

JAN 20 2006
VETERANS AFFAIRS

HOUSE FILE 2098

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Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the military service tax exemption and credit
2 and including an applicability date provision.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HF 2098

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1 Section 1. Section 426A.11, subsections 1 and 2, Code
2 Supplement 2005, are amended to read as follows:

3 1. The property, not to exceed two thousand seven hundred
4 seventy-eight dollars in taxable value of any veteran, as
5 defined ~~in~~ for this section 35-1, of the First World War.

6 2. The property, not to exceed ~~one~~ two thousand eight five
7 hundred fifty-two dollars in taxable value of ~~an-honorably~~
8 ~~separated, retired, furloughed to a reserve, placed on~~
9 ~~inactive status, or discharged~~ any veteran, as defined ~~in~~ for
10 this section 35-1, who did not serve during the first World
11 War.

12 Sec. 2. Section 426A.11, Code Supplement 2005, is amended
13 by adding the following new subsection:

14 NEW SUBSECTION. 2A. As used in this chapter only,
15 "veteran" means a resident of the state who served in the
16 armed forces of the United States at any time and who was
17 discharged under honorable conditions.

18 Sec. 3. Section 426A.11, subsection 4, Code Supplement
19 2005, is amended to read as follows:

20 4. For purposes of this chapter, unless the context
21 otherwise requires, "veteran" also means a resident of this
22 state who ~~is a former member of the armed forces of the United~~
23 ~~States and who served for a minimum aggregate of three years~~
24 ~~and who was discharged under honorable conditions~~ meets the
25 definition of "veteran" under section 35.1, subsection 2,
26 paragraph "b", subparagraph (1), (2), (4), (6), or (7).

27 Sec. 4. Section 426A.12, Code Supplement 2005, is amended
28 to read as follows:

29 426A.12 EXEMPTIONS TO RELATIVES.

30 In case any person in the foregoing classifications does
31 not claim the exemption from taxation, it shall be allowed in
32 the name of the person to the same extent on the property of
33 any one of the following persons in the order named:

34 1. The spouse, or surviving spouse remaining unmarried, of
35 a veteran, as defined ~~in~~ for this chapter ~~or in section 35-1~~,

1 where they are living together or were living together at the
2 time of the death of the veteran.

3 2. The parent whose spouse is deceased and who remains
4 unmarried, of a veteran, as defined ~~in~~ for this chapter ~~or-in~~
5 ~~section-35-1~~, whether living or deceased, where the parent is,
6 or was at the time of death of the veteran, dependent on the
7 veteran for support.

8 3. The minor child, or children owning property as tenants
9 in common, of a deceased veteran, as defined ~~in~~ for this
10 chapter ~~or-in-section-35-1~~.

11 No more than one tax exemption shall be allowed under this
12 section or section 426A.11 in the name of a veteran, as
13 defined ~~in~~ for this chapter ~~or-in-section-35-1~~.

14 Sec. 5. APPLICABILITY DATE. This Act applies to military
15 service tax exemptions and credits for taxes due and payable
16 in fiscal years beginning on or after July 1, 2007.

17 EXPLANATION

18 Under current law honorably discharged veterans that serve
19 during specific time periods are entitled to a property tax
20 exemption of \$1,852. This bill increases the exemption amount
21 to \$2,500. That exemption is made applicable to any resident
22 veteran who has served at any time in the armed forces and was
23 honorably discharged. The exemption continues to apply to
24 members of the national guard and military reserve as under
25 current law but requires 20 years of service or 90 days of
26 active duty.

27 The bill applies to property taxes due and payable in
28 fiscal years beginning on or after July 1, 2007.

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