

Senate File 100 - Introduced

SENATE FILE 100

BY ERNST

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, subsections 1 and 2, Code 2013,
2 are amended to read as follows:

3 1. The property, not to exceed ~~two thousand seven hundred~~
4 ~~seventy-eight~~ fourteen thousand five 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~~ fourteen thousand five hundred dollars in taxable
9 value of an honorably separated, retired, furloughed to a
10 reserve, placed on inactive status, or discharged veteran, as
11 defined in 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 2014.

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 \$14,500.

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

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1 years beginning on or after July 1, 2014.