

Property Tax - Opinion - Occupancy Requirement

To: Ruth Oberhauser / Revenue Operations Division [IDR]

From: Ed Henderson / Policy Section [IDR]

Date: September 22, 2009

Subject: Occupancy Requirement (Elderly Credit)

STATUTES AND RULES:

Iowa Code section 425.17 subsections 1 and 2, Iowa Code section 425.20 and rules 701—73.1 and 73.17, Iowa Administrative Code.

FACTS:

A person purchased a homestead and began to occupy it on August 9, 2009. The person has requested that the property tax credit for the elderly be applied against taxes due in October 2009 and April 2010.

ISSUE:

Is the person entitled to the property tax credit based on the occupancy requirement for the program.

DETERMINATION:

Iowa Code section 425.17(2) states, in part, "In the case of a claim for property taxes due, the claimant shall have occupied the property during any part of the fiscal year beginning July 1 of the base year."

Iowa Code section 425.17(1) defines "Base year" as the calendar year last ending before the claim is filed.

Iowa Code section 425.20 requires a property tax credit claim to be filed by June 1 immediately preceding the fiscal year during which the property taxes are due.

Reading these three sections together, the claimant was required to have occupied the homestead at anytime from July 1, 2008 through June 30, 2009 in order to have been eligible for the property tax credit for taxes payable in the 2009-2010 fiscal year. The claimant did not meet the occupancy requirement and is therefore ineligible for the credit.