

APR 24 1989

HOUSE FILE 777

BY COMMITTEE ON WAYS AND MEANS

WAYS & MEANS CALENDAR

(SUCCESSOR TO HF 154)

*Gen. ways & means
DO PASS 5-4-89 (p.1912)*

Passed House, Date 5-2-89 (p.2281) Passed Senate, Date 5-4-89 (p.1930)
Vote: Ayes 91 Nays 3 Vote: Ayes 45 Nays 3

Approved May 29, 1989

*Repassed by House 5-4-89 (p.2494)
Ayes 91 Nays 0* A BILL FOR

1 An Act relating to the length of occupancy of the homestead for
2 purposes of the homestead credit and providing an effective
3 date.

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

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HOUSE FILE 777

S-4119

1 Amend House File 777 as passed by the House, as
2 follows:
3 1. Page 1, line 7, by inserting after the word
4 "years" the following: "and the owner of the
5 property being claimed a homestead declares residency
6 in Iowa for purposes of income taxation,".

By CHARLES BRUNER
CALVIN O. HULTMAN
ELAINE SZYMONIAK

S-4119 FILED MAY 4, 1989
ADOPTED 5-4-89 (p.1930)

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1 Section 1. Section 425.2, unnumbered paragraph 2, Code
2 1989, is amended to read as follows:

3 Upon the filing and allowance of the claim, the claim shall
4 be allowed on that homestead for successive years without
5 further filing as long as the property is legally or equitably
6 owned and used as a homestead by that person or that person's
7 spouse on July 1 of each of those successive years and is
8 occupied by the person or person's spouse for at least six
9 months in each of those years. When the property is sold or
10 transferred, the buyer or transferee who wishes to qualify
11 shall refile for the credit. However, when the property is
12 transferred as part of a distribution made pursuant to chapter
13 598, the transferee who is the spouse retaining ownership of
14 the property is not required to refile for the credit.
15 Property divided pursuant to chapter 598 cannot be modified
16 following the division of the property. An owner who ceases
17 to use a property for a homestead or intends not to use it as
18 a homestead for at least six months in a fiscal year shall
19 provide written notice to the assessor by July 1 following the
20 date on which the use is changed. A person who sells or
21 transfers a homestead or the personal representative of a
22 deceased person who had a homestead at the time of death,
23 shall provide written notice to the assessor that the property
24 is no longer the homestead of the former claimant.

25 Sec. 2. Section 425.11, subsection 1, paragraph a,
26 unnumbered paragraph 1, Code 1989, is amended to read as
27 follows:

28 The homestead must embrace the dwelling house which the
29 owner, in good faith, is occupying as a home on July 1 of the
30 year for which the credit is claimed and occupies as a home
31 for at least six months during that year, except as herein
32 provided.

33 Sec. 3. This Act takes effect January 1 following en-
34 actment for homestead credits allowed for fiscal years
35 beginning on or after the effective date.

EXPLANATION

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The bill requires that the owner of a homestead must reside in it for at least six months during the fiscal year for which the homestead tax credit is claimed. Presently the owner need only reside in the homestead on July 1 and intend to use it as a home.

The bill takes effect January 1 following enactment for homestead credits allowed for fiscal years beginning on or after the effective date.

SENATE AMENDMENT TO HOUSE FILE 777

H-4439

1 Amend House file 777 as passed by the House, as
2 follows:

3 1. Page 1, line 7, by inserting after the word
4 "years" the following: ", and the owner of the
5 property being claimed a homestead declares residency
6 in Iowa for purposes of income taxation,".

RECEIVED FROM THE SENATE

H-4439 FILED MAY 4, 1989

CONCURRED 5-4-89(p 2493)

HOUSE FILE 777

AN ACT

RELATING TO THE LENGTH OF OCCUPANCY OF THE HOMESTEAD FOR PURPOSES OF THE HOMESTEAD CREDIT AND PROVIDING AN EFFECTIVE DATE

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

Section 1. Section 425.2, unnumbered paragraph 2, Code 1989, is amended to read as follows.

Upon the filing and allowance of the claim, the claim shall be allowed on that homestead for successive years without further filing as long as the property is legally or equitably owned and used as a homestead by that person or that person's spouse on July 1 of each of those successive years, and the owner of the property being claimed a homestead declares residency in Iowa for purposes of income taxation, and is occupied by the person or person's spouse for at least six months in each of those years. When the property is sold or transferred, the buyer or transferee who wishes to qualify shall refile for the credit. However, when the property is transferred as part of a distribution made pursuant to chapter 598, the transferee who is the spouse retaining ownership of the property is not required to refile for the credit. Property divided pursuant to chapter 598 cannot be modified following the division of the property. An owner who ceases to use a property for a homestead or intends not to use it as a homestead for at least six months in a fiscal year shall provide written notice to the assessor by July 1 following the date on which the use is changed. A person who sells or transfers a homestead or the personal representative of a deceased person who had a homestead at the time of death, shall provide written notice to the assessor that the property is no longer the homestead of the former claimant.

Sec. 2. Section 425.11, subsection 1, paragraph 4, unnumbered paragraph 1, Code 1989, is amended to read as follows:

The homestead must embrace the dwelling house which the owner, in good faith, is occupying as a home on July 1 of the year for which the credit is claimed and occupies as a home for at least six months during that year, except as herein provided.

Sec. 3. This Act takes effect January 1 following enactment for homestead credits allowed for fiscal years beginning on or after the effective date.

DONALD D. AVERSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 777, Seventy-third General Assembly,

JOSEPH O'HEARN
Chief Clerk of the House

Approved *May 29* 1989

TERRY F. BRANSTAD
Governor