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SENATE FILE

195

BY McCOY

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the filing and qualifying for a claim for
2 reimbursement for rent constituting property taxes paid and
3 including an applicability date provision.

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

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SF 195
WAYS & MEANS

1 Section 1. Section 425.17, subsection 2, unnumbered
2 paragraph 2, Code 2003, is amended to read as follows:

3 "Claimant" under paragraph "a" or "b" includes a vendee in
4 possession under a contract for deed and may include one or
5 more joint tenants or tenants in common. In the case of a
6 claim for rent constituting property taxes paid, the claimant
7 shall have rented the property during any part of the base
8 year. In the case of a claim for property taxes due, the
9 claimant shall have occupied the property during any part of
10 the fiscal year beginning July 1 of the base year. If a
11 homestead is rented by a husband and wife either of whom
12 qualifies as a claimant, the spouse that qualifies may file a
13 claim based upon that spouse's income and rent constituting
14 property taxes paid. If a homestead is occupied by two or
15 more persons, and more than one person is able to qualify as a
16 claimant, the persons may each file a claim based upon each
17 person's income and rent constituting property taxes paid or
18 property taxes due.

19 Sec. 2. Section 425.17, subsections 5, 6, and 9, Code
20 2003, are amended to read as follows:

21 5. "Household" means:

22 a. In the case of a claim for credit, a claimant and the
23 claimant's spouse if living with the claimant at any time
24 during the base year. "Living with" refers to domicile and
25 does not include a temporary visit.

26 b. In the case of a claim for reimbursement, the claimant.

27 6. "Household income" means:

28 a. In the case of a claim for credit, all income of the
29 claimant and the claimant's spouse in a household and actual
30 monetary contributions received from any other person living
31 with the claimant during their respective twelve-month income
32 tax accounting periods ending with or during the base year.

33 b. In the case of a claim for reimbursement, all income of
34 the claimant and actual monetary contributions received from
35 any other person living with the claimant during their

1 respective twelve-month income tax accounting periods ending
2 with or during the base year.

3 9. "Rent constituting property taxes paid" means twenty-
4 three percent of the gross rent actually paid in cash or its
5 equivalent during the base year by the claimant ~~or the~~
6 ~~claimant's household~~ solely for the right of occupancy of
7 ~~their~~ the claimant's homestead in the base year, and which
8 rent constitutes the basis, in the succeeding year, of a claim
9 for reimbursement under this division by the claimant. In the
10 case where the claimant's spouse lives with the claimant in
11 the homestead during the base year, the amount of gross rent
12 actually paid by each equals the percent that the household
13 income of each is to the total household income of both unless
14 otherwise established to the contrary. If the claimant's
15 spouse does not live with the claimant during the entire base
16 year, the gross rent and household income of each shall be
17 prorated under rules of the director of revenue and finance.

18 Sec. 3. APPLICABILITY DATE. This Act applies to claims
19 for reimbursement for rent constituting property taxes paid
20 which are filed on or after January 1, 2004.

21 EXPLANATION

22 Under present law, people 65 or older or disabled and with
23 incomes of less than a set amount may claim a reimbursement
24 for rent constituting property taxes paid. If two or more
25 persons occupying a single dwelling qualify for reimbursement,
26 each person may file a claim based upon each person's income
27 and rent paid. However, a husband and wife are generally
28 treated as one household and thus may file only one claim and
29 must combine their incomes to determine eligibility.

30 This bill provides that the homestead only includes the
31 claimant, i.e., husband or wife who qualifies, and specifies
32 that the qualifying spouse may file a claim based upon the
33 qualifying spouse's income and rent paid.

34 The bill applies to claims for reimbursement filed on or
35 after January 1, 2004.