

JAN 27 2003  
WAYS AND MEANS

HOUSE FILE 61  
BY TYMESON, ALONS, LUKAN,  
PAULSEN, and D. TAYLOR

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

A BILL FOR

1 An Act extending veterans benefits, preferences, and tax  
2 exemptions to certain members of reserve forces of the United  
3 States and the Iowa national guard, and providing an effective  
4 date.

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

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HF 61

1 Section 1. Section 35.1, subsection 2, paragraph b,  
2 subparagraphs (1) and (2), Code 2003, are amended to read as  
3 follows:

4 (1) ~~Former-members~~ Members of the reserve forces of the  
5 United States who have served at least twenty years in the  
6 reserve forces ~~after-January-28-1973~~, and who continue to  
7 serve or were discharged under honorable conditions. However,  
8 a member of the reserve forces of the United States who  
9 completed a minimum aggregate of ninety days of active federal  
10 service, other than training, and was discharged under  
11 honorable conditions, or was retired under Title X of the  
12 United States Code shall be included as a veteran.

13 (2) ~~Former-members~~ Members of the Iowa national guard who  
14 have served at least twenty years in the Iowa national guard  
15 ~~after-January-28-1973~~, and who continue to serve or were  
16 discharged under honorable conditions. However, a member of  
17 the Iowa national guard who was activated for federal duty,  
18 other than training, for a minimum aggregate of ninety days,  
19 and was discharged under honorable conditions or was retired  
20 under Title X of the United States Code shall be included as a  
21 veteran.

22 Sec. 2. STATE FUNDING. The military service tax  
23 exemptions and credits provided pursuant to this Act shall be  
24 funded pursuant to chapter 426A and section 25B.7, subsection  
25 2.

26 Sec. 3. EFFECTIVE DATE. This Act, being deemed of  
27 immediate importance, takes effect upon enactment.

28 EXPLANATION

29 This bill modifies the definition of "veteran" to include  
30 members of the reserve forces of the United States and the  
31 Iowa national guard who have served at least 20 years in the  
32 reserve or guard units. Under the bill it is not necessary to  
33 have served at least 20 years after January 28, 1973, nor is  
34 it necessary to be discharged after the period of service to  
35 be eligible for veterans benefits.

1 In response to the requirements of Code section 25B.7, the  
2 military service tax exemptions and credits resulting from the  
3 modification to the definition of "veteran" are funded as  
4 provided in Code chapter 426A.

5 The bill takes effect upon enactment.

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# Legislative Fiscal Bureau

## Fiscal Note

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HF 61 - Veteran Property Tax Exemption (LSB 1379 HH)

Analyst: Dwayne Ferguson (Phone: (515) 281-6561) (dwayne.ferguson@legis.state.ia.us)

Fiscal Note Version — New

Requested by Representative Jodi Tymeson

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### Description

House File 61 modifies the definition of veteran eligible for the military service property tax credit to include members of the armed forces reserves and National Guard with 20 or more years of service. The Bill also deletes the requirement that the 20 years be served after January 28, 1973, and that the individual be discharged from the reserves or Guard to qualify.

### Background

The military service property tax credit exempts the first \$1,852 of taxable value of a qualifying veteran's home from taxation. The State reimburses the local governments for the first \$6.92 per \$1,000 of property tax credits, and the local governments are responsible for the remainder.

### Assumptions

1. There are approximately 1,250 individuals who have retired from the Iowa National Guard and 700 currently active National Guard personnel who would qualify for the property tax credit.
2. An estimated 770 individuals from the armed forces reserves would qualify for the property tax credit.
3. Iowa has a 76.6% home ownership rate.
4. The average consolidated property tax rate is estimated to be \$32.16 per \$1,000 of taxable valuation.

### Fiscal Impact

The estimated annual cost of HF 61 to the General Fund is \$27,000. Local governments' revenues will be reduced by approximately \$97,000 annually.

### Sources

Department of Management  
Commission on Veterans Affairs  
Bureau of the Census

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Dennis C Prouty

March 29, 2004

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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