

# Legislative Fiscal Bureau

## Fiscal Note

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HF 61 - Veteran Property Tax Exemption (LSB 1379 HH)

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Fiscal Note Version — New

Requested by Representative Jodi Tymeson

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### **Description**

House File 61 modifies the definition of veteran eligible for the military service property tax credit to include members of the armed forces reserves and National Guard with 20 or more years of service. The Bill also deletes the requirement that the 20 years be served after January 28, 1973, and that the individual be discharged from the reserves or Guard to qualify.

### **Background**

The military service property tax credit exempts the first \$1,852 of taxable value of a qualifying veteran's home from taxation. The State reimburses the local governments for the first \$6.92 per \$1,000 of property tax credits, and the local governments are responsible for the remainder.

### **Assumptions**

1. There are approximately 1,250 individuals who have retired from the Iowa National Guard and 700 currently active National Guard personnel who would qualify for the property tax credit.
2. An estimated 770 individuals from the armed forces reserves would qualify for the property tax credit.
3. Iowa has a 76.6% home ownership rate.
4. The average consolidated property tax rate is estimated to be \$32.16 per \$1,000 of taxable valuation.

### **Fiscal Impact**

The estimated annual cost of HF 61 to the General Fund is \$27,000. Local governments' revenues will be reduced by approximately \$97,000 annually.

### **Sources**

Department of Management  
Commission on Veterans Affairs  
Bureau of the Census

Dennis C Prouty

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March 29, 2004

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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