

March 9, 1970
Passed on File

SENATE FILE 1278

By COMMITTEE ON WAYS AND MEANS

Passed Senate, Date 3-10-70 Passed House, Date 4-8-70
Vote: Ayes 55 Nays 0 Vote: Ayes 87 Nays 19

Approved.....

*Passed Senate as amended by House
4-10-70
aye 45, nay 3*

A BILL FOR

- 1 An Act relating to the homestead tax credit.
- 2 *Be It Enacted by the General Assembly of the State of Iowa:*
- 3 Section 1. Chapter three hundred fifty-six (356), section
- 4 forty-eight (48), Acts of the Sixty-second General Assembly,
- 5 as amended by chapter two hundred fifty-four (254), section
- 6 six (6), Acts of the Sixty-third General Assembly, First Ses-
- 7 sion, is hereby further amended by striking lines three (3)
- 8 through forty-eight (48), inclusive, and inserting in lieu
- 9 thereof the following:
- 10 "In addition to the homestead credit of twenty-five mills
- 11 on twenty-five hundred dollars of assessed valuation allowable
- 12 under this chapter, in the event the owner, as defined in this
- 13 chapter, is over sixty-five years of age, and provided that
- 14 his net income, as defined in section four hundred twenty-two
- 15 point seven (422.7), Code 1966, plus interest and dividends
- 16 from federal securities and income from social security and
- 17 other tax-exempt retirement or pension plans, when included
- 18 with that of the spouse, if any, is less than three thousand
- 19 five hundred dollars for the last twelve-month income tax
- 20 accounting period, there shall be credited by the county audi-
- 21 tor against the tax levied on such owner's eligible homestead
- 22 an amount in dollars equal to the difference between such tax
- 23 levied on his eligible homestead in the current year and the
- 24 tax levied on the homestead in the year 1967 or 1968, whichever
- 25 year resulted in the lowest tax levied, or in the year in which

1 he became sixty-five years of age, or in the year in which he
2 acquired the homestead, whichever of these two years is
3 latest, if the tax levied on the eligible homestead in the
4 current year is the greater amount. However, in any case
5 where the owner was sixty-five years of age prior to the year
6 1969, and for the first time qualified for such additional
7 credit subsequent to December 31, 1969, such owner's base
8 year shall be the first year that he so qualified, and in ad-
9 dition, if in any year after 1969, the owner fails to qualify
10 for the additional credit, the base year in such case shall
11 then become the first year thereafter that he again qualifies.
12 'Tax levied' shall mean for purpose of the additional homestead
13 tax credit, the amount of real estate tax to be paid by the
14 owner on the homestead before any tax credits or exemptions are
15 applied.

16 The credit shall be paid to each taxing district from the
17 homestead tax credit fund in the same manner as other homestead
18 tax credits and all other nonconflicting provisions and compu-
19 tations in this chapter shall be applicable to the credit pro-
20 vided by this subsection, and in the event of conflict this
21 subsection shall prevail.

22 Each owner making application for credit because of age
23 shall annually, on or before July 1, file a verified statement
24 with the county assessor, showing:

25 a. He was sixty-five years of age before midnight on
26 December thirty-first of the year immediately preceding the
27 year of the tax levy.

28 b. His net income, plus interest and dividends from fed-
29 eral securities and income from social security and other tax-
30 exempt retirement or pension plans when included with that of
31 his spouse, if any, during the last preceding twelve-month
32 income tax accounting period is less than three thousand five
33 hundred dollars.

34 c. The cost of all additions or improvements made to the
35 dwelling house of the homestead and the cost of any new

1 structure erected on the homestead, and the actual value of
 2 any land added to the homestead, during the preceding year,
 3 and describing same. If any such addition or improvement,
 4 exclusive of repairs and maintenance, has been made the
 5 assessor shall determine whether the assessed valuation of
 6 the homestead shall be increased, and if so, the amount of
 7 such increase. The additional credit provided herein shall
 8 not be allowed in any year if such increase in assessed val-
 9 uation exceeded the amount of five hundred dollars, in the
 10 preceding year, but such disallowance shall be determined on
 11 a year to year basis.

12 d. That he expressly waives any confidentiality as to all
 13 income tax information obtainable through the department of
 14 revenue, including all information covered by section four
 15 hundred twenty-two point sixty-five (422.65) of the Code.
 16 This waiver shall apply only to information available to the
 17 county or city assessor who shall hold the information confi-
 18 dential except as it may become public through use as evidence
 19 to disallow the credit.

20 The tax credit under this subsection shall also be allowable
 21 where there is more than one 'owner' as defined in this chapter,
 22 if any one of them is more than sixty-five years of age and is
 23 occupying the premises as a homestead within the meaning of this
 24 chapter. The department of revenue shall determine the evidence
 25 requirements for all matters of fact to be shown by each owner
 26 making application for credit.

27 No part of the amount of an additional credit shall in any
 28 case be applied against the real estate tax on any property of
 29 the owner of the homestead other than the eligible homestead."

30 Sec. 2. This Act being deemed of immediate importance shall
 31 be in full force and effect from and after its final approval
 32 and publication in,
 33 a newspaper published at, Iowa,
 34 and,
 35 a newspaper published at, Iowa.

EXPLANATION

This bill will substitute "net income" as defined in section four hundred twenty-two point seven (422.7) of the Code plus interest and dividends from federal securities and income from social security and other tax-exempt retirement or pension plans for "taxable income for federal income tax purposes" in determining whether an applicant for additional homestead tax credit qualifies for same insofar as income is concerned, and will eliminate income from social security and other tax-exempt retirement or pension plans from being regarded as "income" for purpose of such additional credit. It also will eliminate using as base years either 1967 or 1968 where the applicant was 65 years of age previous to those years but first qualified for the additional credit in the year 1970. It also will make it necessary for only one year at a time to be checked on with respect to increased assessed value of the homestead resulting from additions or improvements made thereto. It will permit the director of revenue to supply Iowa assessors with names of persons whose net Iowa income exceeded \$3500 in any year.

-
- 1 Amend Senate File 1278 by striking in line 9, page 3, the
 - 2 words "five hundred dollars" and substituting in lieu thereof
 - 3 the words "two hundred fifty dollars".

March 10, 1970
Filed and adopted

By MESSERLY

-
- 1 Amend Senate File 1278 by striking on page 3, lines 30
 - 2 through 35, inclusive, and inserting in lieu thereof:
 - 3 Sec. 2. This Act being deemed of immediate importance
 - 4 shall be in full force and effect from and after its final
 - 5 approval and publication in The Auburn Enterprise, a news-
 - 6 paper published at Auburn, Iowa, and The Telegraph-Herald,
 - 7 a newspaper published at Dubuque, Iowa.

Filed and adopted
March 10, 1970

By LANGE

-
- 1 Amend Senate File 1278 as follows:
 - 2 1. Page 1, line 18, by striking the word
 - 3 "three" and inserting in lieu thereof the word "four",
 - 4 and line 19, by striking the words "five hundred".
 - 5 2. Page 2, line 32, by striking the words "three
 - 6 thousand five" and inserting in lieu thereof the words
 - 7 "four thousand", and line 33, by striking the word
 - 8 "hundred".

Filed and lost
March 10, 1970

By GLENN

HOUSE AMENDMENT TO SENATE FILE 1278

- 1 Amend Senate File 1278, as amended and passed by the
2 Senate, as follows:
3 1. Page 1, line 13, by inserting after the word "age" the
4 words "or is totally disabled".
5 2. Page 1, line 14, by inserting after the word "his" the
6 word "Iowa".
7 3. Page 1, line 18, by striking the words "if any" and
8 inserting in lieu thereof the words "brother, sister, son,
9 daughter, if any, living with the claimant".
10 4. Page 1, by striking everything after the comma in line 20
11 and all of lines 21 through 25, and by striking lines 1
12 through 15, on page 2, and inserting in lieu thereof the
13 following:
14 "there shall be credited by the county auditor on such
15 owner's eligible homestead, an amount equal to but not
16 exceeding the amount calculated as provided in section four
17 hundred twenty-five point one (425.1) of the Code."
18 5. Page 2, line 22, by inserting after the word "age" the
19 words "or total disability".
20 6. Page 2, line 23, by inserting after the word "file" the
21 words "on a form to be provided by the director of revenue".
22 7. Page 2, line 25, by inserting after the word "age" the
23 words "or totally disabled".
24 8. Page 2, line 28, by inserting after the word "His" the
25 word "Iowa".
26 9. Page 3, line 22, by inserting after the word "age" the
27 words "or is totally disabled".

*Senate
concurred
4/10*

Received from the House
April 9, 1970

- 1 Amend Senate File 1278 as follows:
2 1. Page 1, line 14, by inserting after the word "his"
3 the word "Iowa".
4 2. Page 2, line 8, by striking the following: ", and
5 in" and inserting in lieu thereof the following ". In".
6 3. Page 2, line 9, by striking the word "the" and
7 inserting in lieu thereof the word "any".
8 4. Page 2, line 28, by inserting after the word "His"
9 the word "Iowa".

*adopted
4/8*

Filed - *adopted 4/8*
March 19, 1970
In: Ways and means

VAN DRIE of Story
House

- 1 Amend Senate File 1278, page 1, line 18, by striking
- 2 the words "the spouse," and inserting in lieu thereof the
- 3 words "any other member or members of his family,".

March 24, 1970 - *Withdrawn 4/7*
In: Ways and means

DEN HERDER of Sioux

- 1 Amend Senate File 1278, as amended and passed by the
- 2 Senate, by inserting on page 2, after the period in line 4, the
- 3 following new sentence:
- 4 However, no owner shall receive an additional credit
- 5 under section one (1) of this Act in excess of his homestead
- 6 tax credit as computed in dollars under subsection two (2)
- 7 of section four hundred twenty-five point one (425.1) of the
- 8 Code.

Filed - *Withdrawn 4/7*
March 26, 1970

KOCH of Woodbury

- 1 Amend Senate File 1278, page 2, by inserting
- 2 after line 11 the following: "In no instance shall
- 3 the additional credit exceed sixty-two dollars fifty
- 4 cents (\$62.50) annually."

Filed - *Withdrawn 4/7*
March 31, 1970
In: Ways and means

SCHROEDER of Pottawattamie

- 1 Amend Senate File 1278, page 1, line 18, by striking
- 2 the words "if any" and inserting in lieu thereof the words
- 3 "brother, sister, son, daughter, if any, living with the
- 4 claimant".

Offered from the floor and adopted
April 7, 1970

DEN HERDER of Sioux

- 1 Amend Senate File 1278, page 2, line 29, by striking
- 2 the words "and income from social security".

Filed - *Last 4/8*
April 7, 1970

SANDERS of Emmet-Palo Alto
VAN ROEKEL of Marion

- 1 Amend Senate File 1278, page 2, line 23, by inserting
- 2 after the word "file" the words "on a form to be provided
- 3 by the director of revenue".

Offered from the floor and adopted
April 7, 1970

KEHE of Bremer

- 1 Amend Senate File 1278, as amended and passed by the
- 2 Senate, as follows:
- 3 1. Page 1, line 13, by inserting after the word "age" the
- 4 words "or is totally disabled".
- 5 2. Page 2, line 22, by inserting after the word "age" the
- 6 words "or total disability".
- 7 3. Page 2, line 25, by inserting after the word "age" the
- 8 words "or totally disabled".
- 9 4. Page 3, line 22, by inserting after the word "age" the
- 10 words "or is totally disabled".

Offered from the floor and adopted
April 8, 1970

LANGLAND of Winneshiek
JESSE of Polk

- 1 Amend Senate File 1278 by striking everything after the
- 2 comma in line 20 on page 1, and by striking lines 1 through
- 3 15, inclusive, on page 2, and inserting in lieu thereof the
- 4 following:
- 5 "There shall be credited by the county auditor on such
- 6 owner's eligible homestead, an amount equal to but not exceeding
- 7 the amount calculated as provided in section four hundred twenty-
- 8 five point one (425.1) of the Code."

Filed - Adopted 4/7
April 3, 1970

*Motion to reconsider filed 4/7
lost 4/8*

WELDEN of Hardin
KEHE of Bremer
SCHROEDER of Pottawattamie
REX of Hamilton
RODGERS of Dallas

EXPLANATION OF AMENDMENT

This bill will substitute "net income" as defined in section four hundred twenty-two point seven (422.7) of the Code plus interest and dividends from federal securities and income from social security and other tax exempt retirement or pension plans for "taxable income for federal income tax purposes" in determining whether an applicant for additional homestead tax credit qualifies for same insofar as income is concerned. It will eliminate using base years. It also will make it necessary for only one year at a time to be checked on with respect to increased assessed value of the homestead resulting from additions or improvements made thereto. It will permit the director of revenue to supply Iowa assessors with names of persons whose net Iowa income exceeded \$3,500 in any year.