

Senate File 199 - Introduced

SENATE FILE 199

BY DAWSON, SHIPLEY, CHAPMAN,
ZAUN, SINCLAIR, EDLER, and
ROZENBOOM

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 2017, is
2 amended by striking the subsection.

3 Sec. 2. Section 426A.11, subsection 2, Code 2017, is amended
4 to read as follows:

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

10 Sec. 3. APPLICABILITY. This Act applies to property taxes
11 due and payable in fiscal years beginning on or after July 1,
12 2018.

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 Under current law, veterans of World War I are entitled
17 to a property tax exemption of \$2,778 in taxable value and
18 honorably discharged veterans who served during other specific
19 time periods are entitled to a property tax exemption of \$1,852
20 in taxable value. This bill increases the exemption amount for
21 all eligible veterans to \$3,700.

22 Under current law, the state provides funding to local
23 governments for the military service property tax exemption
24 and credit up to \$6.92 per \$1,000 of assessed value of the
25 exempt property. Code section 25B.7 provides that if a
26 state appropriation made to fund a credit or exemption is not
27 sufficient to fully fund the credit or exemption, the political
28 subdivision shall be required to extend to the taxpayer only
29 that portion of the credit or exemption estimated by the
30 department of revenue to be funded by the state appropriation.
31 The requirement for fully funding and the consequences of not
32 fully funding under Code section 25B.7 apply to the military
33 service property tax credit and exemption to the extent of
34 \$6.92 per \$1,000 of assessed 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, 2018.