	85
18 4,000 - 4,999.99 .....	70
19 5,000 - 5,999.99 .....	55
20 6,000 - 6,999.99 .....	40
21 7,000 - 7,999.99 .....	30
22 8,000 - 8,999.99 .....	25
23 9,000 - 9,999.99 .....	20

24 b. If the claim is for property taxes paid due and the  
 25 household income of the claimant is less than four thousand  
 26 dollars, the alternative tentative reimbursement credit shall  
 27 be one hundred twenty-five dollars, but not to exceed the  
 28 amount of property taxes paid due during the fiscal year next  
 29 following the base year.

30 2. The actual reimbursement credit for property taxes  
 31 paid due shall be determined by subtracting from the tentative  
 32 reimbursement credit the amount of the homestead credit under  
 33 section 425.1 which ~~was~~ is allowed as a credit against property  
 34 taxes paid due in the fiscal year next following the base  
 35 year by the claimant or any person of ~~his~~ the claimant's

1 household, ~~except that the credit shall not exceed two-thirds~~  
2 ~~of the amount of the credit received on the homestead in the~~  
3 ~~extended fiscal year beginning January 1, 1974, and ending~~  
4 ~~June 30, 1975.~~ If the subtraction produces a negative amount,  
5 there shall be no reimbursement credit but no refund shall  
6 be required. The actual reimbursement for rent constituting  
7 property taxes paid shall be equal to the tentative  
8 reimbursement.

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

1 revenue shall certify to the state comptroller the amount  
2 of reimbursement due each county for special assessment credits  
3 allowed under this subsection. The amount of reimbursement  
4 due each county shall be paid by the state comptroller on  
5 November ~~15~~ fifteenth of each year, drawn upon warrants payable  
6 to the respective county treasurer. There is appropriated  
7 annually from the general fund of the state to the department  
8 of revenue an amount sufficient to carry out the provisions  
9 of this subsection. The county treasurer shall credit any  
10 moneys received from the department against the amount of  
11 the special assessment due and payable on the homestead of  
12 the claimant.

13 Sec. 9. Section four hundred twenty-five point twenty-  
14 four (425.24), Code 1979, is amended to read as follows:

15 425.24 MAXIMUM PROPERTY TAX. In any case in which property  
16 taxes ~~paid due~~ paid due or rent constituting property taxes paid ~~in~~  
17 ~~any-base-year~~ for any household exceeds one thousand dollars,  
18 the amount of property taxes ~~paid due~~ paid due or rent constituting  
19 property taxes paid shall be deemed to have been one thousand  
20 dollars for purposes of this division.

21 Sec. 10. Section four hundred twenty-five point twenty-  
22 five (425.25), Code 1979, is amended to read as follows:

23 425.25 ADMINISTRATION. The director of revenue shall  
24 make available suitable forms with instructions for claimants.  
25 Each assessor and county treasurer shall make available the  
26 forms and instructions. The claim shall be in such form  
27 as the director may prescribe. The director may also devise  
28 a tax credit or reimbursement table, with amounts rounded  
29 to the nearest whole dollar. Reimbursements or credits in  
30 the amount of less than one dollar shall not be paid.

31 Sec. 11. Section four hundred twenty-five point twenty-  
32 six (425.26), subsections two (2), three (3), eight (8), and  
33 nine (9), Code 1979, are amended to read as follows:

34 2. Property taxes ~~paid due~~ paid due or rent constituting property  
35 taxes paid, including the portion of gross rent paid for

1 providing utilities, services, furniture, furnishings, and  
2 personal property appliances, and the name and address of  
3 the owner or manager of the property rented and a statement  
4 whether the claimant is related by blood, marriage or adoption  
5 to the owner or manager of the property rented;

6 3. Homestead credit allowed against property taxes paid  
7 due;

8 8. A statement that the property taxes paid due and used  
9 for purposes of this division have been or will be paid by  
10 ~~him~~ the claimant, and that there are no delinquent property  
11 taxes on the homestead.

12 9. Any information needed to determine whether the claimant  
13 is eligible for the alternative ~~reimbursement~~ credit under  
14 section 425.23, subsection 1, paragraph "b".

15 Sec. 12. Section four hundred twenty-five point twenty-  
16 seven (425.27), Code 1979, is amended to read as follows:

17 425.27 AUDIT OF CLAIM. If on the audit of any claim for  
18 credit or reimbursement under this division, the director  
19 determines the amount of the claim to have been incorrectly  
20 calculated or that the claim is not allowable, ~~he~~ the director  
21 shall recalculate the claim and notify the claimant of the  
22 recalculation or denial and ~~his~~ the reasons for it. The  
23 director shall not adjust any claim after three years from  
24 ~~July-31~~ September thirtieth of the year in which the claim  
25 was filed. If the claim for credit or reimbursement has been  
26 paid, the amount may be recovered by assessment in the same  
27 manner that income taxes are assessed under sections 422.26  
28 and 422.30. The recalculation of the claim shall be final  
29 unless appealed as provided in section 425.31. The provisions  
30 of section 422.70 shall be applicable with respect to this  
31 division.

32 Sec. 13. Section four hundred twenty-five point twenty-  
33 nine (425.29), Code 1979, is amended to read as follows:

34 425.29 FALSE CLAIM--PENALTY. Any person making a false  
35 affidavit for the purpose of obtaining credit or reimbursement

1 provided for in this division or who knowingly receives the  
2 credit or reimbursement without being legally entitled to  
3 it or makes claim for the credit or reimbursement in more  
4 than one county in the state shall be guilty of a simple  
5 misdemeanor. An action under this section shall be brought  
6 in the county in which the affidavit was filed. The claim  
7 for credit or reimbursement shall be disallowed in full and  
8 if the claim has been paid the amount may be recovered by  
9 assessment in the manner that income taxes are assessed  
10 pursuant to sections 422.26 and 422.30. The director of  
11 revenue shall send a notice of disallowance of the claim.

12 Sec. 14. Section four hundred twenty-five point thirty-  
13 two (425.32), Code 1979, is amended to read as follows:

14 425.32 DISALLOWANCE OF CERTAIN CLAIMS. A claim for  
15 ~~reimbursement~~ credit shall be disallowed if the department  
16 finds that the claimant or a person of ~~his~~ the claimant's  
17 household received title to ~~his~~ the homestead primarily for  
18 the purpose of receiving benefits under this division.

19 Sec. 15. Section four hundred twenty-five point thirty-  
20 nine (425.39), Code 1979, is amended to read as follows:

21 425.39 FUND CREATED--APPROPRIATION. There is appropriated  
22 annually from the general fund of the state to the department  
23 of revenue to be credited to the extraordinary property tax  
24 credit and reimbursement fund, which fund is hereby created,  
25 from funds not otherwise appropriated, an amount sufficient  
26 to carry out the provisions of this division.

27 Sec. 16. Section four hundred twenty-five point thirty-  
28 eight (425.38), Code 1979, is repealed.

29 Sec. 17. Notwithstanding any provision of this Act, the  
30 right to file a claim for reimbursement for property taxes  
31 paid in the fiscal year ending in the 1979 calendar year under  
32 sections four hundred twenty-five point sixteen (425.16) to  
33 four hundred twenty-five point thirty-nine (425.39) of the  
34 Code is not abridged and the procedures for filing the claim  
35 for reimbursement, the verification of the claim, the

1 determination of the amount of the claim and the payment of  
2 the claim shall be as specified under sections four hundred  
3 twenty-five point sixteen (425.16) to four hundred twenty-  
4 five point thirty-nine (425.39) of the Code before the  
5 effective date of this Act. A person filing a claim for  
6 reimbursement for property taxes paid in the fiscal year  
7 ending in the 1979 calendar year is not precluded from filing  
8 a claim for credit for property taxes due under the provisions  
9 of this Act.

10 Sec. 18. This Act is effective July 31, 1979.

11 EXPLANATION

12 This bill changes the present provisions for the  
13 reimbursement for the elderly and disabled property owners  
14 from a reimbursement for property taxes paid in the last  
15 fiscal year to a credit for property taxes due in the coming  
16 fiscal year. The bill is effective July 31, 1979 with a  
17 provision that permits the elderly and disabled owners to  
18 file a claim for the reimbursement of the taxes paid in the  
19 1978-1979 fiscal year with all the procedures as before still  
20 applying. In addition these elderly and disabled may also  
21 apply for the credit for the taxes due in the 1979-1980 fiscal  
22 year under this bill.

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