

Reprinted

FILED FEB 22 1988

SENATE FILE 2188
BY BOSWELL, HANNON, and
GOODWIN

Passed Senate, Date 3/25/88 (p. 1034) Passed House, Date _____
Vote: Ayes 37 Nays 6 Vote: Ayes _____ Nays _____
Approved _____
Motion to reconsider (p. 1045)

A BILL FOR

51761 An Act relating to the property tax credit and rent reimbursement
2 for elderly and disabled individuals by changing the formula
3 used for determining the amount of credit and reimbursement
4 and providing effective dates.

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

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SF 2188

5543
5276,
52667

1 Section 1. Section 425.23, subsection 1, Code 1987, is
2 amended to read as follows:

3 1. The tentative credit or reimbursement shall be
4 determined in accordance with the following schedule:

	Percent of property taxes due or rent constituting property taxes paid
5 If the household	allowed as a credit or
6 income is:	reimbursement:
7	
8 \$ 0 - 4,999.99	100%
9 5,000 - 5,999.99	70 <u>85</u>
10 6,000 - 6,999.99	50 <u>70</u>
11 7,000 - 7,999.99	40 <u>55</u>
12 8,000 - 8,999.99 <u>9,999.99</u>	30 <u>40</u>
13 9,000 <u>10,000</u> - 11,999.99	25
14 <u>12,000 - 12,999.99</u>	<u>15</u>

17 Sec. 2. Section 425.23, subsection 1, Code 1987, is
18 amended to read as follows:

19 1. The tentative credit or reimbursement shall be
20 determined in accordance with the following schedule:

	Percent of property taxes due or rent constituting property taxes paid
21 If the household	allowed as a credit or
22 income is:	reimbursement:
23	
24 \$ 0 - 4,999.99	100%
25 5,000 - 5,999.99	70 <u>90</u>
26 6,000 - 6,999.99	50 <u>80</u>
27 7,000 - 7,999.99	40 <u>70</u>
28 8,000 - 8,999.99	30 <u>60</u>
29 9,000 - 11,999.99 <u>9,999.99</u>	25 <u>50</u>
30 <u>10,000 - 10,999.99</u>	<u>40</u>
31 <u>11,000 - 11,999.99</u>	<u>30</u>
32 <u>12,000 - 12,999.99</u>	<u>15</u>

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35 Sec. 3. Section 1 of this Act is effective January 1,

1 1989, for property tax credit claims and rent reimbursement
2 claims filed in the 1989 calendar year only.

3 Sec. 4. Section 2 of this Act is effective January 1,
4 1990, for property tax credit claims and rent reimbursement
5 claims filed on or after that date.

6 EXPLANATION

7 The bill increases the percent of property taxes due and
8 rent constituting property taxes paid allowed as a credit or
9 reimbursement for elderly and disabled individuals for claims
10 filed on or after January 1, 1989. There is a special
11 schedule for claims filed in the 1989 calendar year and a
12 different schedule for claims filed on or after January 1,
13 1990. The bill also provides for such individuals with
14 household incomes of between \$12,000 and \$13,000 to also
15 receive a partial credit or reimbursement.

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FILED # 1021

STATE OF IOWA
FISCAL NOTE

LSB No. 7875S.2
Staff ID AAW

REQ. BY SENATOR GOODWIN SENATE FILE 2188 AS AMENDED BY S-5276

In compliance with a written request received March 14, 1988, a fiscal note for SF 2188 AS AMENDED BY S-5276 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Amendment S-5276 to Senate File 2188 changes the schedule used to determine the mobile home annual tax rate for elderly and disabled persons.

The following schedule change would be effective January 1, 1989, for claims filed in the 1989 calendar year only.

PRESENT SCHEDULE		PROPOSED SCHEDULE	
Household Income	Annual Tax/ Square Foot	Household Income	Annual Tax/ Square Foot
\$ 5,000 - 5,999.99.....	6.0	\$ 5,000 - 5,999.99.....	3.0
6,000 - 6,999.99.....	10.0	6,000 - 6,999.99.....	6.0
7,000 - 7,999.99.....	12.0	7,000 - 7,999.99.....	9.0
8,000 - 8,999.99.....	14.0	8,000 - 9,999.99.....	12.0
9,000 - 11,999.99.....	15.0	10,000 - 11,999.99.....	15.0
		12,000 - 12,999.99.....	17.0

The following schedule change would be effective January 1, 1990, for claims filed after that date.

PRESENT SCHEDULE		PROPOSED SCHEDULE	
Household Income	Annual Tax/ Square Foot	Household Income	Annual Tax/ Square Foot
\$ 5,000 - 5,999.99.....	6.0	\$ 5,000 - 5,999.99.....	2.0
6,000 - 6,999.99.....	10.0	6,000 - 6,999.99.....	4.0
7,000 - 7,999.99.....	12.0	7,000 - 7,999.99.....	6.0
8,000 - 8,999.99.....	14.0	8,000 - 8,999.99.....	8.0
9,000 - 11,999.99.....	15.0	9,000 - 9,999.99.....	10.0
		10,000 - 10,999.99.....	12.0
		11,000 - 11,999.99.....	14.0
		12,000 - 12,999.99.....	17.0

Fiscal Effect: The fiscal effect of this amendment on the State general fund would be minimal.

Source: Dept. of Revenue and Finance

(LSB 7875S.2, AAW)

Dennis C. Prouty
Fiscal Director

Legislative Fiscal Bureau

Date: 3/16/88

STATE OF IOWA

FILED MAR 31 1988

FISCAL NOTE

LSB No. 7875S.4
Staff ID. AAW

REQ BY SENATOR BRUNER

SENATE FILE 2188 AS AMENDED BY S5543

In compliance with a written request received March 25, 1988, a fiscal note for SF 2188 AS AMENDED BY S5543 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Amendment S-5543 to Senate File 2188 amends Section 425.17, Code of Iowa, to allow anyone who is 55 years or totally disabled on or before December 31 of the base year to be eligible for the property credit and rent reimbursement for elderly and disabled individuals.

Assumptions:

1. There are 278,894 people in the 55-64 age group in Iowa. 55% of these are in the labor force and therefore would probably not meet income guidelines.
2. The same proportion in the 55-64 age group (excluding those in the labor force) as in the 65+ age group would apply for the credit and reimbursement.
3. Currently, approximately \$9.0 million is expended for the elderly and disabled property credit and rent reimbursement.

Fiscal Effect:

IMPACT OF S-5543 ON SF2188

This proposal would result in an increased cost for property tax credits and rent reimbursements. The Department of Revenue and Finance is not able to provide a specific estimate of the cost. Using the above assumptions, Fiscal Bureau staff have developed the following estimates:

	(dollars in millions)		
	FY 89	FY 90	FY 91
Renter Claims	\$.80	\$ 1.00	\$ 1.00
Property Owner Claims	---	\$ 1.80	\$ 2.30

TOTAL IMPACT ON CURRENT LAW OF SF2188 AS AMENDED

The total increase of the amended bill over current law is provided below:

	(dollars in millions)		
	FY 89	FY 90	FY 91
Renter Claims	\$ 1.45	\$ 2.25	\$ 2.25
Property Owner Claims	---	\$ 3.80	\$ 6.25

Source: 1987-1988 Statistical Profile of Iowa
1987 Statistical Abstract of the United States (LSB 7875S.4, AAW)

Dennis A. Prouty
 Fiscal Director
 Legislative Fiscal Bureau
 Date: 3/30/88

SENATE FILE 2188

S-5266

1 Amend Senate File 2188 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Sec. 40. Section 425.17, subsections 5 and 9,
5 Code 1987, are amended to read as follows:

6 5. "Claimant" means a person filing a claim for
7 credit or reimbursement under this division who has
8 attained the age of sixty-five years on or before
9 December 31 of the base year, or who is a surviving
10 spouse having or an unmarried person who has been
11 granted a dissolution of marriage under chapter 598 or
12 has been granted a divorce or dissolution of marriage
13 recognized in this state if the surviving spouse or
14 the unmarried person has attained the age of fifty-
15 five years on or before December 31 of the base year,
16 or who is totally disabled and was totally disabled on
17 or before December 31 of the base year, and was
18 domiciled in this state during the entire base year
19 and is domiciled in this state at the time the claim
20 is filed or at the time of the person's death in the
21 case of a claim filed by the executor or administrator
22 of the claimant's estate. "Claimant" includes a
23 vendee in possession under a contract for deed and may
24 include one or more joint tenants or tenants in
25 common. In the case of a claim for rent constituting
26 property taxes paid, the claimant shall have rented
27 the property during any part of the base year. If a
28 homestead is occupied by two or more persons, and more
29 than one person is able to qualify as a claimant, the
30 persons may determine among them who will be the
31 claimant. If they are unable to agree, the matter
32 shall be referred to the director of revenue and
33 finance not later than October 31 of each year and the
34 director's decision ~~shall be~~ is final.

35 9. "Property taxes due" means property taxes
36 including any special assessments, but exclusive of
37 delinquent interest and charges for services, due on a
38 claimant's homestead in this state, but includes only
39 property taxes for which the claimant is liable and
40 which will actually be paid by the claimant. However,
41 if the claimant is a person whose property taxes have
42 been suspended under sections 427.8 and 427.9,
43 "property taxes due" means property taxes including
44 any special assessments, but exclusive of delinquent
45 interest and charges for services, due on a claimant's
46 homestead in this state, but includes only property
47 taxes for which the claimant is liable and which would
48 have to be paid by the claimant if the payment of the
49 taxes ~~have~~ has not been suspended pursuant to sections
50 427.8 and 427.9. "Property taxes due" shall be

1 ~~computed with-no~~ without a deduction for any credit
2 under this division or for any homestead credit
3 allowed under section 425.1. Each claim shall be
4 based upon the taxes due during the fiscal year next
5 following the base year. If a homestead is owned by
6 two or more persons as joint tenants or tenants in
7 common, and one or more of the persons are not a
8 member members of the claimant's household, "property
9 taxes due" is that part of property taxes due on the
10 homestead which equals the ownership percentage of the
11 claimant and the claimant's household. The county
12 treasurer shall include with the tax receipt a
13 statement that if the owner of the property is sixty-
14 five years of age or over or is totally disabled, or
15 is a surviving spouse ~~of-such-person-who~~ or an
16 unmarried person who has been granted a dissolution of
17 marriage under chapter 598 or has been granted a
18 divorce or dissolution of marriage recognized in this
19 state and the surviving spouse or the unmarried person
20 is over fifty-five years of age, the person may be
21 eligible for the credit allowed under this division.
22 If a homestead is an integral part of a farm, the
23 claimant may use the total property taxes due for the
24 larger unit. If a homestead is an integral part of a
25 multidwelling or multipurpose building the property
26 taxes due for the purpose of this subsection shall be
27 prorated to reflect the portion which the value of the
28 property that the household occupies as its homestead
29 is to the value of the entire structure. For purposes
30 of this subsection, "unit" refers to that parcel of
31 property covered by a single tax statement of which
32 the homestead is a part."

33 2. Page 1, by inserting after line 34 the
34 following:

35 "Sec. ____ . Section 40 of this Act is effective
36 January 1, 1989."

S-5266

Filed March 8, 1988

BY EDGAR H. HOLDEN

Edgar H. Holden
Secretary of State
March 8, 1988

SENATE FILE 2188

S-5276

1 Amend Senate File 2188 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Sec. 30. Section 135D.22, subsection 2, Code
5 Supplement 1987, is amended to read as follows:

6 2. If the owner of the mobile home is an Iowa
7 resident, was totally disabled, as defined in section
8 425.17, subsection 6 on or before December 31 of the
9 base year, is a surviving spouse having attained the
10 age of fifty-five years on or before December 31 of
11 the base year or has attained the age of sixty-five
12 years on or before December 31 of the base year and
13 has an income when included with that of a spouse
14 which is less than five thousand dollars per year, no
15 annual tax shall be imposed on the mobile home. If
16 the income is five thousand dollars or more but less
17 than ~~twelve~~ thirteen thousand dollars, the annual tax
18 shall be computed as follows:

19 If the Household	Annual Tax Per
20 Income is:	Square Foot:
21 \$ 5,000-- 5,999.99	6-0 cents
22	3.0
23 6,000-- 6,999.99	<u>10-0</u>
24	5.0
25 7,000-- 7,999.99	<u>12-0</u>
26	9.0
27 8,000-- 8,999.99	<u>14-0</u>
28 9,999.99	<u>12.0</u>
29 9,000	
30 10,000--11,999.99	15.0
31 <u>12,000--12,999.99</u>	<u>17.0</u>

32 For purposes of this subsection "income" means
33 income as defined in section 425.17, subsection 1, and
34 "base year" means the calendar year preceding the year
35 in which the claim for a reduced rate of tax is filed.
36 The mobile home reduced rate of tax shall only be
37 allowed on the mobile home in which the claimant is
38 residing at the time in which the claim for a reduced
39 rate of tax is filed.

40 Sec. 40. Section 135D.22, subsection 2, Code
41 Supplement 1987, is amended to read as follows:

42 2. If the owner of the mobile home is an Iowa
43 resident, was totally disabled, as defined in section
44 425.17, subsection 6 on or before December 31 of the
45 base year, is a surviving spouse having attained the
46 age of fifty-five years on or before December 31 of
47 the base year or has attained the age of sixty-five
48 years on or before December 31 of the base year and
49 has an income when included with that of a spouse
50 which is less than five thousand dollars per year, no

1 annual tax shall be imposed on the mobile home. If
2 the income is five thousand dollars or more but less
3 than ~~twelve~~ thirteen thousand dollars, the annual tax
4 shall be computed as follows:

5 If the Household	Annual Tax Per
6 Income is:	Square Foot:
7 \$ 5,000-- 5,999.99	<u>6.0</u> cents
8	2.0
9 6,000-- 6,999.99	<u>±0.0</u>
10	4.0
11 7,000-- 7,999.99	<u>±2.0</u>
12	6.0
13 8,000-- 8,999.99	<u>±4.0</u>
14	8.0
15 9,000-- 11,999.99	<u>±5.0</u>
16 9,999.99	10.0
17 10,000--10,999.99	12.0
18 11,000--11,999.99	14.0
19 12,000--12,999.99	17.0

20 For purposes of this subsection "income" means
21 income as defined in section 425.17, subsection 1, and
22 "base year" means the calendar year preceding the year
23 in which the claim for a reduced rate of tax is filed.
24 The mobile home reduced rate of tax shall only be
25 allowed on the mobile home in which the claimant is
26 residing at the time in which the claim for a reduced
27 rate of tax is filed."

28 2. Page 1, line 35, by striking the words and
29 figure "Section 1 of this Act is" and inserting the
30 following: "Sections 1 and 30 of this Act are".

31 3. Page 2, line 3, by striking the words and
32 figure "Section 2 of this Act is" and inserting the
33 following: "Sections 2 and 40 of this Act are".

34 4. Title page, line 1, by inserting after the
35 word "to" the following: "the mobile home annual
36 tax,".

37 5. Title page, line 3, by inserting after the
38 word "of" the following: "the annual tax,".

S-5276

Filed March 9, 1988

Adopted 3/25 (p. 1035)

BY LEONARD BOSWELL
BEVERLY HANNON
NORMAN GOODWIN

1 Amend Senate File 2188 as follows:

2 i. Page 1, by inserting after line 34 the
3 following:

4 "Sec. 50. Section 425.23, subsection 3, paragraph
5 a, Code 1987, is amended to read as follows:

6 a. Any person who is eligible to file a claim for
7 credit for property taxes due and who has a household
8 income of five seven thousand dollars or less and who
9 has a special assessment levied against the homestead
10 may file a claim with the county treasurer that the
11 claimant had a household income of five seven thousand
12 dollars or less and that a special assessment is
13 presently levied against the homestead. The
14 department shall provide to the respective county
15 treasurers such forms as are necessary for the
16 administration of this subsection. The claim shall be
17 filed not later than September 30 of each year. Upon
18 the filing of the claim, no penalty or interest for
19 late payment shall accrue against the amount of the
20 special assessment due and payable. The claim filed
21 by the claimant shall constitute a claim for credit of
22 an amount equal to the actual amount due and payable
23 upon the special assessment payable during the fiscal
24 year against the homestead of the claimant or an
25 amount equal to the annual payment of the special
26 assessment levied against the homestead of the
27 claimant and payable in annual installments through
28 the period of years provided by the governing body of
29 the city, whichever is less. The department of
30 revenue and finance shall, upon the filing of the
31 claim with the department by the county treasurer, pay
32 that amount of the special assessment during the
33 current fiscal year to the county treasurer. The
34 county treasurer shall submit the claims to the
35 director of revenue and finance not later than October
36 15 of each year. The director of revenue and finance
37 shall certify the amount of reimbursement due each
38 county for special assessment credits allowed under
39 this subsection. The amount of reimbursement due each
40 county shall be paid by the director of revenue and
41 finance on October 20 of each year, drawn upon
42 warrants payable to the respective county treasurer.
43 There is appropriated annually from the general fund
44 of the state to the department of revenue and finance
45 an amount sufficient to carry out the provisions of
46 this subsection. The county treasurer shall credit
47 any moneys received from the department against the
48 amount of the special assessment due and payable on
49 the homestead of the claimant.

50 Sec. ____ . Section 50 of this Act is retroactive to

1 January 1, 1988, for special assessments levied on or
2 after that date."



SENATE FILE 2188

S-5543

1 Amend Senate File 2188 as follows:

2 1. Page 1, by inserting before line 1 the follow-
3 ing:

4 "Sec. 50. Section 425.17, subsections 5 and 9,
5 Code 1987, are amended to read as follows:

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

31 9. "Property taxes due" means property taxes
32 including any special assessments, but exclusive of
33 delinquent interest and charges for services, due on a
34 claimant's homestead in this state, but includes only
35 property taxes for which the claimant is liable and
36 which will actually be paid by the claimant. However,
37 if the claimant is a person whose property taxes have
38 been suspended under sections 427.8 and 427.9,
39 "property taxes due" means property taxes including
40 any special assessments, but exclusive of delinquent
41 interest and charges for services, due on a claimant's
42 homestead in this state, but includes only property
43 taxes for which the claimant is liable and which would
44 have to be paid by the claimant if the payment of the
45 taxes have not been suspended pursuant to sections
46 427.8 and 427.9. "Property taxes due" shall be
47 computed with no deduction for any credit under this
48 division or for any homestead credit allowed under
49 section 425.1. Each claim shall be based upon the
50 taxes due during the fiscal year next following the

S-5543 Page 2

1 base year. If a homestead is owned by two or more
2 persons as joint tenants or tenants in common, and one
3 or more persons are not a member of claimant's
4 household, "property taxes due" is that part of
5 property taxes due on the homestead which equals the
6 ownership percentage of the claimant and the
7 claimant's household. The county treasurer shall
8 include with the tax receipt a statement that if the
9 owner of the property is ~~sixty-five~~ fifty-five years
10 of age or over or is totally disabled ~~or is a~~
11 ~~surviving spouse of such person who is over fifty-five~~
12 ~~years of age~~, the person may be eligible for the
13 credit allowed under this division. If a homestead is
14 an integral part of a farm, the claimant may use the
15 total property taxes due for the larger unit. If a
16 homestead is an integral part of a multidwelling or
17 multipurpose building the property taxes due for the
18 purpose of this subsection shall be prorated to
19 reflect the portion which the value of the property
20 that the household occupies as its homestead is to the
21 value of the entire structure. For purposes of this
22 subsection, "unit" refers to that parcel of property
23 covered by a single tax statement of which the
24 homestead is a part."

25 2. Page 1, by inserting after line 34 the
26 following:

27 "Sec. ____ . Section 50 of this Act is effective
28 January 1, 1989."

S-5543

Filed March 24, 1988

Adopted 25 (y. 1033)

BY CHARLES BRUNER
LEONARD L. BOSWELL
EDGAR H. HOLDEN

STATE OF IOWA

FISCAL NOTE

LSB No. 7875S
Staff ID. AAW

REQ. BY SENATOR BOSWELL

SENATE FILE 2188

In compliance with a written request received February 19, 1988, a fiscal note for SENATE FILE 2188 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2188 relates to the property credit and rent reimbursement for elderly and disabled individuals.

Section 1 amends Section 425.23, Iowa Code with the following schedule:

PRESENT SCHEDULE		PROPOSED SCHEDULE	
Household Income	% Credit	Household Income	% Credit
\$ 0 - 4,999.99.....	100%	\$ 0 - 4,999.99.....	100%
5,000 - 5,999.99.....	70	5,000 - 5,999.99.....	85
6,000 - 6,999.99.....	50	6,000 - 6,999.99.....	70
7,000 - 7,999.99.....	40	7,000 - 7,999.99.....	55
8,000 - 8,999.99.....	30	8,000 - 8,999.99.....	40
9,000 -11,999.99.....	25	10,000 -11,999.99.....	25
		12,000 -12,999.99.....	15

Section 2 amends Section 415.12, Iowa Code with the following schedule:

PRESENT SCHEDULE		PROPOSED SCHEDULE	
Household Income	% Credit	Household Income	% Credit
\$ 0 - 4,999.99.....	100%	\$ 0 - 4,999.99.....	100%
5,000 - 5,999.99.....	70	5,000 - 5,999.99.....	90
6,000 - 6,999.99.....	50	6,000 - 6,999.99.....	80
7,000 - 7,999.99.....	40	7,000 - 7,999.99.....	70
8,000 - 8,999.99.....	30	8,000 - 8,999.99.....	60
9,000 -11,999.99.....	25	9,000 - 9,999.99.....	50
		10,000 -10,999.99.....	40
		11,000 -11,999.99.....	30
		12,000 -12,999.99.....	15

Section 3 states that Section 1 of this Act is effective January 1, 1989, for claims filed in the 1989 calendar year only.

Section 4 states that Section 2 of this Act is effective January 1, 1990, for claims filed after that date.

Fiscal Effect:

The cost of the proposal was estimated using recent historical data as well as projections of future filing patterns brought about by increased income thresholds.

This bill would result in an increased cost for property tax credits and rent reimbursements. For claims filed after January 1, 1989, the additional cost of the proposal for property owners will be \$2.0 million, primarily in FY 90. For renters, the additional cost will be \$.65 million, primarily in FY 89 with some effect in FY 90.

For claims filed after January 1, 1990, the additional cost of the proposal for property owners will be \$3.95 million, primarily in FY 91. For renters, the additional cost will be \$1.25 million, primarily in FY 90 with some effect in FY 91.

Source: Department of Revenue and Finance

(LSB 78755, AAW)

Denise C. Probst
Fiscal Director

Legislative Fiscal Bureau

Date: 3/3/88

STATE OF IOWA

FISCAL NOTE

LSB No. 78755.3

Staff ID. AAW

REQ. BY SENATOR BRUNER

SENATE FILE 2188 AS AMENDED BY S5543

In compliance with a written request received March 25, 1988, a fiscal note for SP 2188 AS AMENDED BY S5543 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Amendment S-5543 to Senate File 2188 amends Section 425.17, Code of Iowa, to allow anyone who is 55 years or totally disabled on or before December 31 of the base year to be eligible for the property credit and rent reimbursement for elderly and disabled individuals.

Fiscal Effect:

The Dept. of Revenue and Finance is unable to provide a specific estimate at this time. However, they feel this proposal would have a significant fiscal impact on the State General Fund.

Source: Dept. of Revenue and Finance

(LSB 78755.3, AAW)

Denise C. Probst
Fiscal Director

Legislative Fiscal Bureau

Date: 3/28/88

1 Section 1. Section 135D.22, subsection 2, Code Supplement
 2 1987, is amended to read as follows:

3 2. If the owner of the mobile home is an Iowa resident,
 4 was totally disabled, as defined in section 425.17, subsection
 5 6 on or before December 31 of the base year, is a surviving
 6 spouse having attained the age of fifty-five years on or
 7 before December 31 of the base year or has attained the age of
 8 sixty-five years on or before December 31 of the base year and
 9 has an income when included with that of a spouse which is
 10 less than five thousand dollars per year, no annual tax shall
 11 be imposed on the mobile home. If the income is five thousand

6486, 6482 12 dollars or more but less than twelve thirteen thousand
 13 dollars, the annual tax shall be computed as follows:

14 <u>If the Household</u>	<u>Annual Tax Per</u>
15 <u>Income is:</u>	<u>Square Foot:</u>
16 <u>\$ 5,000-- 5,999.99</u>	<u>6.0 cents</u>
17	<u>3.0</u>
18 <u>6,000-- 6,999.99</u>	<u>±0.0</u>
19	<u>6.0</u>
20 <u>7,000-- 7,999.99</u>	<u>±2.0</u>
21	<u>9.0</u>
22 <u>8,000-- 8,999.99</u>	<u>±4.0</u>
23 <u>9,999.99</u>	<u>12.0</u>
24 <u>97000</u>	
25 <u>10,000--11,999.99</u>	<u>15.0</u>
6486, 6482 26 <u>12,000--12,999.99</u>	<u>17.0</u>

27 For purposes of this subsection "income" means income as
 28 defined in section 425.17, subsection 1, and "base year" means
 29 the calendar year preceding the year in which the claim for a
 30 reduced rate of tax is filed. The mobile home reduced rate of
 31 tax shall only be allowed on the mobile home in which the
 32 claimant is residing at the time in which the claim for a
 33 reduced rate of tax is filed.

6486 4734 34 Sec. 2. Section 135D.22, subsection 2, Code Supplement
 35 1987, is amended to read as follows:

1 2. If the owner of the mobile home is an Iowa resident,
 2 was totally disabled, as defined in section 425.17, subsection
 3 6 on or before December 31 of the base year, is a surviving
 4 spouse having attained the age of fifty-five years on or
 5 before December 31 of the base year or has attained the age of
 6 sixty-five years on or before December 31 of the base year and
 7 has an income when included with that of a spouse which is
 8 less than five thousand dollars per year, no annual tax shall
 9 be imposed on the mobile home. If the income is five thousand
 10 dollars or more but less than ~~twelve~~ thirteen thousand
 11 dollars, the annual tax shall be computed as follows:

12 If the Household	Annual Tax Per
13 Income is:	Square Foot:
14 \$ 5,000-- 5,999.99	6-0 cents
15	<u>2.0</u>
16 <u>6,000-- 6,999.99</u>	<u>10-0</u>
17	<u>4.0</u>
18 <u>7,000-- 7,999.99</u>	<u>12-0</u>
19	<u>6.0</u>
20 <u>8,000-- 8,999.99</u>	<u>14-0</u>
21	<u>8.0</u>
22 <u>9,000--11,999.99</u>	<u>15-0</u>
23 <u>9,999.99</u>	<u>10.0</u>
24 <u>10,000--10,999.99</u>	<u>12.0</u>
25 <u>11,000--11,999.99</u>	<u>14.0</u>
26 <u>12,000--12,999.99</u>	<u>17.0</u>

27 For purposes of this subsection "income" means income as
 28 defined in section 425.17, subsection 1, and "base year" means
 29 the calendar year preceding the year in which the claim for a
 30 reduced rate of tax is filed. The mobile home reduced rate of
 31 tax shall only be allowed on the mobile home in which the
 32 claimant is residing at the time in which the claim for a
 33 reduced rate of tax is filed.

34 Sec. 3. Section 425.17, subsections 5 and 9, Code 1987,
 35 are amended to read as follows:

6488 1 5. "Claimant" means a person filing a claim for credit or
2 reimbursement under this division who has attained the age of
3 sixty-five ~~forty~~ fifty-five years on or before December 31 of the
4 base year ~~or who is a surviving spouse having attained the age~~
5 ~~of fifty-five years on or before December 31 of the base year,~~
6 or who is totally disabled and was totally disabled on or
7 before December 31 of the base year, and was domiciled in this
8 state during the entire base year and is domiciled in this
9 state at the time the claim is filed or at the time of the
10 person's death in the case of a claim filed by the executor or
11 administrator of the claimant's estate. "Claimant" includes a
12 vendee in possession under a contract for deed and may include
13 one or more joint tenants or tenants in common. In the case
14 of a claim for rent constituting property taxes paid, the
15 claimant shall have rented the property during any part of the
16 base year. If a homestead is occupied by two or more persons,
17 and more than one person is able to qualify as a claimant, the
18 persons may determine among them who will be the claimant. If
19 they are unable to agree, the matter shall be referred to the
20 director of revenue and finance not later than October 31 of
21 each year and the director's decision ~~shall be~~ is final.

6488 22 9. "Property taxes due" means property taxes including any
23 special assessments, but exclusive of delinquent interest and
24 charges for services, due on a claimant's homestead in this
25 state, but includes only property taxes for which the claimant
26 is liable and which will actually be paid by the claimant.
27 However, if the claimant is a person whose property taxes have
28 been suspended under sections 427.8 and 427.9, "property taxes
29 due" means property taxes including any special assessments,
30 but exclusive of delinquent interest and charges for services,
31 due on a claimant's homestead in this state, but includes only
32 property taxes for which the claimant is liable and which
33 would have to be paid by the claimant if the payment of the
34 taxes have not been suspended pursuant to sections 427.8 and
35 427.9. "Property taxes due" shall be computed with no

1 deduction for any credit under this division or for any
2 homestead credit allowed under section 425.1. Each claim
3 shall be based upon the taxes due during the fiscal year next
4 following the base year. If a homestead is owned by two or
5 more persons as joint tenants or tenants in common, and one or
6 more persons are not a member of claimant's household,
7 "property taxes due" is that part of property taxes due on the
8 homestead which equals the ownership percentage of the
9 claimant and the claimant's household. The county treasurer
10 shall include with the tax receipt a statement that if the
11 owner of the property is sixty-five ~~fifty-five~~ years of age or
12 over or is totally disabled, ~~or is a surviving spouse of such~~
13 person who is over fifty-five years of age, the person may be
14 eligible for the credit allowed under this division. If a
15 homestead is an integral part of a farm, the claimant may use
16 the total property taxes due for the larger unit. If a
17 homestead is an integral part of a multidwelling or
18 multipurpose building the property taxes due for the purpose
19 of this subsection shall be prorated to reflect the portion
20 which the value of the property that the household occupies as
21 its homestead is to the value of the entire structure. For
22 purposes of this subsection, "unit" refers to that parcel of
23 property covered by a single tax statement of which the
24 homestead is a part.

6488 >

25 Sec. 4. Section 425.23, subsection 1, Code 1987, is
26 amended to read as follows:

27 1. The tentative credit or reimbursement shall be
28 determined in accordance with the following schedule:

29		Percent of property taxes
30		due or rent constituting
31		property taxes paid
32	If the household	allowed as a credit or
33	income is:	reimbursement:
34	\$ 0 - 4,999.99	100%
35	5,000 - 5,999.99	70 <u>85</u>

1	6,000 - 6,999.99	50	<u>70</u>
2	7,000 - 7,999.99	40	<u>55</u>
3	8,000 - 8,999.99 <u>9,999.99</u>	30	<u>40</u>
4	9,000 <u>10,000</u> - 11,999.99		25
5	<u>12,000 - 12,999.99</u>		15

6 Sec. 5. Section 425.23, subsection 1, Code 1987, is
 7 amended to read as follows:

8 1. The tentative credit or reimbursement shall be
 9 determined in accordance with the following schedule:

10		Percent of property taxes	
11		due or rent constituting	
12		property taxes paid	
13	If the household	allowed as a credit or	
14	income is:	reimbursement:	
15	\$ 0 - 4,999.99	100%	
16	5,000 - 5,999.99	70	<u>90</u>
17	6,000 - 6,999.99	50	<u>80</u>
18	7,000 - 7,999.99	40	<u>70</u>
19	8,000 - 8,999.99	30	<u>60</u>
20	9,000 - 11,999.99 <u>9,999.99</u>	25	<u>50</u>
21	<u>10,000 - 10,999.99</u>		40
22	<u>11,000 - 11,999.99</u>		30
23	<u>12,000 - 12,999.99</u>		15

24 Sec. 6. Section 425.23, subsection 3, paragraph a, Code
 25 1987, is amended to read as follows:

26 a. Any person who is eligible to file a claim for credit
 27 for property taxes due and who has a household income of five
 28 seven thousand dollars or less and who has a special
 29 assessment levied against the homestead may file a claim with
 30 the county treasurer that the claimant had a household income
 31 of five seven thousand dollars or less and that a special
 32 assessment is presently levied against the homestead. The
 33 department shall provide to the respective county treasurers
 34 such forms as are necessary for the administration of this
 35 subsection. The claim shall be filed not later than September

1 30 of each year. Upon the filing of the claim, no penalty or
2 interest for late payment shall accrue against the amount of
3 the special assessment due and payable. The claim filed by
4 the claimant shall constitute a claim for credit of an amount
5 equal to the actual amount due and payable upon the special
6 assessment payable during the fiscal year against the
7 homestead of the claimant or an amount equal to the annual
8 payment of the special assessment levied against the homestead
9 of the claimant and payable in annual installments through the
10 period of years provided by the governing body of the city,
11 whichever is less. The department of revenue and finance
12 shall, upon the filing of the claim with the department by the
13 county treasurer, pay that amount of the special assessment
14 during the current fiscal year to the county treasurer. The
15 county treasurer shall submit the claims to the director of
16 revenue and finance not later than October 15 of each year.
17 The director of revenue and finance shall certify the amount
18 of reimbursement due each county for special assessment
19 credits allowed under this subsection. The amount of
20 reimbursement due each county shall be paid by the director of
21 revenue and finance on October 20 of each year, drawn upon
22 warrants payable to the respective county treasurer. There is
23 appropriated annually from the general fund of the state to
24 the department of revenue and finance an amount sufficient to
25 carry out the provisions of this subsection. The county
26 treasurer shall credit any moneys received from the department
27 against the amount of the special assessment due and payable
28 on the homestead of the claimant.

29 Sec. 7. Sections 1 and 4 of this Act are effective January
30 1, 1989, for property tax credit claims and rent reimbursement
31 claims filed in the 1989 calendar year only.

32 Sec. 8. Sections 2 and 5 of this Act are effective January
33 1, 1990, for property tax credit claims and rent reimbursement
34 claims filed on or after that date.

35 Sec. 9. Section 3 of this Act is effective January 1,

1 1989.

2 Sec. 10. Section 6 of this Act is retroactive to January
3 1, 1988, for special assessments levied on or after that date.

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SENATE FILE 2188

H-6488

- 1 Amend Senate File 2188, as amended, passed and
2 reprinted by the Senate, as follows:
- 3 1. Page 1, line 7, by striking the words "of the
4 base year" and inserting the following: "of-the-base
5 year, -1988".
- 6 2. By striking page 1, line 34 through page 2,
7 line 33.
- 8 3. Page 3, by striking lines 3 through 5 and
9 inserting the following: "sixty-five years on or
10 before December 31 of the base year or who is a
11 surviving spouse having attained the age of fifty-five
12 years on or before December 31 of-the-base-year,
13 1988,".
- 14 4. Page 4, line 11, by striking the words "sixty-
15 five fifty-five" and inserting the following: "sixty-
16 five".
- 17 5. Page 4, lines 12 and 13, by striking the words
18 ",-or-is-a-surviving-spouse-of-such-person-who-is-over
19 fifty-five-years-of-age" and inserting the following:
20 ", or is a surviving spouse of-such-person who is-over
21 was fifty-five years of age on or before December 31,
22 1988".
- 23 6. Page 4, by inserting after line 24 the
24 following:
- 25 "Sec. 15. Section 425.17, subsection 7, Code 1987,
26 is amended to read as follows:
- 27 7. "Rent constituting property taxes paid" means
28 twenty-five twenty-seven and one-half percent of the
29 gross rent actually paid in cash or its equivalent
30 during the base year by the claimant or the claimant's
31 household solely for the right of occupancy of their
32 homestead in the base year, and which rent constitutes
33 the basis, in the succeeding year, of a claim for
34 reimbursement under this division by the claimant."
- 35 7. By striking page 5, line 6 through page 7,
36 line 3 and inserting the following:
- 37 "Sec. ____ . Section 1 of this Act is effective
38 January 1, 1989, for mobile home tax claims filed on
39 or after that date.
- 40 Sec. ____ . Section 3 of this Act is effective
41 January 1, 1989.
- 42 Sec. ____ . Section 15 of this Act is effective
43 January 1, 1990.
- 44 Sec. ____ . Section 4 of this Act is effective
45 January 1, 1989, for property tax claims filed on or
46 after that date. Section 4 of this Act is applicable
47 to rent reimbursement claims filed on or after January
48 1, 1990."

By CARPENTER of Polk
OSTERBERG of Linn
DODERER of Johnson

H-6488 FILED APRIL 14, 1988

(Adopted 4/15/88, 200-1)

SENATE FILE 2188

H-6480

1 Amend the amendment, H-6472 to Senate File 2188, as
 2 amended, passed, and reprinted by the Senate, as
 3 follows:
 4 1. Page 1, line 3, by striking the word and
 5 figure "page 4," and inserting the following: "page
 6 2, line 33."
 7 2. Page 1, by striking line 4 and inserting the
 8 following:
 9 "_____. Page 3, line 7, by inserting after the word
 10 "year" the following: "or who is a single parent with
 11 two or more dependent children, as defined for state
 12 income tax purposes, under the age of eighteen".
 13 _____ . Page 4, line 13, by inserting after the word
 14 "age" the following: "or who is a single parent with
 15 two or more dependent children, as defined for state
 16 income tax purposes, under the age of eighteen".
 17 _____ . Page 4, by inserting after line 24 the
 18 following:".

By KOENIGS of Mitchell

H-6480 FILED APRIL 14, 1988
(w/21/15/18/2000)

SENATE FILE 2188

H-6482

1 Amend Senate File 2188, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 1, line 12, by striking the words "~~twelve~~
 4 ~~thirteen~~" and inserting the following: "twelve".
 5 2. Page 1, by striking line 26.
 6 3. Page 5, by striking line 23.

By CARPENTER of Polk
DODERER of Johnson
GRONINGA of Cerro GordoH-6482 FILED APRIL 14, 1988
(w/21/15/18/2000)

SENATE FILE 2188

H-6486

1 Amend Senate File 2188, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 1, line 12, by striking the words "~~twelve~~
 4 ~~thirteen~~" and inserting the following: "twelve".
 5 2. Page 1, by striking line 26.
 6 3. Page 5, by striking line 5.

By CARPENTER of Polk
DODERER of Johnson
GRONINGA of Cerro GordoH-6486 FILED APRIL 14, 1988
(w/21/15/18/2000)

HOUSE AMENDMENT TO
SENATE FILE 2188

6052

- 1 Amend Senate File 2188, as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, line 7, by striking the words "of the
- 4 base year" and inserting the following: "of-the-base
- 5 year, 1988".
- 6 2. Page 1, line 12, by striking the words "twelve
- 7 thirteen" and inserting the following: "twelve".
- 8 3. Page 1, by striking line 26.
- 9 4. By striking page 1, line 34 through page 2,
- 10 line 33.
- 11 5. Page 3, by striking lines 3 through 5 and
- 12 inserting the following: "sixty-five years on or
- 13 before December 31 of the base year or who is a
- 14 surviving spouse having attained the age of fifty-five
- 15 years on or before December 31 of-the-base-year,
- 16 1988,".
- 17 6. Page 4, line 11, by striking the words "sixty-
- 18 five fifty-five" and inserting the following: "sixty-
- 19 five".
- 20 7. Page 4, lines 12 and 13, by striking the words
- 21 ",-or-is-a-surviving-spouse-of-such-person-who-is-over
- 22 fifty-five-years-of-age" and inserting the following:
- 23 ", or is a surviving spouse of-such-person who is-over
- 24 was fifty-five years of age on or before December 31,
- 25 1988".
- 26 8. Page 4, by inserting after line 24 the
- 27 following:
- 28 *Sec. 15. Section 425.17, subsection 7, Code 1987,
- 29 is amended to read as follows:
- 30 7. "Rent constituting property taxes paid" means
- 31 twenty-five twenty-seven and one-half percent of the
- 32 gross rent actually paid in cash or its equivalent
- 33 during the base year by the claimant or the claimant's
- 34 household solely for the right of occupancy of their
- 35 homestead in the base year, and which rent constitutes
- 36 the basis, in the succeeding year, of a claim for
- 37 reimbursement under this division by the claimant."
- 38 9. Page 5, by striking line 5.
- 39 10. By striking page 5, line 6 through page 7,
- 40 line 3 and inserting the following:
- 41 "Sec. ____ . Section 1 of this Act is effective
- 42 January 1, 1989, for mobile home tax claims filed on
- 43 or after that date.
- 44 Sec. ____ . Section 3 of this Act is effective
- 45 January 1, 1989.
- 46 Sec. ____ . Section 15 of this Act is effective
- 47 January 1, 1990.
- 48 Sec. ____ . Section 4 of this Act is effective
- 49 January 1, 1989, for property tax claims filed on or
- 50 after that date. Section 4 of this Act is applicable

SENATE 17
APRIL 16, 1988

S-6052 Page 2

1 to rent reimbursement claims filed on or after January
2 1, 1990."
3 11. By renumbering, relettering, or redesignating
4 and correcting internal references as necessary.

S-6052

Filed April 15, 1988

Carroll

RECEIVED FROM THE HOUSE

SENATE FILE 2188

H-6472

1 Amend Senate File 2188, as amended, passed and
2 reprinted by the Senate, as follows:

3 1. By striking page 1, line 34 through page 4,
4 line 24 and inserting the following:

5 "Sec. 15. Section 425.17, subsection 7, Code 1987,
6 is amended to read as follows:

7 7. "Rent constituting property taxes paid" means
8 ~~twenty-five~~ thirty percent of the gross rent actually
9 paid in cash or its equivalent during the base year by
10 the claimant or the claimant's household solely for
11 the right of occupancy of their homestead in the base
12 year, and which rent constitutes the basis, in the
13 succeeding year, of a claim for reimbursement under
14 this division by the claimant."

15 2. By striking page 5, line 6 through page 7,
16 line 3 and inserting the following:

17 "Sec. ____ . Section 1 of this Act is effective
18 January 1, 1989, for mobile home tax claims filed on
19 or after that date.

20 Sec. ____ . Section 15 of this Act is effective
21 January 1, 1989.

22 Sec. ____ . Section 4 of this Act is effective
23 January 1, 1989, for property tax claims filed on or
24 after that date. Section 4 of this Act is applicable
25 to rent reimbursement claims filed on or after January
26 1, 1990."

By COMMITTEE ON WAYS AND MEANS
DODERER of Johnson, Chairperson

H-6472 FILED APRIL 14, 1988

w/d 4/15 (p. 200)

SENATE FILE 2188

H-6498

1 Amend amendment H-6480 to amendment H-6472 to
2 Senate File 2188, as amended, passed, and reprinted by
3 the Senate, as follows:

4 1. Page 1, line 10, by striking the word
5 "single".

6 2. Page 2, line 14, by striking the word
7 "single".

By KOENIGS of Mitchell

H-6498 FILED APRIL 15, 1988

ADOPTED BY UNANIMOUS CONSENT (*p. 1447*)

SENATE FILE 2188

AN ACT

RELATING TO THE MOBILE HOME ANNUAL TAX, THE PROPERTY TAX CREDIT AND RENT REIMBURSEMENT FOR ELDERLY AND DISABLED INDIVIDUALS BY CHANGING THE FORMULA USED FOR DETERMINING THE AMOUNT OF THE ANNUAL TAX, CREDIT AND REIMBURSEMENT AND PROVIDING EFFECTIVE DATES.

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

Section 1. Section 1350.22, subsection 2, Code Supplement 1987, is amended to read as follows:

2. If the owner of the mobile home is an Iowa resident, was totally disabled, as defined in section 425.17, subsection 6 on or before December 31 of the base year, is a surviving spouse having attained the age of fifty-five years on or before December 31 of-the-base-year, 1988 or has attained the age of sixty-five years on or before December 31 of the base year and has an income when included with that of a spouse which is less than five thousand dollars per year, no annual tax shall be imposed on the mobile home. If the income is five thousand dollars or more but less than twelve thousand dollars, the annual tax shall be computed as follows:

If the Household Income is:	Annual Tax Per Square Foot:
\$ 5,000 -- 5,999.99	6:0 cents
6,000 -- 6,999.99	<u>3:0</u>
7,000 -- 7,999.99	10:0
	<u>6:0</u>
	12:0
	<u>9:0</u>

8,000 -- 8,999.99	14:0
<u>9,999.99</u>	<u>12:0</u>
9,000	
<u>10,000</u> -- 11,999.99	15:0

For purposes of this subsection "income" means income as defined in section 425.17, subsection 1, and "base year" means the calendar year preceding the year in which the claim for a reduced rate of tax is filed. The mobile home reduced rate of tax shall only be allowed on the mobile home in which the claimant is residing at the time in which the claim for a reduced rate of tax is filed.

Sec. 2. Section 425.17, subsections 5 and 9, Code 1987, are amended to read as follows:

5. "Claimant" means a person filing a claim for credit or reimbursement under this division who has attained the age of sixty-five years on or before December 31 of the base year or who is a surviving spouse having attained the age of fifty-five years on or before December 31 of-the-base-year, 1988, or who is totally disabled and was totally disabled on or before December 31 of the base year, and was domiciled in this state during the entire base year and is domiciled in this state at the time the claim is filed or at the time of the person's death in the case of a claim filed by the executor or administrator of the claimant's estate. "Claimant" includes a vendee in possession under a contract for deed and may include one or more joint tenants or tenants in common. In the case of a claim for rent constituting property taxes paid, the claimant shall have rented the property during any part of the base year. If a homestead is occupied by two or more persons, and more than one person is able to qualify as a claimant, the persons may determine among them who will be the claimant. If they are unable to agree, the matter shall be referred to the director of revenue and finance not later than October 31 of each year and the director's decision shall be is final.

9. "Property taxes due" means property taxes including any special assessments, but exclusive of delinquent interest and charges for services, due on a claimant's homestead in this state, but includes only property taxes for which the claimant is liable and which will actually be paid by the claimant. However, if the claimant is a person whose property taxes have been suspended under sections 427.8 and 427.9, "property taxes due" means property taxes including any special assessments, but exclusive of delinquent interest and charges for services, due on a claimant's homestead in this state, but includes only property taxes for which the claimant is liable and which would have to be paid by the claimant if the payment of the taxes have not been suspended pursuant to sections 427.8 and 427.9. "Property taxes due" shall be computed with no deduction for any credit under this division or for any homestead credit allowed under section 425.1. Each claim shall be based upon the taxes due during the fiscal year next following the base year. If a homestead is owned by two or more persons as joint tenants or tenants in common, and one or more persons are not a member of claimant's household, "property taxes due" is that part of property taxes due on the homestead which equals the ownership percentage of the claimant and the claimant's household. The county treasurer shall include with the tax receipt a statement that if the owner of the property is sixty-five years of age or over or is totally disabled, or is a surviving spouse of such person who ~~is~~ was fifty-five years of age on or before December 31, 1988, the person may be eligible for the credit allowed under this division. If a homestead is an integral part of a farm, the claimant may use the total property taxes due for the larger unit. If a homestead is an integral part of a multidwelling or multipurpose building the property taxes due for the purpose of this subsection shall be prorated to reflect the portion which the value of the property that the household occupies as its homestead is to the value of the

entire structure. For purposes of this subsection, "unit" refers to that parcel of property covered by a single tax statement of which the homestead is a part.

Sec. 3. Section 425.17, subsection 7, Code 1987, is amended to read as follows:

7. "Rent constituting property taxes paid" means twenty-five ~~twenty-seven and one-half~~ percent of the gross rent actually paid in cash or its equivalent during the base year by the claimant or 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. 4. Section 425.23, subsection 1, Code 1987, is amended to read as follows:

1. The tentative credit or reimbursement shall be determined in accordance with the following schedule:

If the household income is:	Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement:
\$ 0 - 4,999.99	100%
5,000 - 5,999.99	78 <u>85</u>
6,000 - 6,999.99	58 <u>70</u>
7,000 - 7,999.99	48 <u>55</u>
8,000 - 8,999.99 <u>9,999.99</u>	38 <u>40</u>
9,000 <u>10,000</u> - 11,999.99	25

Sec. 5. Section 1 of this Act is effective January 1, 1989, for mobile home tax claims filed on or after that date.

Sec. 6. Section 2 of this Act is effective January 1, 1989.

Sec. 7. Section 3 of this Act is effective January 1, 1990.

Sec. 8. Section 4 of this Act is effective January 1, 1989, for property tax claims filed on or after that date.

Section 4 of this Act is applicable to rent reimbursement claims filed on or after January 1, 1990.

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2188, Seventy-second General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved May 2, 1988

SF 2188

TERRY E. BRANSTAD
Governor