

JAN 27 1998
WAYS AND MEANS

HOUSE FILE 2102
BY WHITEAD

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the income eligibility requirements for the
2 homestead property tax credit, mobile home tax credit, and
3 reimbursement for rent constituting property taxes paid and
4 providing an applicability date.

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

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HF 2102

1 Section 1. Section 425.23, subsection 1, Code 1997, is
2 amended to read as follows:

3 1. a. The tentative credit or reimbursement for a
4 claimant described in section 425.17, subsection 2, paragraph
5 "a" and paragraph "b", if no appropriation is made to the fund
6 created in section 425.40 shall be determined in accordance
7 with the following schedule:

8		Percent of property taxes
9		due or rent constituting
10		property taxes paid
11	If the household	allowed as a credit or
12	income is:	reimbursement:
13	\$-----0-----5,999.99.....	100%
14	--6,000-----6,999.99.....	85
15	--7,000-----7,999.99.....	70
16	--8,000-----9,999.99.....	50
17	-10,000-----11,999.99.....	35
18	-12,000-----13,999.99.....	25
19	<u>\$ 0 -- 7,999.99</u>	<u>100%</u>
20	<u>8,000 -- 8,999.99</u>	<u>85</u>
21	<u>9,000 -- 9,999.99</u>	<u>70</u>
22	<u>10,000 -- 11,999.99</u>	<u>50</u>
23	<u>12,000 -- 13,999.99</u>	<u>35</u>
24	<u>14,000 -- 15,999.99</u>	<u>25</u>

25 b. If moneys have been appropriated to the fund created in
26 section 425.40, the tentative credit or reimbursement for a
27 claimant described in section 425.17, subsection 2, paragraph
28 "b", shall be determined as follows:

29 (1) If the amount appropriated under section 425.40 plus
30 any supplemental appropriation made for a fiscal year for
31 purposes of this lettered paragraph is at least twenty-seven
32 million dollars, the tentative credit or reimbursement shall
33 be determined in accordance with the following schedule:

34	Percent of property taxes
35	due or rent constituting

1		property taxes paid
2	If the household	allowed as a credit or
3	income is:	reimbursement:
4	\$-----0-----5,999.99.....	100%
5	--6,000-----6,999.99.....	85
6	--7,000-----7,999.99.....	70
7	--8,000-----9,999.99.....	50
8	-10,000-----11,999.99.....	35
9	-12,000-----13,999.99.....	25
10	<u>\$ 0 -- 7,999.99</u>	<u>100%</u>
11	<u>8,000 -- 8,999.99</u>	<u>85</u>
12	<u>9,000 -- 9,999.99</u>	<u>70</u>
13	<u>10,000 -- 11,999.99</u>	<u>50</u>
14	<u>12,000 -- 13,999.99</u>	<u>35</u>
15	<u>14,000 -- 15,999.99</u>	<u>25</u>

16 (2) If the amount appropriated under section 425.40 plus
 17 any supplemental appropriation made for a fiscal year for
 18 purposes of this lettered paragraph is less than twenty-seven
 19 million dollars the tentative credit or reimbursement shall be
 20 determined in accordance with the following schedule:

21		Percent of property taxes
22		due or rent constituting
23		property taxes paid
24	If the household	allowed as a credit or
25	income is:	reimbursement:
26	\$-----6-----5,999.99.....	50%
27	--6,000-----6,999.99.....	42
28	--7,000-----7,999.99.....	35
29	--8,000-----9,999.99.....	25
30	-10,000-----11,999.99.....	17
31	-12,000-----13,999.99.....	12
32	<u>\$ 0 -- 7,999.99</u>	<u>50%</u>
33	<u>8,000 -- 8,999.99</u>	<u>42</u>
34	<u>9,000 -- 9,999.99</u>	<u>35</u>
35	<u>10,000 -- 11,999.99</u>	<u>25</u>

1	<u>12,000 -- 13,999.99</u>	<u>17</u>
2	<u>14,000 -- 15,999.99</u>	<u>12</u>

3 Sec. 2. Section 425.23, subsection 3, paragraph a, Code
4 1997, is amended to read as follows:

5 a. A person who is eligible to file a claim for credit for
6 property taxes due and who has a household income of six eight
7 thousand dollars or less and who has an unpaid special
8 assessment levied against the homestead may file a claim for a
9 special assessment credit with the county treasurer. The
10 department shall provide to the respective treasurers the
11 forms necessary for the administration of this subsection.
12 The claim shall be filed not later than September 30 of each
13 year. Upon the filing of the claim, interest for late payment
14 shall not accrue against the amount of the unpaid special
15 assessment due and payable. The claim filed by the claimant
16 constitutes a claim for credit of an amount equal to the
17 actual amount due upon the unpaid special assessment, plus
18 interest, payable during the fiscal year for which the claim
19 is filed against the homestead of the claimant. However,
20 where the claimant is an individual described in section
21 425.17, subsection 2, paragraph "b", and the tentative credit
22 is determined according to the schedule in ~~section-425.23,~~
23 subsection 1, paragraph "b", subparagraph (2), of this
24 section. the claim filed constitutes a claim for credit of an
25 amount equal to one-half of the actual amount due and payable
26 during the fiscal year. The treasurer shall certify to the
27 director of revenue and finance not later than October 15 of
28 each year the total amount of dollars due for claims allowed.
29 The amount of reimbursement due each county shall be paid by
30 the director of revenue and finance by November 15 of each
31 year, drawn upon warrants payable to the respective treasurer.
32 There is appropriated annually from the general fund of the
33 state to the department of revenue and finance an amount
34 sufficient to carry out the provisions of this subsection.
35 The treasurer shall credit any moneys received from the

1 department against the amount of the unpaid special assessment
2 due and payable on the homestead of the claimant.

3 Sec. 3. Section 435.22, subsection 2, Code 1997, is
4 amended to read as follows:

5 2. If the owner of the home is an Iowa resident, has
6 attained the age of twenty-three years on or before December
7 31 of the base year, and has an income when included with that
8 of a spouse which is less than ~~six~~ eight thousand dollars per
9 year, the annual tax shall not be imposed on the home. If the
10 income is ~~six~~ eight thousand dollars or more but less than
11 ~~fourteen~~ sixteen thousand dollars, the annual tax shall be
12 computed as follows:

13	If the Household	Annual Tax Per
14	Income is:	Square Foot:
15	---\$-6,000-----6,999.99-----	3.0-cents
16	-----7,000-----7,999.99-----	6.0
17	-----8,000-----9,999.99-----	10.0
18	----10,000----11,999.99-----	13.0
19	----12,000----13,999.99-----	15.0
20	<u>\$ 8,000 -- 8,999.99</u>	<u>3.0 cents</u>
21	<u>9,000 -- 9,999.99</u>	<u>6.0</u>
22	<u>10,000 -- 11,999.99</u>	<u>10.0</u>
23	<u>12,000 -- 13,999.99</u>	<u>13.0</u>
24	<u>14,000 -- 15,999.99</u>	<u>15.0</u>

25 For purposes of this subsection "income" means income as
26 defined in section 425.17, subsection 7, and "base year" means
27 the calendar year preceding the year in which the claim for a
28 reduced rate of tax is filed. The home reduced rate of tax
29 shall only be allowed on the home in which the claimant is
30 residing at the time in which the claim for a reduced rate of
31 tax is filed.

32 Sec. 4. APPLICABILITY. This Act applies to claims for
33 credit for property taxes due, claims for reimbursement for
34 rent constituting property taxes paid, and claims for credit
35 for mobile home taxes due filed on or after January 1, 1999.

EXPLANATION

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Present law grants a mobile home tax credit, additional homestead credit, and reimbursement for rent constituting property taxes paid for certain low-income persons based upon household incomes. Under present law, the maximum credit and reimbursement is granted to those with household incomes of less than \$6,000 with no credit or reimbursement granted to those with household incomes of \$14,000 or more. The bill increases these figures to less than \$8,000 and \$16,000 or more, respectively.

The bill applies to claims for credits or reimbursements filed on or after January 1, 1999.