

Senate File 2472

H-8397

1 Amend the amendment, H-8394, to Senate File 2472, as  
2 amended, passed, and reprinted by the Senate, as follows:

3 1. By striking page 1, line 3, through page 54, line 4, and  
4 inserting:

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

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<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.

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DIVISION V

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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 5 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.>>

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