

Senate File 20 - Introduced

SENATE FILE 20

BY ZAUN

A BILL FOR

1 An Act modifying provisions relating to the additional property
2 tax credit for elderly persons and including applicability
3 provisions.

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

1 Section 1. Section 425.17, subsection 2, paragraph a,
2 subparagraphs (1) and (3), Code 2023, are amended to read as
3 follows:

4 (1) ~~A person filing a claim for credit under this subchapter~~
5 ~~who has attained the age of sixty five years but who has~~
6 ~~not attained the age of seventy years on or before December~~
7 ~~31 of the base year,~~ a person filing a claim for credit or
8 reimbursement under **this subchapter** who is totally disabled
9 and was totally disabled on or before December 31 of the base
10 year, or a person filing a claim for reimbursement under this
11 subchapter who has attained the age of sixty-five years on or
12 before December 31 of the base year and who is domiciled in
13 this state at the time the claim is filed or at the time of the
14 person's death in the case of a claim filed by the executor or
15 administrator of the claimant's estate.

16 (3) A person filing a claim for credit under **this subchapter**
17 who has attained the age of seventy sixty-five years on or
18 before December 31 of the base year, ~~who has a household income~~
19 ~~of less than two hundred fifty percent of the federal poverty~~
20 ~~level, as defined by the most recently revised poverty income~~
21 ~~guidelines published by the United States department of health~~
22 ~~and human services~~ whose homestead has an actual value of five
23 hundred thousand dollars or less, and who is domiciled in this
24 state at the time the claim is filed or at the time of the
25 person's death in the case of a claim filed by the executor or
26 administrator of the claimant's estate.

27 Sec. 2. APPLICABILITY. This Act applies to claims under
28 chapter 425, subchapter II, filed on or after January 1, 2024.

29 EXPLANATION

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

32 This bill modifies the eligibility for and the calculation
33 of the amount of the property tax credit under Code chapter
34 425, subchapter II.

35 Under current law, a person filing a claim for the property

1 tax credit who is at least 65 years of age, meets certain
2 income requirements, and does not meet other age and income
3 eligibility criteria, is eligible for a credit based on income
4 equal to specified percentages of property taxes due under
5 the schedule in Code section 425.23(1)(a), but not to exceed
6 \$1,000. However, if the person filing a claim for the property
7 tax credit is at least 70 years of age and has a household
8 income of less than 250 percent of the federal poverty level,
9 the tentative credit amount is equal to the greater of the
10 following: (1) the amount of the credit as calculated under
11 the schedule of credit amounts specified in Code section
12 425.23(1)(a) as if the claimant was an eligible claimant for
13 a credit under that provision; and (2) the difference between
14 the actual amount of property taxes due on the homestead during
15 the applicable fiscal year minus the actual amount of property
16 taxes due on the homestead based on a full assessment during
17 the first fiscal year for which the claimant filed for a credit
18 calculated under the Code chapter and if the claimant has filed
19 for the credit for each of the subsequent fiscal years after
20 the first credit claimed.

21 The bill modifies the eligibility for and calculation of
22 the credit under current law available to claimants who have
23 reached the age of 65 or more by limiting the credit to owners
24 whose homestead value is \$500,000 or less, by striking the
25 maximum income level of 250 percent of the federal poverty
26 level, and by imposing the credit calculation under current
27 law for claimants 70 years of age and over to all claimants 65
28 years of age and older.

29 The bill applies to claims under Code chapter 425,
30 subchapter II, filed on or after January 1, 2024.