

House File 2745

H-8264

1 Amend the amendment, H-8263, to House File 2745, as follows:

2 1. By striking page 1, line 1, through page 8, line 35, and
3 inserting:

4 <Amend House File 2745 as follows:

5 1. By striking everything after the enacting clause and
6 inserting:

7 <DIVISION I

8 ADDITIONAL HOMESTEAD PROPERTY TAX CREDIT

9 Section 1. Section 425.17, subsection 2, paragraph a, Code
10 2026, is amended by adding the following new subparagraph:

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

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

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

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

35 Sec. 4. APPLICABILITY. This division of this Act applies

1 to property taxes due and payable in fiscal years beginning on
2 or after July 1, 2027.

3 DIVISION II

4 HOMESTEAD CREDIT AMOUNT

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

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

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

15 DIVISION III

16 ELDERLY ADDITIONAL HOMESTEAD PROPERTY TAX CREDIT

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

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

23 Sec. 8. Section 425.17, subsection 2, paragraph a, Code
24 2026, is amended to read as follows:

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

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

1 person's death in the case of a claim filed by the executor or
2 administrator of the claimant's estate.

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

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

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

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

1 fund under section 8.57E to the department of revenue to be
2 credited to the elderly and disabled property tax credit fund,
3 from funds not otherwise appropriated, an amount sufficient
4 to implement this subchapter for credits for property taxes
5 due for claimants described in section 425.17, subsection 2,
6 paragraph "a", subparagraph (3).

7 ~~b. Regardless of the amount of the credit determined under~~
8 ~~section 425.23, subsection 1, paragraph "c", the amount paid by~~
9 ~~the director of revenue to each county treasurer for credits~~
10 ~~for claimants described under section 425.17, subsection 2,~~
11 ~~paragraph "a", subparagraph (3), shall not exceed the amount~~
12 ~~calculated for the claimant under section 425.23, subsection 1,~~
13 ~~paragraph "c", subparagraph (1), and section 25B.7, subsection~~
14 ~~1, shall not apply to the amount of the credit in excess of the~~
15 ~~amount paid by the director of revenue.~~

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

19 DIVISION IV

20 RESIDENTIAL PROPERTY TAX REBATE

21 Sec. 11. Section 8.57E, subsection 2, paragraph a, Code
22 2026, is amended to read as follows:

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

28 Sec. 12. NEW SECTION. 425B.1 Residential rebate — fund
29 — appropriation.

30 1. As used in this section, "*eligibility period*" means each
31 fiscal year commencing with the fiscal year beginning July 1,
32 2026, but before the fiscal year beginning July 1, 2028.

33 2. a. A residential rebate fund is created within the
34 state treasury under the control of the department of revenue.
35 For each fiscal year in the eligibility period, there is

1 appropriated from the taxpayer relief fund under section 8.57E
2 to the department of revenue to be credited to the residential
3 rebate fund, an amount sufficient to implement this chapter for
4 the applicable fiscal year. The department of revenue shall
5 determine the annual appropriation amount.

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

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

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

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

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

33 5. By January 1 following each fiscal year during the
34 eligibility period, the department of revenue shall make the
35 authorized rebate payments to persons who qualify for the

1 rebate under this chapter.

2 DIVISION V
3 RETIREMENT SYSTEMS

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

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

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

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

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

1 the treasurer of state an amount necessary to carry out the
2 provision of this paragraph.

3 Sec. 15. Section 411.1, subsection 10, Code 2026, is amended
4 to read as follows:

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

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

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

1 amount necessary to carry out the provision of this paragraph
2 "a".

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

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

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

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

33 2. Title page, by striking lines 1 through 8 and inserting
34 <An Act relating to local and state government finances
35 by modifying provisions relating to homestead property

1 tax credits, providing a residential property tax rebate,
2 modifying provisions relating to retirement systems, making
3 appropriations, and including applicability provisions.>>

JACOBY of Johnson