

**Senate File 2081 - Introduced**

SENATE FILE 2081

BY ERNST and HAHN

**A BILL FOR**

1 An Act relating to the military service property tax exemption  
2 and credit by increasing the exemption amount, and including  
3 applicability provisions.

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

S.F. 2081

1 Section 1. Section 426A.11, subsections 1 and 2, Code 2011,  
2 are amended to read as follows:

3 1. The property, not to exceed ~~two thousand seven hundred~~  
4 ~~seventy-eight~~ twelve thousand two hundred dollars in taxable  
5 value of any veteran, as defined in section 35.1, of the First  
6 World War.

7 2. The property, not to exceed ~~one thousand eight hundred~~  
8 ~~fifty-two~~ twelve thousand two hundred dollars in taxable value  
9 of an honorably separated, retired, furloughed to a reserve,  
10 placed on inactive status, or discharged veteran, as defined in  
11 section 35.1, subsection 2, paragraph "a" or "b".

12 Sec. 2. APPLICABILITY. This Act applies to property taxes  
13 due and payable in fiscal years beginning on or after July 1,  
14 2013.

15 EXPLANATION

16 Under current law, veterans of the First World War are  
17 entitled to a property tax exemption of \$2,778 in taxable value  
18 and honorably discharged veterans who served during other  
19 specific time periods are entitled to a property tax exemption  
20 of \$1,852 in taxable value. This bill increases the exemption  
21 amount for all eligible veterans to \$12,200.

22 Under current law, the state provides funding to local  
23 governments for the military service property tax exemption and  
24 credit up to \$6.92 per \$1,000 of assessed value of the exempt  
25 property.

26 Code section 25B.7 provides that if a state appropriation  
27 made to fund the credit or exemption is not sufficient to fully  
28 fund the credit or exemption, the political subdivision shall  
29 be required to extend to the taxpayer only that portion of the  
30 credit or exemption estimated by the department of revenue to  
31 be funded by the state appropriation. The provisions of Code  
32 section 25B.7 apply to the military service property tax credit  
33 and exemption to the extent of \$6.92 per \$1,000 of assessed  
34 value of the exempt property.

35 The bill applies to property taxes due and payable in fiscal

S.F. 2081

1 years beginning on or after July 1, 2013.