

FILED JAN 22 '01

SENATE FILE 46
BY REHBERG

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

A BILL FOR

1 An Act relating to an increase in the amount reimbursed by the
2 state for loss of property taxes due to the allowance of the
3 military service tax exemption and including effective and
4 applicability dates.

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

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WAYS & MEANS

1 Section 1. Section 25B.7, subsection 2, paragraph c, Code
2 2001, is amended to read as follows:

3 c. Military service property tax credit and exemption
4 pursuant to chapter 426A, ~~to the extent of six dollars and~~
5 ~~ninety-two cents per thousand dollars of assessed value of the~~
6 ~~exempt property.~~

7 Sec. 2. Section 426A.2, Code 2001, is amended to read as
8 follows:

9 426A.2 MILITARY SERVICE TAX CREDIT.

10 The moneys shall be apportioned each year so as to replace
11 all or a portion of the tax which would be due on property
12 eligible for military service tax exemption in the state, if
13 the property were subject to taxation, ~~the amount of the~~
14 ~~credit to be not more than six dollars and ninety-two cents~~
15 ~~per thousand dollars of assessed value of property which would~~
16 ~~be subject to the tax, except for the military service tax~~
17 exemption.

18 Sec. 3. Section 426A.5, Code 2001, is amended to read as
19 follows:

20 426A.5 PROPORTIONATE SHARES TO DISTRICTS.

21 The amount of credits received under this chapter shall
22 then be apportioned by each county treasurer to the several
23 taxing districts in the same manner as though the amount of
24 credit had been paid by the owner of the property receiving
25 the credit. Each taxing district shall receive its
26 proportionate share of the military service tax credit allowed
27 on each ~~and every~~ tax exemption allowed in such the taxing
28 district, ~~in the proportion that the levy made by such taxing~~
29 ~~district upon general property bears to the total levy upon~~
30 ~~all property subject to general property taxation by all~~
31 ~~taxing districts imposing a general property tax in such~~
32 ~~taxing district based upon the amount of property taxes which~~
33 ~~would be due on the property receiving the credit, if the~~
34 ~~property were subject to taxation.~~

35 Sec. 4. EFFECTIVE AND APPLICABILITY DATE. This Act, being

1 deemed of immediate importance, takes effect upon enactment
2 and applies to the military service property tax exemption
3 allowed for property taxes due and payable during fiscal years
4 beginning on or after July 1, 2002.

5 EXPLANATION

6 The bill increases the amount of state reimbursement to
7 local governments for the loss of property tax revenue as a
8 result of the military service tax exemption to equal the full
9 amount of the property taxes lost. Under present law, the
10 state reimburses local governments an amount equal to \$6.92
11 per \$1,000 of the value of the exemption. Since the
12 consolidated levies throughout the state exceed \$6.92 per
13 \$1,000 of the assessed value, the local governments are not
14 reimbursed for all of the lost property tax revenue.

15 This bill takes effect upon enactment and applies to taxes
16 due and payable during fiscal years beginning on or after July
17 1, 2002.

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