

**House Study Bill 647 - Introduced**

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

**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:

1 Section 1. Section 426A.11, subsection 1, Code 2014, is  
2 amended by striking the subsection.

3 Sec. 2. Section 426A.11, subsection 2, Code 2014, is amended  
4 to read as follows:

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

10 Sec. 3. APPLICABILITY. This Act applies to property taxes  
11 due and payable in fiscal years beginning on or after July 1,  
12 2014.

13 EXPLANATION

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

16 Under current law, veterans of World War I are entitled  
17 to a property tax exemption of \$2,778 in taxable value and  
18 honorably discharged veterans who served during other specific  
19 time periods are entitled to a property tax exemption of \$1,852  
20 in taxable value. This bill increases the exemption amount for  
21 all eligible veterans to \$3,704.

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

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

H.F. \_\_\_\_\_

1 years beginning on or after July 1, 2014.