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WAYS AND MEANS

HOUSE FILE 424
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Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act extending the military service tax credit and exemption to
2 certain members of the reserve forces of the United States and
3 the Iowa national guard and providing an effective date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HC 424

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1 Section 1. Section 426A.11, subsection 2, Code 2005, is
2 amended to read as follows:

3 2. The property, not to exceed one thousand eight hundred
4 fifty-two dollars in taxable value of an honorably separated,
5 retired, furloughed to a reserve, placed on inactive status,
6 or discharged veteran, as defined in section 35.1, or of a
7 member of the reserve forces of the United States who has
8 served at least twenty years in the reserve forces after
9 January 28, 1973, and who continues to serve in the reserve
10 forces, or of a member of the Iowa national guard who has
11 served at least twenty years in the Iowa national guard after
12 January 28, 1973, and who continues to serve in the Iowa
13 national guard.

14 Sec. 2. Section 426A.13, unnumbered paragraphs 1 through
15 3, Code 2005, are amended to read as follows:

16 A person named in section 426A.11, who is a resident of and
17 domiciled in the state of Iowa, shall receive a reduction
18 equal to the exemption, to be made from any property owned by
19 the person or owned by a family farm corporation of which the
20 person is a shareholder and who occupies the property and so
21 designated by proceeding as provided in the section. To be
22 eligible to receive the exemption the person claiming it shall
23 have recorded in the office of the county recorder of the
24 county in which is located the property designated for the
25 exemption, evidence of property ownership by that person or
26 the family farm corporation of which the person is a
27 shareholder and the military certificate of satisfactory
28 service, order transferring to inactive status, reserve,
29 retirement, order of separation from service, honorable
30 discharge or a copy of any of these documents of the person
31 claiming or through whom is claimed the exemption. In the
32 case of a person claiming the exemption for currently serving
33 in the reserve forces of the United States or the Iowa
34 national guard, the person shall file a statement signed by
35 the person's immediate commanding officer.

1 The person shall file with the appropriate assessor on
2 forms obtained from the assessor the claim for exemption for
3 the year for which the person is first claiming the exemption.
4 The claim shall be filed not later than July 1 of the year for
5 which the person is claiming the exemption. The claim shall
6 set out the fact that the person is a resident of and
7 domiciled in the state of Iowa, and a person within the terms
8 of section 426A.11, and shall give the volume and page on
9 which the certificate of satisfactory service, order of
10 separation, retirement, furlough to reserve, inactive status,
11 or honorable discharge or certified copy thereof is recorded
12 in the office of the county recorder, and may include the
13 designation of the property from which the exemption is to be
14 made, and shall further state that the claimant is the
15 equitable or legal owner of the property designated or if the
16 property is owned by a family farm corporation, that the
17 person is a shareholder of that corporation and that the
18 person occupies the property. In the case of a person
19 claiming the exemption for currently serving in the reserve
20 forces of the United States or the Iowa national guard, the
21 person shall file a statement signed by the person's immediate
22 commanding officer.

23 Upon the filing and allowance of the claim, the claim shall
24 be allowed to that person for successive years without further
25 filing. However, in the case of a person currently serving in
26 the reserve forces of the United States or the Iowa national
27 guard, such person shall file each year to be eligible to
28 obtain the exemption. Provided, that notwithstanding the
29 filing or having on file a claim for exemption, the person or
30 person's spouse is the legal or equitable owner of the
31 property on July 1 of the year for which the claim is allowed.
32 When the property is sold or transferred or the person wishes
33 to designate different property for the exemption, a person
34 who wishes to receive the exemption shall refile for the
35 exemption. A person who sells or transfers property which is

1 designated for the exemption or the personal representative of
2 a deceased person who owned such property shall provide
3 written notice to the assessor that the property is no longer
4 legally or equitably owned by the former claimant.

5 Sec. 3. STATE FUNDING. The military service tax credits
6 and exemptions provided pursuant to this Act shall be funded
7 pursuant to chapter 426A and section 25B.7, subsection 2.

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

10 EXPLANATION

11 This bill expands eligibility for the military service
12 property tax credit and exemption to members of the reserve
13 forces of the United States and members of the Iowa national
14 guard who have served 20 years after January 28, 1973, and who
15 continue to serve in the reserves or the Iowa national guard.
16 The military service property tax exemption is applied as a
17 credit on the property tax statement.

18 In response to the requirements of Code section 25B.7, the
19 military service tax credits and exemptions resulting from
20 this bill are funded as provided in Code chapter 426A.

21 The bill takes effect upon enactment. Those persons who
22 file for the credit and exemption on or before July 1, 2005,
23 will be eligible to receive the credit and exemption for the
24 tax year beginning July 1, 2006.

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