

MAR 15 2005
WAYS AND MEANS

HOUSE FILE 773
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HF 365)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved 12/15

A BILL FOR

1 An Act relating to eligibility of certain members of the armed
2 forces of the United States, the reserve forces of the United
3 States, and the Iowa national guard for the military service
4 tax credit and exemption and providing an effective and an
5 applicability date.

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

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

HF 773

1 Section 1. Section 426A.11, subsection 2, Code 2005, is
2 amended to read as follows:

3 2. The property, not to exceed one thousand eight hundred
4 fifty-two dollars in taxable value of an honorably separated,
5 retired, furloughed to a reserve, placed on inactive status,
6 or discharged veteran, as defined in section 35.1, or of a
7 member of the reserve forces of the United States who has
8 served at least twenty years in the reserve forces after
9 January 28, 1973, and who continues to serve in the reserve
10 forces, or of a member of the Iowa national guard who has
11 served at least twenty years in the Iowa national guard after
12 January 28, 1973, and who continues to serve in the Iowa
13 national guard.

14 Sec. 2. Section 426A.11, Code 2005, is amended by adding
15 the following new subsection:

16 NEW SUBSECTION. 2A. For purposes of this chapter, unless
17 the context otherwise requires, "veteran" also means the
18 following:

19 a. A resident of this state who is a former member of the
20 armed forces of the United States and who served for a minimum
21 aggregate of three years and who was discharged under
22 honorable conditions.

23 b. A former member of the reserve forces of the United
24 States or of the Iowa national guard who served on active duty
25 for a minimum aggregate of three years and who was discharged
26 under honorable conditions.

27 Sec. 3. Section 426A.12, Code 2005, is amended to read as
28 follows:

29 426A.12 EXEMPTIONS TO RELATIVES.

30 In case any person in the foregoing classifications does
31 not claim the exemption from taxation, it shall be allowed in
32 the name of the person to the same extent on the property of
33 any one of the following persons in the order named:

34 1. The spouse, or surviving spouse remaining unmarried, of
35 a veteran, as defined in this chapter or in section 35.1,

1 where they are living together or were living together at the
2 time of the death of the veteran.

3 2. The parent whose spouse is deceased and who remains
4 unmarried, of a veteran, as defined in this chapter or in
5 section 35.1, whether living or deceased, where the parent is,
6 or was at the time of death of the veteran, dependent on the
7 veteran for support.

8 3. The minor child, or children owning property as tenants
9 in common, of a deceased veteran, as defined in this chapter
10 or in section 35.1.

11 No more than one tax exemption shall be allowed under this
12 section or section 426A.11 in the name of a veteran, as
13 defined in this chapter or in section 35.1.

14 Sec. 4. Section 426A.13, unnumbered paragraphs 1 through
15 3, Code 2005, are amended to read as follows:

16 A person named in section 426A.11, who is a resident of and
17 domiciled in the state of Iowa, shall receive a reduction
18 equal to the exemption, to be made from any property owned by
19 the person or owned by a family farm corporation of which the
20 person is a shareholder and who occupies the property and so
21 designated by proceeding as provided in the section. To be
22 eligible to receive the exemption the person claiming it shall
23 have recorded in the office of the county recorder of the
24 county in which is located the property designated for the
25 exemption, evidence of property ownership by that person or
26 the family farm corporation of which the person is a
27 shareholder and the military certificate of satisfactory
28 service, order transferring to inactive status, reserve,
29 retirement, order of separation from service, honorable
30 discharge or a copy of any of these documents of the person
31 claiming or through whom is claimed the exemption. In the
32 case of a person claiming the exemption for currently serving
33 in the reserve forces of the United States or the Iowa
34 national guard, the person shall file a statement signed by
35 the person's immediate commanding officer.

1 The person shall file with the appropriate assessor on
2 forms obtained from the assessor the claim for exemption for
3 the year for which the person is first claiming the exemption.
4 The claim shall be filed not later than July 1 of the year for
5 which the person is claiming the exemption. The claim shall
6 set out the fact that the person is a resident of and
7 domiciled in the state of Iowa, and a person within the terms
8 of section 426A.11, and shall give the volume and page on
9 which the certificate of satisfactory service, order of
10 separation, retirement, furlough to reserve, inactive status,
11 or honorable discharge or certified copy thereof is recorded
12 in the office of the county recorder, and may include the
13 designation of the property from which the exemption is to be
14 made, and shall further state that the claimant is the
15 equitable or legal owner of the property designated or if the
16 property is owned by a family farm corporation, that the
17 person is a shareholder of that corporation and that the
18 person occupies the property. In the case of a person
19 claiming the exemption for currently serving in the reserve
20 forces of the United States or the Iowa national guard, the
21 person shall file a statement signed by the person's immediate
22 commanding officer.

23 Upon the filing and allowance of the claim, the claim shall
24 be allowed to that person for successive years without further
25 filing. However, in the case of a person currently serving in
26 the reserve forces of the United States or the Iowa national
27 guard, such person shall file each year to be eligible to
28 obtain the exemption. Provided, that notwithstanding the
29 filing or having on file a claim for exemption, the person or
30 person's spouse is the legal or equitable owner of the
31 property on July 1 of the year for which the claim is allowed.
32 When the property is sold or transferred or the person wishes
33 to designate different property for the exemption, a person
34 who wishes to receive the exemption shall refile for the
35 exemption. A person who sells or transfers property which is

1 designated for the exemption or the personal representative of
2 a deceased person who owned such property shall provide
3 written notice to the assessor that the property is no longer
4 legally or equitably owned by the former claimant.

5 Sec. 5. STATE FUNDING. The military service tax credits
6 and exemptions provided pursuant to this Act shall be funded
7 pursuant to chapter 426A and section 25B.7, subsection 2.

8 Sec. 6. EFFECTIVE AND APPLICABILITY DATE. This Act, being
9 deemed of immediate importance, takes effect upon enactment
10 and applies to military service tax exemptions for fiscal
11 years beginning on or after July 1, 2005.

12 EXPLANATION

13 This bill expands eligibility for the military service
14 property tax credit and exemption to members of the reserve
15 forces of the United States and members of the Iowa national
16 guard who have served 20 years after January 28, 1973, and who
17 continue to serve in the reserves or the Iowa national guard.
18 The bill also makes eligible for the credit and exemption a
19 former member of the armed forces who served a minimum of
20 three years and was honorably discharged. The bill also makes
21 eligible former members of the reserve forces or the Iowa
22 national guard who served on active duty for a minimum of
23 three years and who were honorably discharged. The military
24 service property tax exemption is applied as a credit on the
25 property tax statement.

26 In response to the requirements of Code section 25B.7, the
27 military service tax credits and exemptions resulting from
28 this bill are funded as provided in Code chapter 426A.

29 The bill takes effect upon enactment and applies to
30 exemptions for fiscal years beginning on or after July 1,
31 2005.

32
33
34
35