

REVENUE DEPARTMENT[701]

Adopted and Filed

Pursuant to the authority of Iowa Code section 425.15, the Department of Revenue hereby amends Chapter 80, "Property Tax Credits and Exemptions," Iowa Administrative Code.

The subject matter of rule 701—80.1(425) is the homestead property tax credit. The amendment to subrule 80.1(3) is to implement an amendment to the Iowa Code for an expansion of the disabled veteran tax credit under Iowa Code section 425.15.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 2370C** on January 20, 2016. No public comments were received on this rule making. The adopted amendment is identical to that published under Notice of Intended Action.

Any person who believes that the application of the discretionary provisions of this amendment would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any.

The Department of Revenue adopted this amendment on April 8, 2016.

After analysis and review of this rule making, a positive impact on jobs may exist. This amendment expands the eligibility for the disabled veteran's homestead tax credit. This credit furthers the goals of the Home Base Iowa Program by creating a property tax incentive for veterans and transitioning service members to make Iowa their "state of choice."

This amendment is intended to implement Iowa Code section 425.15.

This amendment will become effective June 1, 2016.

The following amendment is adopted.

Amend subrule 80.1(3) as follows:

80.1(3) Disabled veteran's homestead tax credit.

a. Qualification for credit. The disabled veteran's homestead veteran tax credit may be claimed by any person of the following owners of homestead property:

(1) A veteran who acquired homestead property under 38 U.S.C. Sections 21.801 and 21.802 or Sections 2101 and 2102 provided the veteran's annual income and that of the veteran's spouse do not exceed \$35,000.

(2) A veteran, as defined in Iowa Code section 35.1, with a permanent service-connected disability rating of 100 percent, as certified by the U.S. Department of Veterans Affairs, or a permanent and total disability rating based on individual unemployability that is compensated at the 100 percent disability rate, as certified by the U.S. Department of Veterans Affairs.

(3) A former member of the national guard of any state who otherwise meets the service requirements of Iowa Code section 35.1(2) "b"(2) or 35.1(2) "b"(7), with a permanent service-connected disability rating of 100 percent, as certified by the U.S. Department of Veterans Affairs, or a permanent and total disability rating based on individual unemployability that is compensated at the 100 percent disability rate, as certified by the U.S. Department of Veterans Affairs.

(4) An individual who is a surviving spouse or a child and who is receiving dependency and indemnity compensation pursuant to 38 U.S.C. Section 1301 et seq., as certified by the U.S. Department of Veterans Affairs.

b. Application for credit. Except for the 2014 assessment year, an application for the disabled veteran tax credit must be filed with the local assessor on or before July 1 of the assessment year. Any supporting documentation required by the assessor must be current within the previous 12 months of the date on which the application is filed. The filing deadline for applications for the 2014 assessment year shall be July 1, 2015. The credit applicable to assessment year 2014 shall be allowed only on a homestead which the owner occupied on July 1, 2014, and for at least six months during the 2014 assessment year.

c. Amount of credit. The amount of the credit is equal to the entire amount of tax payable on the homestead. Even though this financial assistance is available to disabled veterans on only one homestead

~~during their lifetime, the credit may be claimed upon the acquisition of other homesteads for which no financial assistance is available providing all qualifications have been met.~~

d. Continuance of credit. The credit shall continue to the estate or surviving spouse and child who are the beneficiaries of an owner described in subparagraph 80.1(3)“a”(1), (2), or (3) if the surviving spouse remains unmarried. If an owner or beneficiary of an owner ceases to qualify for the credit, the owner or beneficiary must notify the assessor of the termination of eligibility.

[Filed 4/8/16, effective 6/1/16]

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 4/27/16.