

House File 2745

H-8263

1 Amend House File 2745 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <DIVISION I

5 ADDITIONAL HOMESTEAD PROPERTY TAX CREDIT

6 Section 1. Section 425.17, subsection 2, paragraph a, Code
7 2026, is amended by adding the following new subparagraph:

8 NEW SUBPARAGRAPH. (4) A person filing a claim for credit
9 under this subchapter who has attained the age of eighteen
10 years on or before December 31 of the base year, is domiciled
11 in this state at the time the claim is filed or at the time
12 of the person's death in the case of a claim filed by the
13 executor or administrator of the claimant's estate, and
14 if the homestead's actual value did not increase for the
15 applicable assessment year as the result of new construction,
16 improvements, or renovations to the property, beyond necessary
17 repairs.

18 Sec. 2. Section 425.23, subsection 1, Code 2026, is amended
19 by adding the following new paragraph:

20 NEW PARAGRAPH. d. The tentative credit for a claimant
21 described in section 425.17, subsection 2, paragraph "a",
22 subparagraph (4), shall be the difference between the actual
23 amount of property taxes due on the homestead during the
24 fiscal year next following the base year minus one hundred
25 four percent of the actual amount of property taxes due on the
26 homestead during the fiscal year immediately preceding such
27 fiscal year, but not less than zero, if the property taxes due
28 on the homestead for both such fiscal years were calculated on
29 an assessed valuation that was not a partial assessment.

30 Sec. 3. IMPLEMENTATION OF ACT. Section 25B.7 shall not
31 apply to this division of this Act.

32 Sec. 4. APPLICABILITY. This division of this Act applies
33 to property taxes due and payable in fiscal years beginning on
34 or after July 1, 2027.

35 DIVISION II

1 HOMESTEAD CREDIT AMOUNT

2 Sec. 5. Section 425.1, subsection 2, Code 2026, is amended
3 to read as follows:

4 2. The homestead credit fund shall be apportioned each
5 year so as to give a credit against the tax on each eligible
6 homestead in the state in an amount equal to the actual levy on
7 the first ~~four thousand eight hundred fifty~~ fourteen thousand
8 five hundred fifty dollars of actual value for each homestead.

9 Sec. 6. APPLICABILITY. This division of this Act applies
10 to property taxes due and payable in fiscal years beginning on
11 or after July 1, 2027.

12 DIVISION III

13 ELDERLY ADDITIONAL HOMESTEAD PROPERTY TAX CREDIT

14 Sec. 7. Section 25B.7, subsection 2, paragraph b, Code 2026,
15 is amended to read as follows:

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

20 Sec. 8. Section 425.17, subsection 2, paragraph a, Code
21 2026, is amended to read as follows:

22 a. "Claimant" means any of the following:

23 (1) ~~A person filing a claim for credit under this subchapter~~
24 ~~who has attained the age of sixty-five years but who has~~
25 ~~not attained the age of seventy years on or before December~~
26 ~~31 of the base year,~~ a person filing a claim for credit or
27 reimbursement under [this subchapter](#) who is totally disabled
28 and was totally disabled on or before December 31 of the base
29 year, or a person filing a claim for reimbursement under this
30 subchapter who has attained the age of sixty-five years on or
31 before December 31 of the base year and who is domiciled in
32 this state at the time the claim is filed or at the time of the
33 person's death in the case of a claim filed by the executor or
34 administrator of the claimant's estate.

35 (2) A person filing a claim for credit or reimbursement

1 under [this subchapter](#) who has attained the age of twenty-three
2 years on or before December 31 of the base year or was a head
3 of household on December 31 of the base year, as defined in
4 the Internal Revenue Code, but has not attained the age or
5 disability status described in subparagraph (1) or the age
6 status ~~and eligibility criteria~~ of subparagraph (3), and is
7 domiciled in this state at the time the claim is filed or at the
8 time of the person's death in the case of a claim filed by the
9 executor or administrator of the claimant's estate, and was not
10 claimed as a dependent on any other person's tax return for the
11 base year.

12 (3) A person filing a claim for credit under [this subchapter](#)
13 who has attained the age of ~~seventy~~ sixty-five years on or
14 before December 31 of the base year, ~~who has a household income~~
15 ~~of less than two hundred fifty percent of the federal poverty~~
16 ~~level, as defined by the most recently revised poverty income~~
17 ~~guidelines published by the United States department of health~~
18 ~~and human services~~, and is domiciled in this state at the time
19 the claim is filed or at the time of the person's death in the
20 case of a claim filed by the executor or administrator of the
21 claimant's estate.

22 Sec. 9. Section 425.39, subsection 1, Code 2026, is amended
23 to read as follows:

24 1. ~~a.~~ The elderly and disabled property tax credit fund is
25 created. There is appropriated annually from the general fund
26 of the state to the department of revenue to be credited to the
27 elderly and disabled property tax credit fund, from funds not
28 otherwise appropriated, an amount sufficient to implement this
29 subchapter for credits for property taxes due for claimants
30 described in [section 425.17, subsection 2](#), paragraph "a",
31 ~~subparagraphs subparagraph (1) and (3), subject to paragraph~~
32 ~~"b"~~. There is appropriated annually from the taxpayer relief
33 fund under section 8.57E to the department of revenue to be
34 credited to the elderly and disabled property tax credit fund,
35 from funds not otherwise appropriated, an amount sufficient

1 to implement this subchapter for credits for property taxes
2 due for claimants described in section 425.17, subsection 2,
3 paragraph "a", subparagraph (3).

4 ~~b. Regardless of the amount of the credit determined under~~
5 ~~section 425.23, subsection 1, paragraph "c", the amount paid by~~
6 ~~the director of revenue to each county treasurer for credits~~
7 ~~for claimants described under section 425.17, subsection 2,~~
8 ~~paragraph "a", subparagraph (3), shall not exceed the amount~~
9 ~~calculated for the claimant under section 425.23, subsection 1,~~
10 ~~paragraph "c", subparagraph (1), and section 25B.7, subsection~~
11 ~~1, shall not apply to the amount of the credit in excess of the~~
12 ~~amount paid by the director of revenue.~~

13 Sec. 10. APPLICABILITY. The section of this division
14 of this Act amending section 425.17 applies to claims under
15 chapter 425, subchapter II, filed on or after January 1, 2027.

16 DIVISION IV

17 RESIDENTIAL PROPERTY TAX REBATE

18 Sec. 11. Section 8.57E, subsection 2, paragraph a, Code
19 2026, is amended to read as follows:

20 a. Except as otherwise provided in this section, moneys
21 in the taxpayer relief fund shall only be used pursuant to
22 appropriations or transfers made by the general assembly for
23 tax relief, ~~or~~ reductions in income tax rates, or rebates under
24 section 425B.1.

25 Sec. 12. NEW SECTION. 425B.1 Residential rebate — fund
26 — appropriation.

27 1. As used in this section, "*eligibility period*" means each
28 fiscal year commencing with the fiscal year beginning July 1,
29 2026, but before the fiscal year beginning July 1, 2028.

30 2. a. A residential rebate fund is created within the
31 state treasury under the control of the department of revenue.
32 For each fiscal year in the eligibility period, there is
33 appropriated from the taxpayer relief fund under section 8.57E
34 to the department of revenue to be credited to the residential
35 rebate fund, an amount sufficient to implement this chapter for

1 the applicable fiscal year. The department of revenue shall
2 determine the annual appropriation amount.

3 *b.* Moneys in fund are to be used during the eligibility
4 period to provide residential rebate payments annually to
5 qualified persons as described in this section.

6 3. *a.* A person owning a homestead qualifies to claim
7 a residential rebate in the amount of one thousand dollars
8 for each fiscal year of the eligibility period the person
9 claimed the homestead credit under chapter 425, in the previous
10 fiscal year. Only one rebate may be claimed for a particular
11 homestead per fiscal year.

12 *b.* The department shall use homestead property tax credit
13 records from county treasurers to identify and pay residential
14 rebates to qualified owners under this subsection.

15 4. *a.* A person renting a residence qualifies to claim a
16 residential rebate in the amount of five hundred dollars if the
17 residence is the person's primary residence. Not more than two
18 rebates may be claimed for a particular rented residence per
19 fiscal year and not more than one rebate may be claimed per
20 familial household per fiscal year.

21 *b.* A person who wishes to qualify for the residential
22 rebate allowed under this chapter as a renter shall obtain the
23 appropriate forms for claiming the rebate from the department
24 of revenue. The person claiming the rebate shall file a claim
25 form, including a verified statement and designation of primary
26 residence, with the department of revenue for the year for
27 which the person is claiming the rebate. The claim shall be
28 filed no later than September 1 following the fiscal year for
29 which the person is claiming the rebate.

30 5. By January 1 following each fiscal year during the
31 eligibility period, the department of revenue shall make the
32 authorized rebate payments to persons who qualify for the
33 rebate under this chapter.

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DIVISION V
RETIREMENT SYSTEMS

1 Sec. 13. Section 97A.1, subsection 10, Code 2026, is amended
2 to read as follows:

3 10. *“Earnable compensation”* or *“compensation earnable”*
4 shall mean the regular compensation which a member would
5 earn during one year on the basis of the stated compensation
6 for the member’s rank or position including compensation for
7 longevity, any amount received for overtime compensation,
8 and the daily amount received for meals under section 80.6,
9 and excluding any amount received for ~~overtime compensation~~
10 ~~or other~~ special additional compensation, other payments for
11 meal expenses, uniform cleaning allowances, travel expenses,
12 and uniform allowances and excluding any amount received upon
13 termination or retirement in payment for accumulated sick leave
14 or vacation.

15 Sec. 14. Section 97B.11, subsection 1, Code 2026, is amended
16 to read as follows:

17 1. a. Each employer shall deduct from the wages of each
18 member of the retirement system a contribution in the amount of
19 the applicable employee percentage of the covered wages paid by
20 the employer and such additional amount if otherwise required
21 by law, until the member’s termination from employment. The
22 contributions of the employer shall be in the amount of the
23 applicable employer percentage of the covered wages of the
24 member and such additional amount if otherwise required by law.

25 b. Beginning July 1, 2026, the contributions of the
26 employer related to a member that is in special service in a
27 protection occupation as described in section 97B.49C for a
28 county or as a county sheriff or deputy sheriff as described
29 in section 97B.49C, shall be paid by the treasurer of state
30 from the general fund of the state. For the fiscal year
31 beginning July 1, 2026, and for each fiscal year thereafter,
32 there is appropriated from the general fund of the state to
33 the treasurer of state an amount necessary to carry out the
34 provision of this paragraph.

35 Sec. 15. Section 411.1, subsection 10, Code 2026, is amended

1 to read as follows:

2 10. "*Earnable compensation*" or "*compensation earnable*"
3 shall mean the annual compensation which a member receives
4 for services rendered as a police officer or fire fighter in
5 the course of employment with a participating city and shall
6 include any amount received as overtime compensation. However,
7 the term "*earnable compensation*" or "*compensation earnable*" shall
8 not include amounts received for ~~overtime compensation~~, meal or
9 travel expenses, uniform allowances, fringe benefits, severance
10 pay, or any amount received upon termination or retirement in
11 payment for accumulated sick leave or vacation. Contributions
12 made by a member from the member's earnable compensation to a
13 plan of deferred compensation shall be included in earnable
14 compensation. Other contributions made to a plan of deferred
15 compensation shall not be included except to the extent
16 provided in rules adopted by the board of trustees pursuant to
17 section 411.5, subsection 3.

18 Sec. 16. Section 411.8, subsection 1, paragraphs a, b, c,
19 and d, Code 2026, are amended to read as follows:

20 a. On account of each member there shall be paid annually
21 into the fund by the participating cities or, after June 30,
22 2026, by the treasurer of state an amount equal to a certain
23 percentage of the earnable compensation of the member to be
24 known as the "normal contribution". The rate percent of such
25 contribution shall be fixed on the basis of the liabilities of
26 the retirement system as shown by annual actuarial valuations.
27 Beginning July 1, 2026, that portion of the normal contribution
28 otherwise required to be paid by a participating city into the
29 fund shall be paid by the treasurer of state from the general
30 fund of the state. For the fiscal year beginning July 1, 2026,
31 and for each fiscal year thereafter, there is appropriated from
32 the general fund of the state to the treasurer of state an
33 amount necessary to carry out the provision of this paragraph
34 "a".

35 b. (1) On the basis of the actuarial methods and

1 assumptions, rate of interest, and of the mortality,
2 interest and other tables adopted by the system, the actuary
3 engaged by the system to make each valuation required by
4 this chapter pursuant to the requirements of [section 411.5](#),
5 shall immediately after making such valuation, determine
6 the normal contribution rate. Except as otherwise provided
7 in this lettered paragraph, the "*normal contribution rate*"
8 shall be the rate percent of the earnable compensation of all
9 members equal to the rate required by the system to discharge
10 its liabilities, stated as a percentage of the earnable
11 compensation of all members, and reduced by the employee
12 contribution rate provided in paragraph "f" ~~of this subsection~~
13 ~~and the contribution rate representing any state appropriation~~
14 ~~made~~. However, the normal contribution rate shall not be less
15 than seventeen percent.

16 (2) The normal contribution rate shall be determined by the
17 actuary after each valuation.

18 c. The total amount payable in each year to the fund
19 shall be not less than the rate percent known as the normal
20 contribution rate of the total compensation earnable by all
21 members during the year, but the aggregate payment by the
22 participating cities or treasurer of state, as applicable, must
23 be sufficient when combined with the amount in the fund to
24 provide the pensions and other benefits payable out of the fund
25 during the then current year.

26 d. All lump-sum death benefits on account of death in active
27 service payable from contributions of the ~~said~~ participating
28 cities or the treasurer of state, as applicable, shall be paid
29 from the fund.>

30 2. Title page, by striking lines 1 through 8 and inserting
31 <An Act relating to local and state government finances
32 by modifying provisions relating to homestead property
33 tax credits, providing a residential property tax rebate,
34 modifying provisions relating to retirement systems, making
35 appropriations, and including applicability provisions.>

JACOBY of Johnson