

JAN 13 2003

APPROPRIATIONS

HOUSE FILE 1  
BY RANTS

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the allowance of and reimbursement for the  
2 homestead, agricultural land, and elderly and disabled  
3 property tax credits, increasing appropriations previously  
4 reduced, and providing an effective date.

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

- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

HF 1

1 Section 1. HOMESTEAD TAX CREDIT.

2 1. 2002 Iowa Acts, Second Extraordinary Session, chapter  
3 1003, section 181, subsection 10, is amended by striking the  
4 subsection.

5 2. Additional funds available from the appropriation in  
6 section 425.1, as a result of subsection 1 of this section of  
7 this Act, shall be used to reimburse all counties for  
8 homestead credit claims granted pursuant to subsection 425.1  
9 as provided in this section. The department of revenue and  
10 finance shall determine an additional reimbursement percentage  
11 by dividing the amount of additional funds available by the  
12 total statewide claims reimbursed by the department.

13 3. The department shall reimburse to each county that  
14 granted to taxpayers the maximum allowable homestead credit  
15 pursuant to section 425.1, the amount of the additional  
16 reimbursement percentage for each homestead credit granted.  
17 Payments made pursuant to this subsection shall not be made  
18 sooner than March 15, 2003.

19 4. Each county that did not grant the maximum homestead  
20 credit allowed pursuant to section 425.1 shall grant a  
21 carryover homestead credit. The carryover homestead credit  
22 shall apply against taxes due and payable in the fiscal year  
23 beginning July 1, 2003, to each property that was granted a  
24 homestead credit for taxes due and payable in the fiscal year  
25 beginning July 1, 2002. The carryover homestead credit shall  
26 be granted whether the property continues to qualify for the  
27 regular homestead credit for taxes due and payable in the  
28 fiscal year beginning July 1, 2003. The amount of the  
29 carryover credit equals the additional reimbursement  
30 percentage. A county granting the carryover homestead credit  
31 shall be reimbursed for the amount of the carryover credit  
32 from the homestead credit fund. Payments made pursuant to  
33 this subsection shall be made one-half on November 15, 2003,  
34 and one-half on March 15, 2004.

35 Notwithstanding sections 8.33 and 425.1, any funds

1 remaining from the appropriation made in section 425.1 shall  
2 not revert but shall be available for use as provided in this  
3 subsection for the succeeding fiscal year.

4 Sec. 2. AGRICULTURAL LAND TAX CREDIT.

5 1. 2002 Iowa Acts, Second Extraordinary Session, chapter  
6 1003, section 181, subsection 11, is amended by striking the  
7 subsection.

8 2. Additional funds available from the appropriation in  
9 section 426.1, as a result of subsection 1 of this section of  
10 this Act, shall be used to reimburse counties for granting an  
11 additional agricultural land tax credit as follows:

12 a. The director of revenue and finance shall compute a pro  
13 rata percentage in the manner provided in section 426.7 based  
14 upon the additional funds available and notify each county  
15 auditor of this pro rata percentage.

16 b. Upon receipt of this pro rata percentage, the auditor  
17 shall determine the amount to be credited to each tract of  
18 agricultural land in the manner provided in section 426.8.  
19 However, the credit shall be applied against taxes due and  
20 payable in the fiscal year beginning July 1, 2003. This  
21 credit is in addition to any other agricultural land tax  
22 credit granted under chapter 426.

23 c. Payments made pursuant to this subsection shall be made  
24 on July 15, 2003.

25 3. Additional funds available as a result of subsection 1  
26 shall be deposited into a separate account in the agricultural  
27 land credit fund and shall only be used as provided in  
28 subsection 2. Notwithstanding sections 8.33 and 426.1, moneys  
29 remaining in the agricultural land credit fund on June 30,  
30 2003, shall not revert to the general fund of the state but  
31 shall be used as provided in subsection 2 in the following  
32 fiscal year.

33 Sec. 3. ELDERLY AND DISABLED TAX CREDIT.

34 1. 2002 Iowa Acts, Second Extraordinary Session, chapter  
35 1003, section 182, is repealed.

1 2. Additional funds available from the appropriation in  
2 section 425.39, as a result of subsection 1 of this section of  
3 this Act, shall be used to reimburse all counties for elderly  
4 and disabled tax credits allowed pursuant to section 425.23.  
5 The department of revenue and finance shall determine an  
6 additional reimbursement percentage by dividing the amount of  
7 additional funds available by the total statewide claims  
8 reimbursed by the department.

9 3. The department shall reimburse to each county that  
10 granted to the taxpayers the maximum allowable elderly and  
11 disabled tax credit pursuant to section 425.23, the amount of  
12 the additional reimbursement percentage for each credit  
13 granted. Payments made pursuant to this subsection shall not  
14 be made sooner than March 15, 2003.

15 4. Each county that did not grant the maximum elderly and  
16 disabled tax credit allowed pursuant to section 425.23 to each  
17 taxpayer shall grant a carryover elderly and disabled tax  
18 credit. The carryover elderly and disabled tax credit shall  
19 apply against taxes due and payable in the fiscal year  
20 beginning July 1, 2003, to each property that was granted the  
21 elderly and disabled tax credit for taxes due and payable in  
22 the fiscal year beginning July 1, 2002. The carryover credit  
23 shall be granted whether the property or taxpayer continues to  
24 qualify for the elderly and disabled tax credit for taxes due  
25 and payable in the fiscal year beginning July 1, 2003. The  
26 amount of the carryover credit equals the additional  
27 reimbursement percentage. A county granting the carryover tax  
28 credit shall be reimbursed for the amount of the credit from  
29 the elderly and disabled tax credit fund. Payments made  
30 pursuant to this subsection shall be made one-half on November  
31 15, 2003, and one-half on March 15, 2004.

32 Notwithstanding sections 8.33 and 425.39, any funds  
33 remaining from the appropriation made in section 425.39 shall  
34 not revert but shall be available for use as provided in this  
35 subsection for the succeeding fiscal year.

1 Sec. 4. EFFECTIVE DATE. This Act, being deemed of  
2 immediate importance, takes effect upon enactment.

3 EXPLANATION

4 As a result of the 2002 regular and special sessions, the  
5 homestead, agricultural land, and elderly and disabled tax  
6 credits were not funded at the level required by Code. One of  
7 two options were taken by the counties. The first was to  
8 grant the taxpayer the maximum credit allowed and be  
9 reimbursed by the state for an amount less than the reduction  
10 in taxes. This bill provides for an increase in  
11 appropriations so that these counties will receive additional  
12 reimbursement otherwise specified in the Code for fiscal year  
13 2002-2003. The second option was for counties to reduce the  
14 credit granted so that the amount reimbursed would be equal to  
15 the reduction in taxes. The bill requires these counties to  
16 grant a carryover tax credit to be applied to taxes due and  
17 payable in fiscal year 2003-2004 for an additional amount.  
18 The additional amount of reimbursement or carryover credit is  
19 based upon the increase in appropriation made as a result of  
20 the bill.

21 The bill takes effect upon enactment.

22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35