

**25B.7 Funding property tax credits and exemptions.**

1. Beginning with property taxes due and payable in the fiscal year beginning July 1, 1998, the cost of providing a property tax credit or property tax exemption which is enacted by the general assembly on or after January 1, 1997, shall be fully funded by the state. If a state appropriation made to fund a credit or exemption which is enacted on or after January 1, 1997, is not sufficient to fully fund the credit or exemption, the political subdivision shall be required to extend to the taxpayer only that portion of the credit or exemption estimated by the department of revenue to be funded by the state appropriation. The department of revenue shall determine by June 15 the estimated portion of the credit or exemption which will be funded by the state appropriation.

2. The requirement for fully funding and the consequences of not fully funding credits and exemptions under [subsection 1](#) also apply to all of the following:

- a. Homestead tax credit pursuant to [sections 425.1 through 425.15](#).
- b. Low-income property tax credit and elderly and disabled property tax credit pursuant to [sections 425.16 through 425.40](#).
- c. Military service property tax credit and exemption pursuant to [chapter 426A](#), to the extent of six dollars and ninety-two cents per thousand dollars of assessed value of the exempt property.

[97 Acts, ch 206, §4](#); [99 Acts, ch 180, §22, 24](#); [2003 Acts, ch 44, §18](#); [2003 Acts, ch 145, §286](#)