

*Reprinted 1/21/81*

FILED JAN 21 1981

SENATE FILE 113

BY COMMITTEE ON APPROPRIATIONS  
*Approved 1/21 (9/17/81)*

Passed Senate, Date 1-20-81 (p. 207) Passed House, Date \_\_\_\_\_

Vote: Ayes 41 Nays 2 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

*Revised Senate 1/21/81 (p. 231)  
37-11*

# A BILL FOR

1 An Act abolishing the military service tax credit fund  
2 and providing for the payment of claims by counties  
3 for military service tax credits from the general  
4 fund of the state, to be effective upon publication.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 123.53, Code 1981, is amended by  
2 striking subsection 7.

3 Sec. 2. Section 426A.1, Code 1981, is amended to read  
4 as follows:

5 426A.1 MILITARY SERVICE TAX CREDIT FUND. There is hereby  
6 appropriated from any moneys in the state treasury not  
7 otherwise appropriated, ~~the a sum of eight-hundred-thousand~~  
8 ~~dollars-to-establish-a-fund-to-be-known-as-"the-military~~  
9 ~~service-tax-credit-fund",-in-which-fund-shall-also-be-included~~  
10 ~~the-amounts-credited-to-the-military-service-tax-fund-provided~~  
11 ~~by-section-123-53,-subsection-7~~ sufficient to pay the military  
12 service tax credits in the manner provided in this chapter.

13 Sec. 3. Section 426A.2, Code 1981, is amended to read  
14 as follows:

15 426A.2 WHERE CREDIT GIVEN. The military service tax  
16 credit fund shall be ~~apportioned~~ paid each year as hereinafter  
17 provided in this chapter so as to replace all or a portion  
18 of the tax on property eligible for military service tax  
19 exemption in the state, were such property subject to taxation  
20 ~~the.~~ The amount of ~~such~~ this credit ~~to-be-equal-to-not-more~~  
21 ~~than~~ shall not exceed six dollars and seventy-five cents per  
22 thousand dollars of assessed value upon the valuation of  
23 property subject to the tax which, ~~but-for~~ without the military  
24 service tax exemption, would be payable upon ~~such~~ the property  
25 in the taxing district ~~to~~ in which ~~such~~ the property is  
26 located.

27 Sec. 4. Section 426A.4, Code 1981, is amended to read  
28 as follows:

29 426A.4 CERTIFICATION BY DIRECTOR OF REVENUE. Sums  
30 distributable ~~from~~ for the military service tax credit fund  
31 shall be allocated every six months to the ~~several~~ counties  
32 of the state. On March 25 and September 25 annually the  
33 director of revenue shall certify to the comptroller the total  
34 credits claimed by each county. Upon receipt of the  
35 certification from the director of revenue, the comptroller

1 shall draw warrants to the treasurer of each county payable  
 2 from the ~~military-tax-service-credit~~ general fund in the  
 3 amount claimed, ~~provided that if the amount of money in said~~  
 4 ~~fund is insufficient to pay the credits claimed in full, then~~  
 5 ~~in that event they shall be paid on a pro-rata basis.~~

6 Sec. 5. Section 426A.6, Code 1981, is amended to read  
 7 as follows:

8 426A.6 SETTING ASIDE ALLOWANCE. ~~Should~~ If the director  
 9 of revenue ~~determine~~ determines, upon investigation, that  
 10 any claim for military service tax exemption has been allowed  
 11 by any board of supervisors which is not justifiable under  
 12 the law and not substantiated by proper facts, the director  
 13 may, at any time within twenty-four months from July 1 of  
 14 the year in which the claim is filed, set aside ~~such~~ the  
 15 allowance. Notice of ~~such~~ the disallowance shall be given  
 16 to the county auditor of the county in which ~~such~~ the claim  
 17 has been improperly granted and a written notice of ~~such~~ the  
 18 disallowance shall also be addressed to the claimant at ~~his~~  
 19 the claimant's last known address. ~~Such~~ The claimant, or  
 20 the board of supervisors, may seek judicial review of the  
 21 action of the director of revenue in accordance with the terms  
 22 of the Iowa administrative procedure Act. ~~In any case, where~~  
 23 If a claim is ~~so~~ disallowed by the director of revenue and  
 24 no petition for judicial review is filed with respect to ~~such~~  
 25 the disallowance, any amounts of credits allowed and paid  
 26 ~~from the military-service-tax-credit-fund~~ shall become a lien  
 27 upon the property on which ~~said~~ the credit was originally  
 28 granted, if still in the hands of the claimant, and not in  
 29 the hands of a bona fide purchaser, and any amount so  
 30 erroneously paid shall be collected by the county treasurer  
 31 in the same manner as other taxes ~~and such collections.~~  
 32 Collections shall be returned to the department of revenue  
 33 and credited to the ~~military-service-tax-credit~~ general fund.  
 34 The director of revenue ~~shall also have the authority to~~ may  
 35 institute legal proceedings against a military service tax

1 exemption claimant for the collection of all payments made  
2 on such disallowed exemptions.

3 Sec. 6. Section 426A.8, Code 1981, is amended to read  
4 as follows:

5 426A.8 EXCESS REMITTED--APPEALS. If the amount of credit  
6 ~~apportioned~~ allowed to any property eligible ~~to~~ for the  
7 military service tax exemption ~~under the provisions of this~~  
8 ~~chapter~~ in any year ~~shall exceed~~ exceeds the total tax,  
9 exclusive of any special assessments levied against such the  
10 property ~~eligible for military service tax exemption then~~  
11 such the excess shall be remitted by the county treasurer  
12 to the department of revenue to be redeposited in the military  
13 ~~service tax credit~~ general fund ~~and reallocated the following~~  
14 ~~year by the department as provided hereunder.~~

15 ~~In the event any~~ If a claim for exemption made hereunder  
16 ~~has been~~ is denied by the board of supervisors, and such the  
17 board's action is subsequently reversed on appeal, the same  
18 credit shall be allowed on the assessed valuation, not to  
19 exceed the amount of the military service tax exemption  
20 involved in said the appeal, as was allowed on other military  
21 service tax exemption valuations for the year or years in  
22 question, ~~and the.~~ The director of revenue, the county  
23 auditor, and the county treasurer ~~are hereby authorized and~~  
24 ~~directed to make such~~ shall pay the credit and ~~to~~ shall change  
25 their books and records accordingly.

26 ~~In the event~~ If the appealing taxpayer has paid one or  
27 both of the installments of the tax payable in the year or  
28 years in question on such the military service tax exemption  
29 valuation, remittance shall be made to the county treasurer  
30 in the amount of such the credit.

31 The amount of such the credit shall be allocated and paid  
32 from the surplus redeposited in the military tax credit fund  
33 ~~provided for in the first paragraph of this section~~ general  
34 fund.

35 Sec. 7. Section 426A.9, Code 1981, is amended to read

1 as follows:

2 426A.9 ERRONEOUS CREDITS. ~~In-the-event-any~~ If a claim  
3 is allowed, and subsequently reversed on appeal, any credit  
4 made ~~thereunder-shall-be~~ under the claim is void, and the  
5 amount of ~~such~~ the credit shall be charged against the property  
6 in question, and the director of revenue, the county auditor  
7 and the county treasurer ~~are-authorized-and-directed-to~~ shall  
8 correct their books and records accordingly. The amount of  
9 ~~such~~ the erroneous credit, when collected, shall be returned  
10 by the county treasurer to the ~~military-service-tax-credit~~  
11 general fund ~~to-be-reallocated-the-following-year-as-provided~~  
12 herein of the state.

13 Sec. 8. Section 426A.10, Code 1981, is repealed.

14 Sec. 9. The state comptroller shall transfer funds in  
15 the military service tax credit fund unobligated or  
16 unencumbered on the effective date of this Act to the general  
17 fund of the state. Claims for the military service tax credit  
18 received after the effective date of this Act shall be paid  
19 from the general fund of the state.

20 Sec. 10. This Act, being deemed of immediate importance,  
21 takes effect from and after its publication in the North Iowa  
22 Times, a newspaper published in McGregor, Iowa, and in the  
23 Iowa City Press-Citizen, a newspaper published in Iowa City,  
24 Iowa.

25 EXPLANATION

26 This bill abolishes the separate military service tax  
27 credit fund and provides for reimbursement to counties for  
28 revenues lost because of the credit from the general fund  
29 of the state. The bill is effective upon publication.

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SENATE CLIP SHEET

JANUARY 28, 1981

SENATE FILE 113

S-3023

1 Amend Senate File 113 as follows:

2 1. By striking everything after the enacting  
3 clause and inserting in lieu thereof the following:

4 "Section 1. Notwithstanding chapter 426A, all  
5 moneys in the military service tax credit fund shall  
6 be transferred to the general fund of the state on  
7 the effective date of this Act and payments provided  
8 for in section 426A.4 shall be made from the general  
9 fund of the state ending June 30, 1982.

10 Notwithstanding section 123.53, subsection 7, funds  
11 required by that subsection to be deposited in the  
12 military service tax credit fund shall be deposited  
13 in the general fund of the state beginning on the  
14 effective date of this Act and ending June 30, 1982.

15 Sec. 2. Section 426A.4, Code 1981, is amended  
16 to read as follows:

17 426A.4 CERTIFICATION BY DIRECTOR OF REVENUE.  
18 Sums distributable from the military service tax  
19 credit fund shall be allocated every six months to  
20 the several counties of the state. On March 25 and  
21 September 25 annually the director of revenue shall  
22 certify to the comptroller the total credits claimed  
23 by each county. Upon receipt of the certification  
24 from the director of revenue, the comptroller shall  
25 draw warrants to the treasurer of each county payable  
26 from the military ~~tax~~ service tax credit fund in the  
27 amount claimed; provided that if the amount of money  
28 in ~~said~~ the fund is insufficient to pay the credits  
29 claimed in full, then in that event they shall be  
30 paid on a pro rata basis. Payments shall be made  
31 to the treasurer of each county not later than April  
32 15 and October 15 of each year. The state comptroller  
33 shall transfer any funds in the military service tax  
34 credit fund on May 31 of each year not necessary for  
35 the payment of claims to the general fund.

36 Sec. 3. Section 426A.10, Code 1981, is repealed.

37 Sec. 4. This Act, being deemed of immediate  
38 importance, takes effect from and after its publication  
39 in the North Iowa Times, a newspaper published in  
40 McGregor, Iowa, and in the Iowa City Press-Citizen,  
41 a newspaper published in Iowa City, Iowa."

42 2. Amend the title by striking lines 1 through  
43 4 and inserting in lieu thereof the following: "An  
44 Act relating to the payment of claims by counties  
45 for military service tax credits to be effective upon  
46 publication."

S-3023 FILED & ADOPTED  
JANUARY 27, 1981 (p. 231)

BY EMIL J. HUSAK  
BILL HUTCHINS  
JOHN S. MURRAY

SENATE FILE 113

S-3015

- 1 Amend Senate File 113 as follows:  
2 1. Page 2, line 5, by adding the following new  
3 sentence:  
4 "Payment shall be made to the treasurer of each  
5 county not later than April 15 and October 15 of each  
6 year."

S-3015 FILED & ADOPTED

JANUARY 26, 1981 (p. 207)

*Reconsidered & Withdrawn 1/27 (p. 230)*

BY C. W. HUTCHINS

EMIL J. HUSAK

SENATE FILE 113

S-3016

- 1 Amend Senate File 113 as follows:  
2 1. Page 4, by inserting after line 19 the  
3 following new section:  
4 "Sec. \_\_\_\_\_. The provisions of this act shall be  
5 effective for the fiscal years ending on June 30, 1981  
6 and June 30, 1982.  
7 2. By renumbering as necessary.

S-3016 FILED & ADOPTED

JANUARY 28, 1981 (p. 207)

*Reconsidered & Withdrawn 1/27 (p. 230)*

BY C. W. HUTCHINS

EMIL J. HUSAK



1 Section 1. Notwithstanding chapter 426A, all moneys in  
2 the military service tax credit fund shall be transferred  
3 to the general fund of the state on the effective date of  
4 this Act and payments provided for in section 426A.4 shall  
5 be made from the general fund of the state ending June 30,  
6 1982. Notwithstanding section 123.53, subsection 7, funds  
7 required by that subsection to be deposited in the military  
8 service tax credit fund shall be deposited in the general  
9 fund of the state beginning on the effective date of this  
10 Act and ending June 30, 1982.

11 Sec. 2. Section 426A.4, Code 1981, is amended to read  
12 as follows:

13 426A.4 CERTIFICATION BY DIRECTOR OF REVENUE. Sums  
14 distributable from the military service tax credit fund shall  
15 be allocated every six months to the several counties of the  
16 state. On March 25 and September 25 annually the director  
17 of revenue shall certify to the comptroller the total credits  
18 claimed by each county. Upon receipt of the certification  
19 from the director of revenue, the comptroller shall draw  
20 warrants to the treasurer of each county payable from the  
21 military tax service tax credit fund in the amount claimed;  
22 provided that if the amount of money in said the fund is  
23 insufficient to pay the credits claimed in full, then in that  
24 event they shall be paid on a pro rata basis. Payments shall  
25 be made to the treasurer of each county not later than April  
26 15 and October 15 of each year. The state comptroller shall  
27 transfer any funds in the military service tax credit fund  
28 on May 31 of each year not necessary for the payment of claims  
29 to the general fund.

30 Sec. 3. Section 426A.10, Code 1981, is repealed.

31 Sec. 4. This Act, being deemed of immediate importance,  
32 takes effect from and after its publication in the North Iowa  
33 Times, a newspaper published in McGregor, Iowa, and in the  
34 Iowa City Press-Citizen, a newspaper published in Iowa City,  
35 Iowa.

SENATE FILE 113

AN ACT

RELATING TO THE PAYMENT OF CLAIMS BY COUNTIES FOR MILITARY SERVICE TAX CREDITS TO BE EFFECTIVE UPON PUBLICATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Notwithstanding chapter 426A, all moneys in the military service tax credit fund shall be transferred to the general fund of the state on the effective date of this Act and payments provided for in section 426A.4 shall be made from the general fund of the state ending June 30, 1982. Notwithstanding section 123.53, subsection 7, funds required by that subsection to be deposited in the military service tax credit fund shall be deposited in the general fund of the state beginning on the effective date of this Act and ending June 30, 1982.

Sec. 2. Section 426A.4, Code 1981, is amended to read as follows:

426A.4 CERTIFICATION BY DIRECTOR OF REVENUE. Sums distributable from the military service tax credit fund shall be allocated every six months to the several counties of the state. On March 25 and September 25 annually the director of revenue shall certify to the comptroller the total credits claimed by each county. Upon receipt of the certification from the director of revenue, the comptroller shall draw warrants to the treasurer of each county payable from the military ~~tax~~ service tax credit fund in the amount claimed; provided that if the amount of money in ~~said~~ the fund is insufficient to pay the credits claimed in full, then in that event they shall be paid on a pro rata basis. Payments shall be made to the treasurer of each county not later than April 15 and October 15 of each year. The state comptroller shall

transfer any funds in the military service tax credit fund on May 31 of each year not necessary for the payment of claims to the general fund.

Sec. 3. Section 426A.10, Code 1981, is repealed.

Sec. 4. This Act, being deemed of immediate importance, takes effect from and after its publication in the North Iowa Times, a newspaper published in McGregor, Iowa, and in the Iowa City Press-Citizen, a newspaper published in Iowa City, Iowa.

.....  
TERRY E. BRANSTAD  
President of the Senate

.....  
DELMYN STROMER  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 113, Sixty-ninth General Assembly.

.....  
LINDA HOWARTH MACKAY  
Secretary of the Senate

Approved 6/14, 1981

.....  
ROBERT D. RAY  
Governor