

Senate File 284 - Introduced

SENATE FILE 284

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 45)

A BILL FOR

1 An Act relating to the disabled veteran homestead tax credit by
2 modifying eligibility criteria and including effective date
3 and retroactive applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 425.15, subsection 1, paragraphs b, c,
2 and d, Code 2015, are amended to read as follows:

3 *b.* A veteran as defined in section 35.1 with a permanent
4 service-connected disability rating of one hundred percent, as
5 certified by the United States department of veterans affairs,
6 or a permanent and total disability rating based on individual
7 unemployability that is compensated at the one hundred percent
8 disability rate, as certified by the United States department
9 of veterans affairs.

10 *c.* A former member of the national guard of any state who
11 otherwise meets the service requirements of section 35.1,
12 subsection 2, paragraph "b", subparagraph (2) or (7), with a
13 permanent service-connected disability rating of one hundred
14 percent, as certified by the United States department of
15 veterans affairs, or a permanent and total disability rating
16 based on individual unemployability that is compensated at the
17 one hundred percent disability rate, as certified by the United
18 States department of veterans affairs.

19 *d.* An individual who is a surviving spouse or a child and
20 who is receiving dependency and indemnity compensation pursuant
21 to 38 U.S.C. §1301 et seq., as certified by the United States
22 department of veterans affairs.

23 Sec. 2. Section 425.15, subsection 2, paragraph b, Code
24 2015, is amended to read as follows:

25 *b.* An individual described in subsection 1, paragraph "d",
26 is no longer eligible for the credit ~~if the individual marries~~
27 ~~or~~ upon termination of dependency and indemnity compensation
28 under 38 U.S.C. §1301 et seq.

29 Sec. 3. Section 425.15, Code 2015, is amended by adding the
30 following new subsection:

31 NEW SUBSECTION. 5. For purposes of this section, "*permanent*
32 *and total disability rating based on individual unemployability*"
33 means a condition under which a person has either a permanent
34 service-connected disability rating of sixty percent or two or
35 more permanent service-connected disability conditions in which

1 one of the conditions has at least a forty percent rating and
2 the combined rating for all the conditions is at least seventy
3 percent, and the person has an administrative adjustment added
4 to the service-connected disability rating, due to individual
5 unemployability, such that the United States department of
6 veterans affairs rates the veteran permanently and totally
7 disabled for purposes of disability compensation.

8 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
9 immediate importance, takes effect upon enactment.

10 Sec. 5. RETROACTIVE APPLICABILITY. This Act applies
11 retroactively to May 26, 2014, for applications for the
12 homestead credit under chapter 425 filed on or after that date.

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 Current Code section 425.15 provides a homestead credit to
17 the owner of a homestead for the full amount of tax levied
18 if the owner is any of the following: (1) a veteran of any
19 of the military forces of the United States who acquired the
20 homestead under specified federal programs; (2) a veteran
21 with a service-connected disability rating of 100 percent;
22 (3) a former member of the national guard of any state who
23 meets specified service requirements with a service-connected
24 disability rating of 100 percent; or (4) an individual who is a
25 surviving spouse or a child and who is receiving dependency and
26 indemnity compensation.

27 This bill amends the eligibility criteria for the credit
28 by requiring the service-connected disability rating of 100
29 percent to be permanent. The bill also amends the eligibility
30 criteria for the credit to include a veteran with a permanent
31 and total disability rating based on individual unemployability
32 that is compensated at the 100 percent disability rate and
33 certain members of the national guard with a permanent and
34 total disability rating based on individual unemployability
35 that are compensated at the 100 percent disability rate.

1 The bill defines "permanent and total disability rating
2 based on individual unemployability" to mean a condition
3 under which a person has either a permanent service-connected
4 disability rating of 60 percent or two or more permanent
5 service-connected disability conditions in which one of the
6 conditions has at least a 40 percent rating and the combined
7 rating for all the conditions is at least 70 percent, and
8 the person has an administrative adjustment added to the
9 service-connected disability rating, due to individual
10 unemployability, such that the United States department of
11 veterans affairs rates the veteran as permanently and totally
12 disabled for purposes of disability compensation.

13 The bill specifies that for purposes of qualifying for the
14 credit, the receipt of dependency and indemnity compensation
15 by an individual who is a surviving spouse or a child must be
16 certified by the United States department of veterans affairs.
17 The bill also removes the provision that terminates eligibility
18 for the credit for a surviving spouse receiving dependency and
19 indemnity compensation when the surviving spouse remarries.

20 The bill takes effect upon enactment and applies
21 retroactively to May 26, 2014, for applications for the
22 homestead credit filed on or after that date.