

**House File 59 - Introduced**

HOUSE FILE 59

BY KOESTER

**A BILL FOR**

1 An Act relating to the disabled veteran homestead tax credit  
2 by modifying eligibility criteria and credit amounts and  
3 including effective date and retroactive applicability  
4 provisions.

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

1 Section 1. Section 425.15, Code 2017, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 1A. If the owner of a homestead allowed  
4 a credit under this chapter does not meet the criteria of  
5 subsection 1 and is any of the following, the amount of the  
6 credit allowed on the homestead from the homestead credit fund  
7 shall be the greater of the amount of the credit authorized  
8 under section 425.1, subsection 2, or a percentage of the  
9 entire amount of the tax levied on the homestead that is  
10 equivalent to the owner's permanent service-connected  
11 disability rating percentage:

12 a. A veteran as defined in section 35.1 with a permanent  
13 service-connected disability rating that is less than one  
14 hundred percent, as certified by the United States department  
15 of veterans affairs.

16 b. A former member of the national guard of any state who  
17 otherwise meets the service requirements of section 35.1,  
18 subsection 2, paragraph "b", subparagraph (2) or (7), with a  
19 permanent service-connected disability rating of less than one  
20 hundred percent, as certified by the United States department  
21 of veterans affairs.

22 Sec. 2. Section 425.15, subsection 2, paragraph a, Code  
23 2017, is amended to read as follows:

24 a. For an owner described in subsection 1, paragraph "a",  
25 "b", or "c", or subsection 1A, the credit allowed shall be  
26 continued to the estate of an owner who is deceased or the  
27 surviving spouse and any child, as defined in section 234.1,  
28 who are the beneficiaries of a deceased owner, so long as the  
29 surviving spouse remains unmarried.

30 Sec. 3. Section 425.15, subsection 3, Code 2017, is amended  
31 to read as follows:

32 3. An owner or a beneficiary of an owner who elects to  
33 secure the credit provided in this section under the conditions  
34 described in subsection 1 is not eligible for any other real  
35 property tax exemption provided by law for veterans of military

1 service.

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

4 Sec. 5. RETROACTIVE APPLICABILITY. This Act applies  
5 retroactively to homestead credit claims filed on or after  
6 January 1, 2017, for credits allowed against property taxes due  
7 and payable in fiscal years beginning on or after July 1, 2018.

8 EXPLANATION

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

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

27 This bill creates two additional categories of disabled  
28 veterans who qualify for a homestead credit under Code section  
29 425.15. Under the bill, if the owner of a homestead does not  
30 meet the criteria under current law for a disabled veteran  
31 homestead tax credit and is either of the following, the amount  
32 of the credit allowed on the homestead is the greater of the  
33 amount of the regular homestead credit (an amount equal to  
34 the actual levy on the first \$4,850 dollars of actual value)  
35 or a percentage of the entire amount of the tax levied on the

1 homestead that is equivalent to the owner's service-connected  
2 disability rating percentage: (1) a veteran with a permanent  
3 service-connected disability rating that is less than 100  
4 percent; (2) a former member of the national guard of any state  
5 who meets specified service requirements with a permanent  
6 service-connected disability rating of less than 100 percent.

7 The bill takes effect upon enactment and applies  
8 retroactively to homestead credit claims filed on or after  
9 January 1, 2017, for credits allowed against property taxes due  
10 and payable in fiscal years beginning on or after July 1, 2018.