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Senate File 1

January 13, 1947.
Passed on File.

By FAUL and BERG.

A BILL FOR

An Act establishing 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, amending sections four hundred twenty-seven point three (427.3), four hundred twenty-seven point four (427.4), four hundred twenty-seven point five (427.5), four hundred twenty-seven point six (427.6), and four hundred twenty-seven point seven (427.7), Code 1946, 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 moneys
2 in the state treasury not otherwise appropriated, the sum of
3 three million dollars (\$3,000,000) to establish a fund to be
4 known as The Military Service Tax Credit Fund.

1 Sec. 2. The Military Service Tax Credit Fund shall be
2 apportioned each year as hereinafter provided so as to replace
3 the tax on property eligible for military service tax credit
4 in the state, were such property subject to taxation, the
5 amount of such credit to be equal to the tax which, but for
6 military service tax credit, would be payable upon such
7 property in the taxing district to which such property is

8 located. Sums distributable from the Military Service Tax
9 Credit Fund shall be allocated every six (6) months to the
10 several counties of the state beginning on March 25, 1948,
11 and every six (6) months thereafter; The State Tax Commission
12 shall certify and remit to the County Treasurer of each
13 county the total amount of money which has been apportioned,
14 or is 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
5 of each owner and the legal description of the property upon
6 which military service tax credit has been granted, or the
7 nature of the property upon which such military service tax
8 credit has been allowed on property other than real estate.
9 The county treasurer shall forthwith certify to the state tax
10 commission the amount of taxes which would be levied upon
11 each property at the regular property rate imposed on other
12 real and personal property in the taxing district where such
13 military service tax credit has been granted, were such
14 property subject to normal property taxation.

1 Sec. 4. On October 1, 1947, and annually thereafter,
2 the state tax commission shall estimate the millage credit
3 to be given to each dollar of eligible military service tax
4 credit valuation based upon the estimated revenue that may
5 be distributable from the military service tax credit fund

6 for the ensuing year, and shall certify to the county auditor
7 of each county such millage credit and the amount in dollars
8 thereof. Each county auditor shall enter such credit upon
9 each property eligible for military service tax credit in
10 each county and payable during the ensuing year, designating
11 on the tax lists such credits as being from the military
12 service tax credit fund, and credit shall then be given to
13 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 bears to the total levy upon all property
22 subject to general property taxation by all taxing districts
23 imposing a general property tax to such taxing district;
24 provided, however that the several taxing districts shall not
25 be permitted to withdraw the funds so credited until after
26 the semi-annual allocations have been received by the county
27 treasurer, as provided by this act.

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

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

1 Sec. 6. Section four hundred twenty-seven point six, (427.6),
2 Code 1946, is hereby amended by adding thereto the following:

3 "Any person whose claim is denied under the provisions
4 of 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 auditor
8 of said county within twenty days from the date of mailing
9 of notice of such action by the board of supervisors.

10 Should the state tax commission determine, upon
11 investigation, that any claim for military service tax
12 credit has been allowed by any board of supervisors which

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

39 state tax commission and credited to the military service
40 tax credit fund. The state tax commission shall also have
41 the authority to institute legal proceedings against a
42 military service tax credit claimant for the collection of
43 all payments made on such disallowed credits. Said appeals
44 shall be tried by equitable proceedings.

1 Sec. 7. The state tax commission shall prescribe the
2 form for the making of a verified statement and designation
3 of property eligible for military service tax credit, and
4 the form for the supporting affidavits required herein, and
5 such other forms as may be necessary for the proper
6 administration of this act. As soon as practicable after the
7 effective date of this act, and from time to time thereafter
8 as necessary, the commission shall forward to the county
9 auditors of the several counties of the state, such prescribed
10 sample forms. The commission shall have the power and
11 authority to prescribe rules and regulations, not inconsistent
12 with the provisions of this act, necessary to carry out and
13 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
5 property eligible for military service tax credit, then such
6 excess shall be remitted by the county treasurer to the state
7 tax commission to be redeposited in the military service tax

8 credit fund and reallocated the following year by the
9 commission as provided hereunder.

10 In the event any claim for credit made hereunder has
11 been denied by the board of supervisors, and such action is
12 subsequently reversed on appeal, the same millage credit
13 shall be allowed on the assessed valuation, not to exceed
14 the amount of the military service tax credit involved in
15 said appeal, as was allowed on other military service tax
16 credit valuations for the year or years in question, and the
17 state tax commission, the county auditor, and the county
18 treasurer are hereby authorized and directed to make such
19 millage credit and to change their books and records
20 accordingly.

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

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

1 Sec. 9. In the event any claim is allowed, and
2 subsequently reversed on appeal, any credit made thereunder
3 shall be void, and the amount of such credit shall be charged
4 against the property in question, and the state tax commission,
5 the count

6 directed to correct their books and records accordingly. The
7 amount of such erroneous credit, when collected, shall be
8 returned by the county treasurer to the military service tax
9 credit funds to be reallocated the following year as provided
10 herein.

1 Sec. 10. Payments made under this act for military
2 service tax credit due and payable during the year 1948
3 shall be payable from the three million dollar (\$3,000,000)
4 fund set aside by this act for the establishment of a military
5 service tax credit fund.

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

1 Sec. 12. Section four hundred twenty-seven point three, (427.3

2 Code 1946, is hereby amended by striking all of lines one
3 (1), two (2), and three (3) of said section and by inserting
4 in lieu thereof the following:

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

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

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

1 Sec. 14. Section four hundred twenty-seven point
2 five (427.5), Code 1946, is hereby amended by striking
3 from lines three (3) and four (4) of said section the
4 words: "a reduction equal to his exemption" and

5 substituting in lieu thereof the words "shall receive a
6 military service tax credit as provided by section four
7 hundred twenty-seven point three"; also by striking from
8 lines seven (7) and eight (8) of said section the words
9 "exemption or reduction" and inserting in lieu thereof the
10 words "military service tax credit"; also by striking from
11 lines ten (10) and eleven (11) of said section the words
12 "exemption or reduction" and inserting in lieu thereof the
13 words "military service tax credit"; also by striking from
14 line thirteen (13) of said section the word "exemption" and
15 inserting in lieu thereof the words "military service tax
16 credit"; also by striking from lines seventeen (17) and
17 eighteen (18) of said section the words "exemption or
18 reduction in taxes" and inserting in lieu thereof the words
19 "military service tax credit"; also by striking from line
20 twenty-five (25) of said section the word "from" and
21 inserting in lieu thereof the word "upon" and by striking
22 from lines twenty-six (26) and twenty-seven (27) of said
23 section the words "exemption or reduction to be made" and
24 inserting in lieu thereof the words "said military service
25 tax credit shall be granted"; also by striking from line
26 thirty (30) thereof the words "exemption or reduction" and
27 substituting in lieu thereof the words "military service
28 tax credit" and by striking from line thirty-two (32) of
29 said section the word "exemption" and inserting in lieu
30 thereof the words "military 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) of said section the word "exemption" and inserting
4 in lieu thereof the 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) of said section the word "exemption"
4 and inserting in lieu thereof the words "military service
5 tax credit"; also by striking from line six (6) of said
6 section the word "exemption" and inserting in lieu thereof
7 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 from said
3 section the period in the last line and adding thereto the
4 following: "or upon any portion of his property upon which
5 a military service tax credit is allowed under the provisions
6 of this act".