

Senate File 179 - Introduced

SENATE FILE 179

BY HOGG

A BILL FOR

1 An Act providing for an annual adjustment to the amount of
2 value used to calculate the homestead credit and including
3 applicability provisions.

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

1 Section 1. Section 425.1, subsection 2, Code 2013, is
2 amended to read as follows:

3 2. a. 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
6 on the first four thousand eight hundred fifty dollars, as
7 adjusted pursuant to paragraph "b", of actual value for each
8 homestead.

9 b. The amount of actual value specified in paragraph "a"
10 shall be adjusted annually as provided in this paragraph. For
11 each fiscal year beginning on or after July 1, 2013, the amount
12 of actual value used to calculate the homestead credit shall
13 be the amount of actual value used to calculate the homestead
14 credit in the immediately preceding fiscal year multiplied by
15 the annual homestead credit factor.

16 c. For the purposes of this subsection, "annual homestead
17 credit factor" means the percent increase, but not less than
18 zero, in the statewide actual value of residential property for
19 the assessment year applicable to the fiscal year for which
20 the homestead credit is being calculated resulting from the
21 revaluation of existing properties over the statewide actual
22 value of residential property in the preceding assessment year,
23 plus one hundred percent.

24 Sec. 2. APPLICABILITY. This Act applies to property taxes
25 due and payable in fiscal years beginning on or after July 1,
26 2013.

27 EXPLANATION

28 Current Code section 425.1 provides that the homestead
29 credit fund shall be apportioned each year so as to give a
30 credit against the tax on each eligible homestead in the state
31 in an amount equal to the actual levy on the first \$4,850 of
32 actual value for each homestead.

33 This bill provides for an annual adjustment to the amount
34 of actual value used to calculate the homestead credit under
35 Code chapter 425. For each fiscal year beginning on or after

1 July 1, 2013, the bill requires that the amount of actual value
2 used to calculate the homestead credit shall be the amount of
3 actual value used to calculate the homestead credit in the
4 immediately preceding fiscal year multiplied by the annual
5 homestead credit factor. The bill defines "annual homestead
6 credit factor" to mean the percent increase, but not less than
7 zero, in the statewide actual value of residential property for
8 the assessment year applicable to the fiscal year for which
9 the homestead credit is being calculated resulting from the
10 revaluation of existing properties over the statewide actual
11 value of residential property in the preceding assessment year,
12 plus 100 percent.

13 The bill applies to property taxes due and payable in fiscal
14 years beginning on or after July 1, 2013.