

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 [section 425.1](#), [sections 425.2 through 425.13](#), and [section 425.15](#).

b. Low-income property tax credit and elderly and disabled property tax credit pursuant to [sections 425.16 through 425.40](#), subject to the limitation of [section 425.39](#), [subsection 1](#), paragraph “b”.

[97 Acts, ch 206, §4](#); [99 Acts, ch 180, §22, 24](#); [2003 Acts, ch 44, §18](#); [2003 Acts, ch 145, §286](#); [2021 Acts, ch 177, §124, 131](#); [2023 Acts, ch 71, §24, 48 – 50, 55, 56](#)

Referred to in [§425.1A](#), [425.39](#)

2021 amendment to subsection 2, paragraph b applies to claims under [chapter 425, subchapter II](#), filed on or after January 1, 2022; 2021 Acts, ch 177, §131

2023 amendment to subsection 2, paragraph a applies retroactively to assessment years beginning on or after January 1, 2023; 2023 Acts, ch 71, §49

2023 strike of former subsection 2, paragraph c applies retroactively to assessment years beginning on or after January 1, 2023; 2023 Acts, ch 71, §56