

Reported Recommending
Ind. Postponed.....
Passed House
Failed to Pass House.....
Passed Senate
Failed to Pass Senate.....

House File 76

January 21, 1947.
Military and Veterans Affairs.

By McFARLANE and REDMAN.

A BILL FOR

An Act to establish a military service tax credit fund; providing for the reimbursement to local taxing districts of taxes levied upon property subject to military service tax credit, such credit not to be in excess of twenty-five (25) mills on the total of taxes levied; providing for the apportionment of military service tax credit to all taxing districts in the state and making an appropriation for the payment of military service tax credits as provided by this Act.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. There is hereby appropriated from any
2 moneys in the state treasury not otherwise appropriated,
3 the sum of two million dollars (\$2,000,000) to establish
4 a fund to be known as "the military service tax credit fund".

1 Sec. 2. The military service tax credit fund shall
2 be apportioned each year as hereinafter provided so as
3 to replace all or a portion of the tax on property
4 eligible for military service tax credit in the state, were
5 such property subject to taxation, the amount of such credit
6 to be equal to not more than twenty-five (25) mills upon
7 the valuation of property subject to the tax which, but for
8 military service tax credit, would be payable upon such

9 property in the taxing district to which such property is
10 located. Sums distributable from the military service tax
11 credit fund shall be allocated every six (6) months to the
12 several counties of the state beginning on March 25, 1948, and
13 every six (6) months thereafter; the state tax commission shall
14 certify and remit to the county treasurer of each county the
15 total amount of money which has been apportioned, or is
16 apportionable to that county.

1 Sec. 3. On or before August 1 of each year the county
2 auditor shall certify to the county treasurer all claims for
3 military service tax credits which have been allowed by the
4 board of supervisors. Such certificate shall list the name of
5 each owner and the legal description of the property upon which
6 military service tax credit has been granted, or the nature of
7 the property upon which such military service tax credit has
8 been allowed on property other than real estate. The county
9 treasurer shall forthwith certify to the state tax commission
10 the amount of taxes which would be levied upon each property not
11 in excess of twenty-five (25) mills on each dollar of assessed
12 valuation, at the regular property rate imposed on other real
13 and personal property in the taxing district where such military
14 service tax credit has been granted, were such property subject
15 to normal property taxation.

1 Sec. 4. On October 1, 1947, and annually thereafter, the
2 state tax commission shall estimate the millage credit not to
3 exceed twenty-five (25) mills to be given to each dollar of

4 eligible military service tax credit valuation based upon the
5 estimated revenue that may be distributable from the military
6 service tax credit fund for the ensuing year, and shall certify.
7 to the county auditor of each county such millage credit and the
8 amount in dollars thereof. Each county auditor shall enter such
9 credit upon each property eligible for military service tax
10 credit in each county and payable during the ensuing year,
11 designating on the tax lists such credits as being from the
12 military service tax credit fund, and credit shall then be given
13 to the several taxing districts in which such eligible military
14 service tax credits are located in an amount equal to the
15 credits thus allowed. The amount of such credits shall be
16 apportioned by each county treasurer to the several taxing
17 districts. Each taxing district shall receive its proportionate
18 share of the military service tax credit allowed on each and
19 every tax credit allowed in such taxing district, in the
20 proportion that the levy made by such taxing district upon
21 general property taxation by all taxing districts imposing a
22 general property tax to such taxing district; provided, however
23 that the several taxing districts shall not be permitted to
24 withdraw the funds so credited until after the semiannual
25 allocations have been received by the county treasurer, as
26 provided by this act.

1 Sec. 5. In any county in which is located a special charter
2 city which levies and collects its own taxes separately from the
3 county, the county treasurer shall pay to the city treasurer out

4 of the funds apportioned to said county from the military service
5 tax credit fund, the city's share of military service tax credit
6 which share shall be computed by the county treasurer upon each
7 military service tax credit claimed in said city in the percentage
8 that the total millage levy imposed on taxable property in said
9 city for municipal purposes bears to the total millage levy
10 imposed upon property subject to taxation in said city for all
11 purposes. The intention and purpose of this provision shall be
12 to allot to any such city the same proportionate tax credit
13 received by other cities and towns not under special charter,
14 but this provision shall not be construed in any way to allot
15 to any such city any greater benefits or credits than are
16 provided by this act in other cities and towns.

1 Sec. 6. Section four hundred twenty-seven point six
2 (427.6), Code 1946, is hereby amended by adding the following:
3 "Any person whose claim is denied under the provisions of
4 this act may appeal from the action of the board of
5 supervisors in the district court of the county in which
6 said claimed military service tax credit is situated by
7 giving written notice of such appeal to the county
8 auditor of said county within twenty days from the date
9 mailing of notice of such action by the board of supervisors."
10 Should the state tax commission determine, upon investigation,
11 that any claim for military service tax credit has been allowed
12 by any board of supervisors which is not justifiable under the
13 law and not substantiated by proper facts, the commission may,

14 at any time within one year after the receipt by the state tax
15 commission of the certification of such credit by any county
16 treasurer, set aside such allowance. Notice of such disallowance
17 shall be given to the county auditor of the county in which such
18 claim has been improperly granted and a written notice of such
19 disallowance shall also be addressed to the claimant at his last
20 known address. Such claimant, or the board of supervisors, may
21 appeal from the action of the state tax commission in the same
22 manner, and in the same time, as provided for appeals from
23 disallowance by the board of supervisors. When such appeal is
24 taken by claimant or by the board of supervisors, the appellant
25 shall, within ten (10) days after the filing of such appeal,
26 notify the chairman of the state tax commission, by registered
27 mail with receipt requested, of the filing of said appeal. In
28 any case, where a claim is so disallowed by the state tax
29 commission and no appeal is taken from such disallowance, any
30 amounts of credits allowed and paid from the military service
31 tax credit fund shall become a lien upon the property on which
32 said credit was originally granted, if still in the hands of
33 the claimant, and not in the hands of a bonafide purchaser, and
34 any amount so erroneously paid shall be collected by the county
35 treasurer in the same manner as other taxes and such collections
36 shall be returned to the state tax commission and credited to
37 the military service tax credit fund. The state tax commission
38 shall also have the authority to institute legal proceedings
39 against a military service tax credit claimant for the collection

40 of all payments made on such disallowed credits. Said appeals
41 shall be tried by equitable proceedings.

1 Sec. 7. The state tax commission shall prescribe the form
2 for the making of a verified statement and designation of
3 property eligible for military service tax credit, and the form
4 for the supporting affidavits required herein, and such other
5 forms as may be necessary for the proper administration of this
6 Act. As soon as practicable after the effective date of this
7 Act, and from time to time thereafter as necessary, the
8 commission shall forward to the county auditors of the several
9 counties of the state, such prescribed sample forms. The
10 commission shall have the power and authority to prescribe rules
11 and regulations, not inconsistent with the provisions of this
12 Act, necessary to carry out and effectuate its purposes.

1 Sec. 8. If the amount of credit apportioned to any
2 property eligible to military service tax credit under the
3 provisions of this Act in any year shall exceed the total tax,
4 exclusive of any special assessments levied against such property
5 eligible for military service tax credit then such excess shall
6 be remitted by the county treasurer to the state tax commission
7 to be redeposited in the military service tax credit fund and
8 reallocated the following year by the commission as provided
9 hereunder.

10 In the event any claim for credit made hereunder has been
11 denied by the board of supervisors, and such action is
12 subsequently reversed on appeal, the same millage credit shall

13 be allowed on the assessed valuation, not to exceed the amount
14 of the military service tax credit involved in said appeal, as
15 was allowed on other military service tax credit valuations for
16 the year or years in question, and the state tax commission, the
17 county auditor, and the county treasurer are hereby authorized
18 and directed to make such millage credit and to change their
19 books and records accordingly.

20 In the event the appealing taxpayer has paid one or both of
21 the installments of the tax payable in the year or years in
22 question on such military service tax credit valuation,
23 remittance shall be made to the county treasurer in the amount
24 of such credit.

25 The amount of such credit shall be allocated and paid from
26 the surplus redeposited in the military tax credit fund provided
27 for in the first paragraph of this section.

1 Sec. 9. In the event any claim is allowed, and subsequently
2 reversed on appeal, any credit made thereunder shall be void,
3 and the amount of such credit shall be charged against the
4 property in question, and the state tax commission, the county
5 auditor and the county treasurer are authorized and directed
6 to correct their books and records accordingly. The amount of
7 such erroneous credit, when collected, shall be returned by the
8 county treasurer to the military service tax credit fund to be
9 reallocated the following year as provided herein: .

1 Sec. 10. Payments made under this act for military
2 service tax credit due and payable during the year 1948 shall

3 be payable from the two million dollar (\$2,000,000) fund set
4 aside by this Act for the establishment of a military service
5 tax credit fund.

1 Sec. 11. There is hereby appropriated from the state
2 general fund the sum of two million five hundred thousand
3 dollars (\$2,500,000) for the payment of military service tax
4 credit due and payable under this Act for the year 1949. Should
5 the sum thus appropriated prove insufficient to reimburse the
6 various taxing districts of the state for taxes levied upon
7 property eligible for military service tax credit, to the
8 amount of twenty-five (25) mills on each dollar of military
9 service tax credit valuation, the state tax commission shall
10 allocate the amount available in such percentage as the amount
11 available shall bear to the total amount of claims filed in the
12 entire state. Any balance not required for the payment of
13 military service tax credits in any one year from the funds
14 appropriated shall remain in the military service tax credit
15 fund as a reserve to be applied upon payment of future claims.

1 Sec. 12. Section four hundred twenty-seven point three
2 (427.3), Code 1946, is hereby amended by striking lines one (1),
3 two (2) and three (3) and substituting in lieu thereof the
4 following:

5 "There shall be allowed by the state of Iowa military
6 service tax credits as provided by this Act upon the
7 following property:"

8 and by adding to said section four hundred twenty-seven point

9 three (427.3) the following subsection:
10 “5. The military tax credit allowed shall be in the
11 full amount of all regular property taxes which would
12 otherwise be imposed upon the taxable value of the
13 property for which military tax credit is claimed and
14 the county auditor shall enter such credit upon the tax
15 lists whenever such military tax credit is approved by
16 the county board of supervisors as provided by section
17 four hundred twenty-seven point six (427.6), Code 1946.”

1 Sec. 13. Section four hundred twenty-seven point four
2 (427.4), Code 1946, is hereby amended by striking from line
3 three (3) the words “exemption from taxation” and inserting
4 in lieu thereof the words “military service tax credit” and
5 by striking from line twenty-one (21) the word “exemption”
6 and substituting in lieu thereof the word “credit”.

1 Sec. 14. Section four hundred twenty-seven point five
2 (427.5), Code 1946, is hereby amended by striking from lines
3 three (3) and four (4) the words: “a reduction equal to his
4 exemption” and substituting in lieu thereof the words “shall
5 receive a military service tax credit as provided by section
6 four hundred twenty-seven point three (427.3)”; also by
7 striking from lines seven (7) and eight (8) the words
8 “exemption or reduction” and inserting in lieu thereof the
9 words “military service tax credit”; also by striking from
10 lines ten (10) and eleven (11) the words “exemption or
11 reduction” and inserting in lieu thereof the words “military

12 service tax credit"; also by striking from line thirteen (13)
13 the word "exemption" and inserting in lieu thereof the words
14 "military service tax credit"; also by striking from lines
15 seventeen (17) and eighteen (18) the words "exemption or
16 reduction in taxes" and inserting in lieu thereof the words
17 "military service tax credit"; also by striking from line
18 twenty-five (25) the word "from" and inserting in lieu thereof
19 the word "upon" and by striking from lines twenty-six (26)
20 and twenty-seven (27) the words "exemption or reduction to be
21 made" and inserting in lieu thereof the words "said military
22 service tax credit shall be granted"; also by striking from
23 line thirty (30) the words "exemption or reduction" and
24 substituting in lieu thereof the words "military service tax
25 credit" and by striking from line thirty-two (32) the word
26 "exemption" and inserting in lieu thereof the words "military
27 service tax credit".

1 Sec. 15. Section four hundred twenty-seven point six
2 (427.6), Code 1946, is hereby amended by striking from line
3 one (1) the word "exemption" and inserting in lieu thereof the
4 words "military service tax credit".

1 Sec. 16. Section four hundred twenty-seven point seven
2 (427.7), Code 1946, is hereby amended by striking from lines
3 two (2) and three (3) the word "exemption" and inserting in
4 lieu thereof the words "military service tax credit"; also by
5 striking from line six (6) the word "exemption" and inserting
6 in lieu thereof the words "military service tax credit".

1 Sec. 17. Section four hundred twenty-six point three
2 (426.3), Code 1946, is hereby amended by striking the period
3 in the last line and adding the following “or upon any portion
4 of his property upon which a military service tax credit is
5 allowed under the provisions of this Act.”

EXPLANATION OF H. F. 76

This bill provides for the reimbursement to local taxing districts of revenues lost through exemption of property of veterans from taxation, such reimbursements being limited to the amount of the tax not exceeding twenty (25) mills upon the amount of property upon which the veteran is entitled to a tax credit. Under the bill, any person receiving a military tax credit would pay no property tax upon the valuation upon which credit is claimed. The taxing districts would be reimbursed only to the extent of twenty-five (25) mills on the tax involved.