

**House File 2362 - Introduced**

HOUSE FILE 2362  
BY COMMITTEE ON VETERANS  
AFFAIRS

(SUCCESSOR TO HSB 595)

**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 effective date and applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 426A.11, subsection 1, Code 2016, is  
2 amended by striking the subsection.

3 Sec. 2. Section 426A.11, subsection 2, Code 2016, is amended  
4 to read as follows:

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

10 Sec. 3. EFFECTIVE DATE. This Act takes effect July 1, 2017.

11 Sec. 4. APPLICABILITY. This Act applies to property taxes  
12 due and payable in fiscal years beginning on or after July 1,  
13 2017.

14 EXPLANATION

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

17 Under current law, veterans of World War I are entitled  
18 to a property tax exemption of \$2,778 in taxable value and  
19 honorably discharged veterans who served during other specific  
20 time periods are entitled to a property tax exemption of \$1,852  
21 in taxable value. This bill increases the exemption amount for  
22 all eligible veterans to \$2,000.

23 Under current law, the state provides funding to local  
24 governments for the military service property tax exemption  
25 and credit up to \$6.92 per \$1,000 of assessed value of the  
26 exempt property. Code section 25B.7 provides that if a  
27 state appropriation made to fund a credit or exemption is not  
28 sufficient to fully fund the credit or exemption, the political  
29 subdivision shall be required to extend to the taxpayer only  
30 that portion of the credit or exemption estimated by the  
31 department of revenue to be funded by the state appropriation.  
32 The requirement for fully funding and the consequences of not  
33 fully funding under Code section 25B.7 apply to the military  
34 service property tax credit and exemption to the extent of  
35 \$6.92 per \$1,000 of assessed value of the exempt property.

H.F. 2362

1     The bill takes effect July 1, 2017, and applies to property  
2 taxes due and payable in fiscal years beginning on or after  
3 July 1, 2017.