

CHAPTER 104
PROPERTY TAX CREDIT AND RENT REIMBURSEMENT

[Prior to 12/17/86, Revenue Department[730]]
[Prior to 11/2/22, see Revenue Department[701] Ch 73]

701—104.1(425) Eligible claimants. The property tax credit and rent reimbursement programs are available to claimants who: (1) were at least 23 years of age or a head of household on December 31 of the base year, (2) were not or will not be claimed as a dependent on another person's federal or state income tax return for the base year in the case of a claimant who is not disabled or at least 65 years of age, (3) did not have household income in excess of the indexed amount determined pursuant to Iowa Code section 425.23(4) during the base year, and (4) are domiciled in Iowa at the time the claim is filed or were at the time of the claimant's death.

In the case of a claim for rent reimbursement, the claimant must have occupied and rented the property during any part of the base year. In the case of a claim for property tax credit, the claimant must have occupied the property during any part of the fiscal year beginning July 1 of the base year.

If a homestead is occupied by two or more eligible claimants, each person may file a claim based upon each person's income and each person's share of the rent paid or property taxes due.

The computed credit or reimbursement shall be determined in accordance with the applicable schedule provided in Iowa Code section 425.23(1) as adjusted by the indexed amount determined in section 425.23(4).

This rule is intended to implement Iowa Code section 425.17(2) as amended by 1999 Iowa Acts, chapter 152, and section 425.23, and is effective for property tax credit and rent reimbursement claims filed on or after January 1, 2000.

[Editorial change: IAC Supplement 11/2/22]

701—104.2(425) Separate homesteads—husband and wife property tax credit. If a husband and wife are both qualified homeowners living in and maintaining separate and distinct homesteads and each is actually liable for and will pay the property tax for their respective homesteads, each is eligible to file an individual credit claim for property tax due.

This rule is intended to implement Iowa Code section 425.17(4).

[Editorial change: IAC Supplement 11/2/22]

701—104.3(425) Dual claims. A claimant changing homesteads during the base year who will make property tax payments during the fiscal year following the base year and who also made rent payments during the base year is entitled to receive both a property tax credit and rent reimbursement.

Separate claim forms for the property tax credit and the rental reimbursement shall be filed with the county treasurer and the Iowa department of revenue, respectively.

The claims are to be based on the actual property tax due and rent constituting property tax paid with a combined maximum of \$1000 upon which the credit and reimbursement can be calculated.

EXAMPLE: \$800 property tax due

\$400 rent constituting property taxes paid

The claim form for calculating the property tax credit shall reflect the entire \$800 amount.

The claim form for calculating the rent reimbursement shall reflect only the remaining \$200 of the \$1000 maximum allowance.

The Iowa department of revenue will issue refund warrants for rent reimbursement claims. The county treasurer will apply the property tax credits.

This rule is intended to implement Iowa Code section 425.24.

[Editorial change: IAC Supplement 11/2/22]

701—104.4(425) Multipurpose building. A multipurpose building is a building which is used for other purposes in addition to being used for living accommodations. If a portion of a homestead property is utilized for business purposes, the property is considered to be a multipurpose building.

The portion of the property tax due or rent constituting property tax paid attributable to the homestead only is to be used in determining the allowable credit or reimbursement. This portion is to

be calculated by determining the percentage of the homestead square footage to the square footage of the entire multipurpose structure. This percentage is then to be applied to the property tax due in the current fiscal year or rent constituting property tax paid for the base year.

This rule is intended to implement Iowa Code section 425.17(8).

[Editorial change: IAC Supplement 11/2/22]

701—104.5(425) Multidwelling. A multidwelling is a structure which houses more than one homestead. This includes, but is not limited to: apartment buildings, duplexes, condominiums, town houses, nursing homes and rooming houses.

A claimant owning a multidwelling whose homestead is a portion of the multidwelling is entitled to a credit for only that portion of the property tax due attributable to the homestead.

This calculation of the credit or reimbursement is to be performed the same as for a multipurpose building as described in rule 701—104.4(425).

This rule is intended to implement Iowa Code section 425.17(8).

[Editorial change: IAC Supplement 11/2/22; Editorial change: IAC Supplement 10/18/23]

701—104.6(425) Income. Income includes the amount of in-kind assistance received by the claimant for housing expenses such as federal rent subsidy payments made directly to the landlord on behalf of the claimant and energy assistance benefits received by the claimant from or through a public utility.

In determining income, net operating losses and net capital losses are not to be considered. If the comparison of gains and losses results in a net gain, such amount shall be considered income. If the comparison results in a net loss, the net loss shall be disregarded.

This rule is intended to implement Iowa Code section 425.17(7) as amended by 1993 Iowa Acts, chapter 180.

[Editorial change: IAC Supplement 11/2/22]

701—104.7(425) Joint tenancy. Joint tenancy for purposes of a property tax credit is the common ownership of a homestead by two or more persons either as joint tenants with right of survivorship or tenants in common.

This rule is intended to implement Iowa Code section 425.17(8).

[Editorial change: IAC Supplement 11/2/22]

701—104.8(425) Amended claim. An amended claim can only be filed by a claimant who has timely filed a claim for property tax credit or rent constituting property tax paid for the appropriate base year.

The amended claim must be filed within three years from October 31 of the year in which the original claim was filed.

The amended claim shall be clearly marked by the claimant with the word “AMENDED.”

If upon review by the Iowa department of revenue an additional credit or reimbursement is indicated, the claimant shall be reimbursed the additional amount.

This rule is intended to implement Iowa Code section 425.27.

[Editorial change: IAC Supplement 11/2/22]

701—104.9(425) Simultaneous homesteads. A person who owns or rents one property and also owns or rents another property for a simultaneous period of time is limited to claiming a property tax credit or rent reimbursement on the property which is considered the person’s domicile.

This rule is intended to implement Iowa Code section 425.17(4).

[Editorial change: IAC Supplement 11/2/22]

701—104.10(425) Confidential information. Income tax information contained on a property tax credit claim form is confidential except that the information may be conveyed by the department of revenue to county treasurers for purposes of eligibility verification for tax credit claims. Information contained on a rent reimbursement claim form is confidential except that the information may be released to an employee

of the department of inspections and appeals to assist in the performance of an audit or investigation. See rule 701—6.3(17A).

This rule is intended to implement Iowa Code section 425.28 as amended by 1999 Iowa Acts, chapter 139.

[Editorial change: IAC Supplement 11/2/22]

701—104.11(425) Mobile, modular, and manufactured homes. An eligible claimant whose homestead is a mobile, modular, or manufactured home which the claimant owns and which was assessed as real estate resulting in property tax due may file a claim for credit for property tax due on the home and the land on which the home is located, provided the land is owned by the claimant.

An eligible claimant whose homestead is a mobile, modular, or manufactured home subject to the annual tax as provided in Iowa Code chapter 435 may file a claim for credit for property taxes due on the land upon which the home is located provided the land is owned by the claimant. Rent paid for occupancy of a home and the space occupied by the home is subject to reimbursement regardless of how the home is taxed.

This rule is intended to implement Iowa Code subsection 425.17(4).

[Editorial change: IAC Supplement 11/2/22]

701—104.12(425) Totally disabled. A person who is totally disabled must be unable to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment. In addition, the impairment must have lasted or is reasonably expected to last for a continuous period of 12 months or is expected to result in death. This disabled condition must be the determining factor in the person's inability to engage in gainful employment. A claimant is considered totally disabled only if the physical or mental impairment or impairments are of such severity that the claimant is not only unable to do work previously performed but cannot, considering the claimant's age, education, and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the immediate area in which the claimant lives, or whether a specific job vacancy exists or whether the claimant would be hired if the claimant applied for work. See 42 U.S.C. §423. Examples of physical conditions which could possibly constitute total disability would include, but are not limited to: loss of major function of one or both legs or arms; progressive diseases which have resulted in the loss of one or both legs or arms or which have caused them to become useless; severe arthritis; diseases of the heart, lungs or blood vessels which have resulted in serious loss of heart or lung reserve; diseases of the digestive system which have resulted in severe malnutrition, weakness and anemia prohibiting gainful employment; damage to the brain or brain abnormality which has resulted in severe loss of judgment, intellect, orientation or memory; or, paralysis or diseases of the nervous system which prohibit coordination or major functioning of the body so as to prevent gainful employment.

For purposes of this rule, a person shall not be considered unable to engage in substantial gainful employment unless the person has attained the age of 18 on or before December 31 of the base year.

This rule is intended to implement Iowa Code subsection 425.17(11).

[Editorial change: IAC Supplement 11/2/22]

701—104.13(425) Nursing homes. A claimant whose homestead is a nursing home is eligible to file a reimbursement claim for rent constituting property tax paid unless the person is eligible for a property tax credit on an owned homestead.

This rule is intended to implement Iowa Code section 425.17(4).

[Editorial change: IAC Supplement 11/2/22]

701—104.14(425) Household. Household includes the claimant and the claimant's spouse if living with the claimant at any time during the base year. "Living with" does not include a temporary visit. Only one claimant per household is entitled to a credit or reimbursement.

This rule is intended to implement Iowa Code section 425.17(5) as amended by 1999 Iowa Acts, chapter 152, and section 425.22.

[Editorial change: IAC Supplement 11/2/22]

701—104.15(425) Homestead. A person who owns a homestead but is confined to a care facility shall be considered as occupying the owned homestead provided the person does not lease or otherwise receive profits from others for the use of the homestead. The person shall be eligible for a property tax credit but shall not be eligible for a rent reimbursement.

This rule is intended to implement Iowa Code subsection 425.17(4).
[Editorial change: IAC Supplement 11/2/22]

701—104.16(425) Household income. Household income includes income of the claimant and the claimant's spouse and actual monetary payments made to the claimant by any other person living with the claimant. Household income does not include Social Security benefits received by the claimant's child and given to the claimant.

Monetary payments do not include goods and services provided to the claimant by a person living with the claimant.

This rule is intended to implement Iowa Code section 425.17(6) as amended by 1994 Iowa Acts, chapter 1165, and section 425.17(7).
[Editorial change: IAC Supplement 11/2/22]

701—104.17(425) Timely filing of claims. If a timely mailed property tax credit or rent reimbursement claim is not received by the county treasurer or the department of revenue or is received after the June 1 filing deadline, the claim will be considered to have been timely filed if the claimant complies with the provisions of Iowa Code section 622.105. The county treasurer may extend the time for filing a claim for property tax credit through September 30 of the same year. The director may also extend the filing deadline for property tax credit and rent reimbursement claims through December 31 of the following year. Late property tax credit claims will be reimbursed by the director directly to the claimant upon proof of tax payment.

In the case of a claim for property tax credit, the claimant must own and occupy the homestead at the time the claim for credit is filed or if a late claim, own and occupy the homestead on June 1 of the claim year.

This rule is intended to implement Iowa Code section 425.20 as amended by 1996 Iowa Acts, chapter 1167.
[Editorial change: IAC Supplement 11/2/22]

701—104.18(425) Separate homestead—husband and wife rent reimbursements. If a husband and wife are both qualified claimants renting separate and distinct homesteads, and rent is paid by each, each is eligible to file an individual reimbursement claim for rent constituting property tax paid.

This rule is intended to implement Iowa Code subsection 425.17(4).
[Editorial change: IAC Supplement 11/2/22]

701—104.19(425) Gross rent/rent constituting property taxes paid. Gross rent means the total amount of rent paid for use of the homestead by the claimant and rent constituting property taxes paid means 23 percent of the gross rent.

This rule is intended to implement Iowa Code sections 425.17(3) and 425.17(9) as amended by 1994 Iowa Acts, chapter 1125.
[Editorial change: IAC Supplement 11/2/22]

701—104.20(425) Leased land. An individual who owns a dwelling located on land owned by another may claim a credit of property taxes due on the dwelling and a reimbursement of rental payments made for the use of the land if the land has been assessed for taxation.

This rule is intended to implement Iowa Code subsection 425.17(4).
[Editorial change: IAC Supplement 11/2/22]

701—104.21(425) Property: taxable status. In order to be eligible to file a rent reimbursement claim, the property upon which the claimant resided during the base year must have been in a taxable status during the base year. If the property was taxable for only part of the base year, the rent reimbursement

must be prorated accordingly. (OP.ST. BD. Tax Rev. 187). However, this restriction does not apply to property that became tax-exempt on or after July 1, 1986, provided the claimant received a reimbursement of rent constituting property taxes paid on the property when it was in a taxable status and continues to reside in the same property.

This rule is intended to implement Iowa Code subsection 425.17(4).
[Editorial change: IAC Supplement 11/2/22]

701—104.22(425) Special assessments. The claimant may include as a portion of the taxes due during the fiscal year next following the base year an amount equal to the unpaid special assessment installment due, plus interest, during the fiscal year next following the base year.

This rule is intended to implement Iowa Code subsection 425.17(10).
[Editorial change: IAC Supplement 11/2/22]

701—104.23(425) Suspended, delinquent, or canceled taxes. No property tax credit shall be allowed to any person whose taxes have been canceled pursuant to Iowa Code section 427.8. A property tax credit shall be allowed to an eligible claimant whose taxes have been suspended pursuant to Iowa Code sections 427.8 and 427.9.

A property tax credit shall be allowed to an eligible claimant even though the claimant's taxes for a previous fiscal year are delinquent. The claimant may receive a reimbursement for delinquent taxes paid provided the taxes are paid by December 31 following the fiscal year in which the taxes became delinquent.

This rule is intended to implement Iowa Code section 425.17(8).
[Editorial change: IAC Supplement 11/2/22]

701—104.24(425) Income: spouse. The income of a spouse does not have to be reported on the claimant's return unless the spouse lived with the claimant at the property upon which the property tax credit or rent reimbursement is claimed. If the spouse lived with the claimant for only a portion of the base year, only that portion of the spouse's income which was received while living with the claimant must be reported as income on the claimant's return. If the spouse is eligible to claim a credit or reimbursement, the spouse does not have to include any income that was reported on the other claimant's (spouse's) return.

This rule is intended to implement Iowa Code subsection 425.17(6).
[ARC 7726B, IAB 4/22/09, effective 5/27/09; Editorial change: IAC Supplement 11/2/22]

701—104.25(425) Common law marriage. A common law marriage is a social relationship between a man and a woman that meets all the necessary requisites of a marriage except that it was not solemnized, performed or witnessed by an official authorized by law to perform marriages. The necessary elements of a common law marriage are: (a) a present intent of both parties freely given to become married, (b) a public declaration by the parties or a holding out to the public that they are husband and wife, (c) continuous cohabitation together as husband and wife (this means consummation of the marriage), and (d) both parties must be capable of entering into the marriage relationship. No special time limit is necessary to establish a common law marriage.

This rule is intended to implement Iowa Code section 425.17.
[Editorial change: IAC Supplement 11/2/22]

701—104.26 Reserved.

701—104.27(425) Special assessment credit.

104.27(1) Property taxes due. Any person whose special assessment is paid by the department of revenue pursuant to Iowa Code subsection 425.23(3) cannot include the special assessment as property taxes due under Iowa Code subsection 425.17(10) for purposes of determining a property tax credit.

104.27(2) Special assessments eligible for credit. As used in Iowa Code section 425.23(3), the term "special assessment" means special assessments made pursuant to Iowa Code sections 384.37 to 384.79.

104.27(3) *Special assessment credit qualifications.* No special assessment credit claim shall be allowed pursuant to Iowa Code section 425.23(3) unless at the time the application for credit is filed the property upon which the levy is made includes a homestead dwelling as defined in Iowa Code section 425.17(4) and the claimant's household income does not exceed the indexed amount determined pursuant to Iowa Code section 425.23(4).

104.27(4) *Special assessment installment due in current fiscal year.* The amount of a special assessment credit claim to be reimbursed by the Iowa department of revenue pursuant to Iowa Code section 425.23 is limited to the amount of the installment payable during the current fiscal year for persons described in Iowa Code section 425.17, subsection 2, paragraph "a," or one-half of that amount for persons described in Iowa Code section 425.17, subsection 2, paragraph "b."

104.27(5) *Audit by department of revenue.* The director of revenue may audit the books and records of the county treasurer to determine if the amounts certified by the county treasurer to the director of revenue pursuant to Iowa Code section 425.23(3) are true and correct. The director of revenue may also initiate investigations or assist the county treasurer's investigations into eligibility of a claimant for the special assessment credit in accordance with Iowa Code section 425.27. Upon investigation, the director of revenue may order the county treasurer to reimburse the state of Iowa any amounts that were erroneously paid to the county treasurer or issue a reimbursement directly to the claimant if it is determined the claimant did not receive the benefits to which entitled pursuant to Iowa Code section 425.23(3).

This rule is intended to implement Iowa Code section 425.23(3) and is effective for special assessment credit claims filed on or after January 1, 1999.

[ARC 7726B, IAB 4/22/09, effective 5/27/09; Editorial change: IAC Supplement 11/2/22]

701—104.28(425) Credit applied. The county treasurer shall apply the property tax credit equally to the claimant's first and second half tax liabilities.

This rule is intended to implement Iowa Code sections 425.16 to 425.40.

[Editorial change: IAC Supplement 11/2/22]

701—104.29(425) Deceased claimant. A claim for property tax credit or rent reimbursement may be filed on behalf of a deceased person by the person's spouse, attorney, guardian or the executor or administrator of the person's estate.

This rule is intended to implement Iowa Code section 425.17(2) as amended by 1999 Iowa Acts, chapter 152, and section 425.18.

[Editorial change: IAC Supplement 11/2/22]

701—104.30(425) Audit of claim.

104.30(1) *Authority.* The department of revenue may audit the records of the county treasurer to determine the accuracy of claims filed for property tax credits. The department may also investigate the eligibility of a claimant for a property tax credit or rent reimbursement.

104.30(2) *Recomputed rent reimbursement claim.* If it is determined a computed rent reimbursement is in error, the department shall collect any overpayment from the claimant or reimburse the claimant for any underpayment. If a claimant fails to reimburse the department for an overpayment, the amount of overpayment shall be deducted from any future rent reimbursement to which the claimant is entitled.

104.30(3) *Recomputed property tax credit claim.* If it is determined a computed property tax credit has been overpaid, the department shall notify the claimant and county treasurer of the overpayment. The county treasurer shall collect the overpayment from the claimant as if it were an unpaid property tax and reimburse the department for the amount of overpayment. However, if the property upon which the credit was allowed is no longer owned by the claimant, the department shall collect the amount of overpayment directly from the claimant. If it is determined a computed property tax credit has been underpaid, the department shall reimburse the claimant directly for the amount of underpayment.

This rule is intended to implement Iowa Code section 425.27.

[ARC 2657C, IAB 8/3/16, effective 9/7/16; Editorial change: IAC Supplement 11/2/22]

701—104.31(425) Extension of time for filing a claim. The granting of an extension of time for filing a claim for reimbursement or credit does not extend the time within which or the dates on or by which eligibility requirements must be satisfied.

This rule is intended to implement Iowa Code section 425.20.

[Editorial change: IAC Supplement 11/2/22]

701—104.32(425) Annual adjustment factor. Beginning with claims filed in 2000, the income levels used for determining the allowable percent of property tax credit or rent reimbursement, special assessment credit, or the amount of the mobile home reduced tax rate shall be adjusted each year to reflect the inflation factor as computed pursuant to Iowa Code section 422.4.

This rule is intended to implement Iowa Code sections 425.23 and 435.22(2).

[ARC 7726B, IAB 4/22/09, effective 5/27/09; Editorial change: IAC Supplement 11/2/22]

701—104.33(425) Proration of claims. If the director determines that the amount of funding provided pursuant to Iowa Code section 425.39 will be insufficient to pay all property tax credit and rent reimbursement claims filed, the director shall estimate the percentage at which the claims will be paid and shall prorate the payment of each property tax credit and rent reimbursement claim by the same estimated percentage. The county treasurer shall, pursuant to Iowa Code section 25B.7, be required to extend to the claimant only that portion of the credit estimated by the department to be funded by the state appropriation.

This rule is intended to implement Iowa Code sections 25B.7 and 425.39.

[Editorial change: IAC Supplement 11/2/22]

701—104.34(425) Unreasonable hardship. In order to avoid any unreasonable hardship to a claimant, the director may review the facts and circumstances of the claim as set forth by the claimant. The director may investigate all factors related to the specific case as deemed appropriate by the director. If the director is satisfied that the claim qualifies as an undue hardship for the claimant, the claim will be approved by the director.

This rule is intended to implement Iowa Code section 425.37.

[Editorial change: IAC Supplement 11/2/22]

701—104.35(425) Transition period. As of January 1, 2023, the rent reimbursement program will be administered by the department of human services. The transition of the program from the department of revenue to the department of human services will be managed as follows:

104.35(1) Appeals.

a. Appeals of denials or reductions of rent reimbursement claims made by the department of revenue shall be filed with the department of revenue in accordance with 701—Chapter 7 and will be administered in accordance with that chapter.

b. Appeals of denials or reductions of rent reimbursement claims made by the department of human services shall be administered in accordance with 441—Chapter 7.

104.35(2) Claims.

a. Any claim, including late or amended claims, received by the department of revenue on or after December 1, 2022, shall be redirected to the department of human services for processing and allowance or disallowance.

b. Effective January 1, 2023, all claims, including late or amended claims, shall be filed with and processed by the department of human services. The department of human services shall be responsible for making determinations on rent reimbursement claims on and after January 1, 2023.

This rule is intended to implement 2021 Iowa Acts, chapter 41 [House File 368].

[ARC 6672C, IAB 11/16/22, effective 12/21/22]

[Filed January 8, 1974]

[Filed 1/9/76, Notice 12/1/75—published 1/26/76, effective 3/1/76]

[Filed 3/2/79, Notice 1/24/79—published 3/21/79, effective 4/25/79]

[Filed 3/14/80, Notice 2/6/80—published 4/2/80, effective 5/7/80]

[Filed emergency 8/1/80—published 8/20/80, effective 8/1/80]

- [Filed 3/25/81, Notice 2/18/81—published 4/15/81, effective 5/20/81]
- [Filed 7/16/82, Notice 6/9/82—published 8/4/82, effective 9/8/82]
- [Filed 9/23/82, Notice 8/18/82—published 10/13/82, effective 11/17/82]
- [Filed 7/27/84, Notice 6/20/84—published 8/15/84, effective 9/19/84]
- [Filed 8/9/85, Notice 7/3/85—published 8/28/85, effective 10/2/85]
- [Filed emergency 11/14/86—published 12/17/86, effective 11/14/86]
- [Filed 9/2/88, Notice 7/27/88—published 9/21/88, effective 10/26/88]
- [Filed 10/27/89, Notice 9/20/89—published 11/15/89, effective 12/20/89]
- [Filed 12/7/90, Notice 10/17/90—published 12/26/90, effective 1/30/91]
- [Filed 9/23/92, Notice 8/19/92—published 10/14/92, effective 11/18/92]
- [Filed 10/8/93, Notice 9/1/93—published 10/27/93, effective 12/1/93]
- [Filed 11/18/94, Notice 10/12/94—published 12/7/94, effective 1/11/95]
- [Filed 11/15/96, Notice 10/9/96—published 12/4/96, effective 1/8/97]
- [Filed 10/2/98, Notice 8/26/98—published 10/21/98, effective 11/25/98]
- [Filed 1/7/00, Notice 12/1/99—published 1/26/00, effective 3/1/00]
- [Filed 12/19/01, Notice 11/14/01—published 1/9/02, effective 2/13/02]
- [Filed 12/30/05, Notice 11/9/05—published 1/18/06, effective 2/22/06]
- [Filed 3/24/06, Notice 2/15/06—published 4/12/06, effective 5/17/06]
- [Filed ARC 7726B (Notice ARC 7592B, IAB 2/25/09), IAB 4/22/09, effective 5/27/09]
- [Filed ARC 2657C (Notice ARC 2519C, IAB 4/27/16), IAB 8/3/16, effective 9/7/16]
- [Editorial change: IAC Supplement 11/2/22]
- [Filed ARC 6672C (Notice ARC 6537C, IAB 9/21/22), IAB 11/16/22, effective 12/21/22]
- [Editorial change: IAC Supplement 10/18/23]