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WAYS AND MEANS

HOUSE FILE **2243**  
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Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act creating an elderly homestead tax limitation credit to  
2 prevent increases in property taxes on the elderly and  
3 providing an applicability date.

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

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**HF 2243**

1 Section 1. NEW SECTION. 425.42 ELDERLY HOMESTEAD  
2 PROPERTY TAX LIMITATION CREDIT -- QUALIFICATIONS.

3 An elderly person may receive an elderly homestead tax  
4 limitation credit applied to the homestead of the elderly  
5 person as provided in this division. An elderly person is  
6 qualified to receive the elderly homestead tax limitation  
7 credit if the person meets all of the following requirements:

8 1. Is at least sixty-five years old during the fiscal year  
9 the credit will apply.

10 2. Owns the homestead for which the tax credit will apply.

11 3. Has owned the homestead for the previous five fiscal  
12 years. Any portion of the first fiscal year the homestead was  
13 owned in excess of four months shall be considered one year  
14 for the purposes of this requirement.

15 4. Has annual household income of fifty thousand dollars  
16 or less.

17 Sec. 2. NEW SECTION. 425.43 DEFINITIONS.

18 As used in this division:

19 1. "Claimant" means a person filing a claim for credit  
20 under this division who meets the criteria specified in  
21 section 425.42 and was domiciled in this state during the  
22 entire calendar year last ending before the claim is filed,  
23 and is domiciled in this state at the time the claim is filed.

24 2. "Homestead" means the dwelling owned and actually used  
25 as a home by the claimant during all or part of the calendar  
26 year last ending before the claim is filed, and so much of the  
27 land surrounding it including one or more contiguous lots or  
28 tracts of land, as is reasonably necessary for use of the  
29 dwelling as a home, and may consist of a part of a  
30 multidwelling or multipurpose building and a part of the land  
31 upon which it is built. A homestead must be located in this  
32 state. When a person is confined in a nursing home, extended-  
33 care facility, or hospital, the person shall be considered as  
34 occupying or living in the person's homestead if the person is  
35 the owner of the homestead and the person maintains the

1 homestead and does not lease, rent, or otherwise receive  
2 profits from other persons for the use of the homestead.

3 3. "Household" means a claimant, spouse, and any person  
4 related to the claimant or spouse by blood, marriage, or  
5 adoption and living with the claimant at any time during the  
6 base year. "Living with" refers to domicile and does not  
7 include a temporary visit.

8 4. "Household income" means household income as defined in  
9 section 425.17, subsection 6.

10 5. "Income" means income as defined in section 425.17,  
11 subsection 7.

12 6. "Property taxes due" means property taxes due as  
13 defined in section 425.17, subsection 8.

14 7. "Special assessment" means special assessment as  
15 defined in section 425.17, subsection 10.

16 Sec. 3. NEW SECTION. 425.44 RIGHT TO FILE A CLAIM.

17 The right to file a claim for credit under this division  
18 may be exercised by the claimant or on behalf of a claimant by  
19 the claimant's legal guardian, spouse, or attorney, or by the  
20 executor or administrator of the claimant's estate.

21 Only one claimant per household per fiscal year shall be  
22 entitled to a credit under this division.

23 Sec. 4. NEW SECTION. 425.45 APPLICATION FOR ELDERLY  
24 PROPERTY TAX LIMITATION CREDIT.

25 Subject to the limitations provided in this division, a  
26 claimant may annually claim a credit for property taxes due  
27 during the fiscal year following the timely filing of a claim  
28 for credit. The claim shall be filed not later than July 1 of  
29 the year for which the person is claiming the credit. A claim  
30 filed after July 1 of the year for which the person is  
31 claiming the credit shall be considered as a claim filed for  
32 the following year.

33 Sec. 5. NEW SECTION. 425.46 VERIFICATION OF CLAIMS.

34 Not later than July 6 of each year, the assessor shall  
35 remit the claims for credit to the county auditor with the

1 assessor's recommendation for allowance or disallowance. If  
2 the assessor recommends disallowance of a claim, the assessor  
3 shall submit the reasons for the recommendation, in writing,  
4 to the county auditor.

5 The county auditor shall forward the claims to the board of  
6 supervisors. The board shall allow or disallow the claims.  
7 If the board disallows a claim, it shall send written notice,  
8 by mail, to the claimant at the claimant's last known address.  
9 The notice shall state the reasons for disallowing the claim  
10 for the credit. The board is not required to send notice that  
11 a claim is disallowed if the claimant voluntarily withdraws  
12 the claim.

13 Sec. 6. NEW SECTION. 425.47 COMPUTATION OF ELDERLY  
14 HOMESTEAD PROPERTY TAX LIMITATION CREDIT -- APPROPRIATION.

15 1. There is appropriated from the general fund of the  
16 state the amounts necessary to reimburse the taxing districts  
17 for the amount of the credits provided under this division.

18 2. The appropriation shall be sufficient to reimburse the  
19 taxing districts for the amount of a credit against the  
20 property tax on each eligible homestead. The moneys shall be  
21 apportioned each year so as to replace all of the tax which  
22 would have been due on property eligible for the elderly  
23 homestead property tax limitation credit in the state but for  
24 this limitation. The credit is equal to the difference  
25 between the amount of property taxes due in the fiscal year  
26 for which the claim is made and the amount of property taxes,  
27 less any credit received under this division, due in the  
28 previous fiscal year. However, if the amount of property  
29 taxes due in the fiscal year for which the claim is made is  
30 less than the amount of property taxes due in the previous  
31 fiscal year, less any credit received under this division, the  
32 amount of taxes due and payable shall be the lesser amount.

33 3. On or before August 1 of each year the county auditor  
34 shall certify to the county treasurer all claims for elderly  
35 homestead property tax limitation credits under this division

1 which have been allowed by the board of supervisors. Such  
2 certificate shall list the total amount of dollars, listed by  
3 taxing district in the county, due for elderly homestead  
4 property tax credits claimed and allowed under this division.  
5 The county treasurer shall certify to the department of  
6 revenue and finance the amount of dollars, listed by taxing  
7 district in the county, due for elderly homestead property tax  
8 limitation credits claimed and allowed under this division.

9 4. Sums distributable from the general fund of the state  
10 shall be allocated annually to the counties of the state. On  
11 September 15 annually the director of revenue and finance  
12 shall certify and draw warrants to the treasurer of each  
13 county payable from the general fund of the state in the  
14 amount claimed. Payments shall be made to the treasurer of  
15 each county not later than September 30 of each year.

16 5. The amount of credits received under this division  
17 shall then be apportioned by each county treasurer to the  
18 several taxing districts. Each taxing district shall receive  
19 its proportionate share of the elderly homestead property tax  
20 limitation credit allowed in such taxing district, in the  
21 proportion that the levy made by such taxing district upon  
22 general property bears to the total levy upon all property  
23 subject to general property taxation by all taxing districts  
24 imposing a general property tax in such taxing district.

25 6. If the amount of credit apportioned to a homestead  
26 eligible for the credit under this division in any year  
27 exceeds the total tax on the homestead, exclusive of any  
28 special assessments levied against the homestead, the excess  
29 shall not be refunded to the claimant.

30 7. If a claim for credit made has been denied by the board  
31 of supervisors, and the action is subsequently reversed on  
32 appeal, the credit shall be allowed, and the director of  
33 revenue and finance, the county auditor, and the county  
34 treasurer shall credit and change their records accordingly.

35 Sec. 7. NEW SECTION. 425.48 FORMS -- RULES.

1 The director of revenue and finance shall make available  
2 suitable forms with instructions for claimants. Each assessor  
3 and county treasurer shall make available the forms and  
4 instructions. The claim shall be in a form as the director  
5 may prescribe. The director of revenue and finance shall have  
6 the power and authority to prescribe rules necessary to  
7 administer this division.

8 Sec. 8. NEW SECTION. 425.49 WAIVER OF CONFIDENTIALITY.

9 A claimant shall expressly waive any right to  
10 confidentiality relating to all income tax information  
11 obtainable through the department of revenue and finance,  
12 including all information covered by sections 422.20 and  
13 422.72. This waiver shall apply to information available to  
14 the county treasurer who shall hold the information  
15 confidential except that it may be used as evidence to  
16 disallow the credit.

17 Sec. 9. NEW SECTION. 425.50 FALSE CLAIM -- PENALTY.

18 A person who makes a false affidavit for the purpose of  
19 obtaining credit provided for in this division or who  
20 knowingly receives the credit without being legally entitled  
21 to it or makes claim for the credit in more than one county in  
22 the state without being legally entitled to it is guilty of a  
23 fraudulent practice. Prosecution under this section shall be  
24 brought in the county of residence of the person to be  
25 charged. The claim for credit shall be disallowed in full and  
26 if the claim has been paid the amount shall be recovered in  
27 the manner provided for recovery of credits in section 425.27.  
28 The director of revenue and finance shall send a notice of  
29 disallowance of the claim.

30 Sec. 10. NEW SECTION. 425.51 NOTICES.

31 Section 422.57, subsection 1, shall apply to all notices  
32 under this division.

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#### EXPLANATION

34 This bill creates an elderly homestead property tax  
35 limitation credit.

1 To qualify for the credit, a person must be 65 years old,  
2 own the homestead in which the person lives, have lived in the  
3 homestead for the previous five years, and have an annual  
4 household income of \$50,000 or less. The amount of the credit  
5 is the amount by which the fiscal year's property taxes on the  
6 homestead exceed the amount of property taxes levied on the  
7 homestead in the previous fiscal year. The credit is  
8 nonrefundable.

9 The bill also provides that taxing districts are to be  
10 reimbursed by the state for the amount of elderly homestead  
11 property tax limitation credits allowed by each taxing  
12 district.

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