

MEMORANDUM
DISTRIBUTED BY EMAIL

DATE: 11/6/2020

SUBJECT: Requirement to Accept Applications/Claims for Homestead Tax Credit, Disabled Veteran Tax Credit, and Military Service Tax Exemption

TO: Iowa Assessors

FROM: Julie Roisen, MA, CAE *Julie J. Roisen*
Local Government Services Division Administrator

Background:

The Iowa Department of Revenue (“Department”) has received reports that Assessors have refused to accept taxpayer applications/claims for Homestead Tax Credit, Disabled Veteran Tax Credit, and Military Service Tax Exemption.

Relevant Law:

The Iowa Code and Iowa Administrative Code provide the processes for receiving and administering applications/claims for Homestead Tax Credit, Disabled Veteran Tax Credit, and Military Service Tax Exemption.¹ Proper administration of these applications/claims is crucial to allow the taxpayer/claimant due process in the event that the application/claim is disallowed.

a. Homestead Tax Credit and Disabled Veteran Tax Credit

For Homestead Tax Credit and Disabled Veteran Tax Credit, the Assessor is required to remit the statements and designation of homesteads to the County Auditor with recommendation to allow or disallow the claim no later than July 6 of each year.² If the Assessor recommends disallowance of a claim, the Assessor must submit the reasons for the recommendation, in writing, to the County Auditor.³ The County Auditor then forwards the claims to the Board of Supervisors and the Board of Supervisors allows or disallows the claims.⁴ If a claim is disallowed, the Board of Supervisors must send the taxpayer/claimant written notice of the disallowance.⁵ Any person whose claim is denied may appeal from the action of the Board of Supervisors to the district court of the county in which the homestead is situated by giving written notice of the appeal to the County Auditor within twenty days from the date of mailing of the notice of disallowance by the Board of Supervisors.⁶

¹ See Iowa Code chapters 425 and 426A and Iowa Administrative Code rules 701—80.1 and 80.2.

² Iowa Code § 425.3(3).

³ *Id.*

⁴ Iowa Code § 425.3(4).

⁵ *Id.*

⁶ Iowa Code § 425.7(1).

The Iowa Administrative Code provides further requirements for Assessors. Iowa Administrative Code rule 701–80.1(1)“d” states “[a]n assessor may not refuse to accept an application for homestead tax credit. If it is the opinion of the assessor that a homestead tax credit should not be allowed, *the assessor shall accept the application for credit and recommend disallowance.*” (Emphasis added).

b. Military Service Tax Exemption

For the Military Service Tax Exemption, the Assessor is required to remit the claims and designations of property to the County Auditor with the Assessor’s recommendation for allowance or disallowance not later than July 6 of each year.⁷ If the Assessor recommends disallowance of a claim, the Assessor must submit the reasons for the recommendation, in writing, to the County Auditor.⁸ The County Auditor then forwards the claims to the Board of Supervisors and the Board of Supervisors allows or disallows the claims.⁹ If the claim is disallowed, the Board of Supervisors must send the taxpayer/claimant written notice of the disallowance.¹⁰ Any person whose claim is denied may appeal from the action of the Board of Supervisors in the district court of the county in which the claim for the exemption is situated by giving written notice of such appeal to the County Auditor within twenty days from the date of mailing of the notice of the action by the Board of Supervisors.¹¹

Again, the Iowa Administrative Code provides additional requirements for Assessors. Iowa Administrative Code rule 701–80.2(1)“d” states “[a]n assessor may not refuse to accept an application for a military service tax exemption. *If it is the opinion of the assessor that a military service tax exemption should not be allowed, the assessor shall accept the application for exemption and recommend disallowance.*” (Emphasis added).

Reminder:

Assessors are reminded of their duty under the Iowa Code and Iowa Administrative Code to accept applications/claims from taxpayers/claimants for Homestead Tax Credit, Disabled Veteran Tax Credit, and Military Service Tax Exemption. If an Assessor refuses to accept the application/claim for those credits and exemption, not only is the taxpayer/claimant deprived of due process, but the Board of Supervisors is also unable to fulfill its statutory duties. A refusal to accept an application/claim that is required to be accepted under the Iowa Code and Iowa Administrative Code could be considered an instance of misconduct, nonfeasance, malfeasance, or misfeasance.¹²

⁷ Iowa Code § 426A.14(3).

⁸ *Id.*

⁹ Iowa Code § 426A.14(4).

¹⁰ *Id.*

¹¹ Iowa Code § 426A.14(5).

¹² See Iowa Code § 441.9.