

FILED MAR 2 1988

SENATE FILE 2264  
BY COMMITTEE ON LOCAL  
GOVERNMENT

*Approved (p. 599)*  
*(formerly 55B 2170)*

Passed Senate, Date 3/14/88 (p. 791) Passed House, Date \_\_\_\_\_  
Vote: Ayes 45 Nays 1 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act to allow the owner of a homestead to claim the homestead  
2 tax credit where the homestead is located on land owned by a  
3 partnership or corporation and the owner is a partner or  
4 shareholder.

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

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SF 2264

1 Section 1. Section 425.11, subsection 2, Code 1987, is  
2 amended to read as follows:

3 2. The word "owner" shall mean the person who holds the  
4 fee simple title to the homestead, and in addition shall mean  
5 the person occupying as a surviving spouse or the person  
6 occupying under a contract of purchase which contract has been  
7 recorded in the office of the county recorder of the county in  
8 which the property is located, or the person occupying the  
9 homestead under devise or by operation of the inheritance laws  
10 where the whole interest passes or where the divided interest  
11 is shared only by persons related or formerly related to each  
12 other by blood, marriage, or adoption, or the person occupying  
13 the homestead under a deed which conveys a divided interest  
14 where the divided interest is shared only by persons related  
15 or formerly related to each other by blood, marriage, or  
16 adoption or where the person occupying the homestead holds a  
17 life estate with the reversion interest held by a nonprofit  
18 corporation organized under chapter 504A, provided that the  
19 holder of the life estate is liable for and pays property tax  
20 on the homestead or where the person occupying the homestead  
21 holds an interest in a horizontal property regime under  
22 chapter 499B, regardless of whether the underlying land  
23 committed to the horizontal property regime is in fee or as a  
24 leasehold interest, provided that the holder of the interest  
25 in the horizontal property regime is liable for and pays  
26 property tax on the homestead. "Owner" also includes a person  
27 who holds a fee simple title to the homestead where the land  
28 on which the homestead is located is titled in a partnership  
29 or corporation in which the person is a partner or  
30 shareholder, provided the person pays the property taxes on  
31 the homestead. For the purpose of this chapter the word  
32 "owner" shall be construed to mean a bona fide owner and not  
33 one for the purpose only of availing the person of the  
34 benefits of this chapter. In order to qualify for the  
35 homestead tax credit, evidence of ownership shall be on file

1 in the office of the clerk of the district court or recorded  
2 in the office of the county recorder at the time the owner  
3 files with the assessor a verified statement of the homestead  
4 claimed by the owner as provided in section 425.2.

5 EXPLANATION

6 The bill permits the owner of a homestead to claim the  
7 homestead tax credit where the homestead is located on  
8 property owned by a partnership or corporation in which the  
9 owner is a partner or shareholder provided the owner actually  
10 pays the taxes on the homestead.

11 SUCCESSOR TO SSB 2170 (LSB 8095SC)

STATE OF IOWA

FILED MAR 10 1988

FISCAL NOTE

LSB No. 8095S

Staff ID. AAW

REQ. BY SENATOR MILLER OF CERRO GORDO SENATE FILE 2264

In compliance with a written request received March 2, 1988, a fiscal note for SENATE FILE 2264 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 2264 amends Section 425.11, Code of Iowa to allow the owner of a homestead to claim the homestead tax credit when the homestead is located on land owned by a partnership or corporation and the owner is a partner or shareholder.

Fiscal Effect:

This proposal may lead to an increase in the amount of homestead tax credits being claimed, however, there is no specific estimate available. The Department of Revenue and Finance estimates that the effect on the State general fund would be minimal.

Source: Dept. of Revenue and Finance

(LSB 8095S, AAW)

*Dennis Prouty*  
Fiscal Director

Legislative Fiscal Bureau

Date: 3/9/88

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*SSB 2170  
LOCAL GOVERNMENT  
T. ...*

SSB 2170

LOCAL GOVERNMENT: Fraise, Chair: Horn and Hall

SENATE FILE 2264

BY (PROPOSED COMMITTEE ON  
LOCAL GOVERNMENT BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

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