

**Property Tax - Opinion - Elderly Credit, Rent Reimbursement**

**To: Jerry Northwick, Revenue Operations**

**From: Ed Henderson, Policy Section**

**Date: January 12, 2009**

**Subject: Elderly Credit, Rent Reimbursement (Disaster Area)**

**STATUTES AND RULES:**

Iowa Code section 425.17, subsections 4, 7, and 9 and rules 701—73.6 and 73.19, Iowa Administrative Code.

**FACTS:**

A person eligible for a rent reimbursement was forced to leave that person's rented residence because of a flood and received assistance from FEMA to live in a motel until the residence became livable.

**ISSUE:**

What amount, if any, is considered income to the claimant and what amount, if any, is considered rent paid by the claimant.

**DETERMINATION:**

Iowa Code section 425.17(4) provides that a "homestead" means the dwelling rented and used as a home by the claimant. The motel is certainly the claimant's homestead for the period of time the claimant's home is unlivable. Section 425.17(7) provides that cash public assistance is "income" to the claimant. Payments made to the motel by FEMA for the benefit of the claimant would be income to the claimant. Section 425.17(9) provides that "rent constituting property taxes paid" means rent paid in cash by the claimant for the right of occupancy of the claimant's homestead. Payments made to the motel by the claimant would be considered rent paid by the claimant but payments made by FEMA directly to the motel on behalf of the claimant or payments made to the claimant for payment to the motel would not be considered rent paid. Rules 73.6 and 73.19 are consistent with these conclusions.