

Senate Study Bill 1123 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
VETERANS AFFAIRS BILL BY
CHAIRPERSON COSTELLO)

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.