

House Study Bill 646 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON SANDS)

A BILL FOR

1 An Act increasing the amount of the homestead property tax
2 credit and including applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 425.1, subsection 2, Code 2014, is
2 amended to read as follows:

3 2. The homestead credit fund shall be apportioned each
4 year so as to give a credit against the tax on each eligible
5 homestead in the state in an amount equal to the actual levy on
6 the first ~~four thousand eight hundred fifty~~ nine thousand seven
7 hundred dollars of actual value for each homestead.

8 Sec. 2. APPLICABILITY. This Act applies to property taxes
9 due and payable in fiscal years beginning on or after July 1,
10 2014.

11 EXPLANATION

12 The inclusion of this explanation does not constitute agreement with
13 the explanation's substance by the members of the general assembly.

14 Current Code section 425.1 provides that the homestead
15 credit fund shall be apportioned each year so as to give a
16 credit against the property tax on each eligible homestead in
17 the state in an amount equal to the actual levy on the first
18 \$4,850 of actual value for each homestead. This bill increases
19 the amount of credit so as to give a credit in an amount equal
20 to the actual levy on the first \$9,700 of actual value for each
21 homestead.

22 Code section 25B.7 provides that if a state appropriation
23 made to fund the credit or exemption is not sufficient to fully
24 fund the credit or exemption, the political subdivision shall
25 be required to extend to the taxpayer only that portion of the
26 credit or exemption estimated by the department of revenue to
27 be funded by the state appropriation. The requirement for
28 fully funding and the consequences of not fully funding under
29 Code section 25B.7 apply to the homestead property tax credit.

30 The bill applies to property taxes due and payable in fiscal
31 years beginning on or after July 1, 2014.