THE IOWA DEPARTMENT OF REVENUE
HOOVER STATE OFFICE BUILDING
DES MOINES, IOWA

IN THE MATTER OF SENATE FILE 2352, ACT OF THE 85TH G.A., SECOND SESSION	<u>CORRECTED</u> DIRECTIVE REGARDING 2014 ADMINISTRATION OF DISABLED VETERAN TAX CREDIT CLAIMS

To: County and City Assessors, County Auditors and County Boards of Supervisors:

Senate File 2352, Act of the 85th G.A., Second Session ("the Act") became effective on May 26, 2014. The Act amends Iowa Code § 425.15 and expands the Disabled Veteran Tax Credit (the "Credit"). Based upon those amendments, persons applying for the Disabled Veteran Tax Credit in 2014 (for 2014 taxes collectible in 2015-2016) must qualify for the credit in accordance with the provisions of Chapter 425, as amended by the Act. The application process for the Credit and the allowance of claims for the Credit are subject to the process and timeline for actions found in Iowa Code Chapter 425.

The final date for filing a claim for the Credit in 2014, as provided in § 425.2, is July 1, 2014. Pursuant to the Act, the claim for the Credit requires the claimant to include certain supporting documentation that is not readily available to veterans in time for the July 1, 2014 filing deadline. Therefore, the Director finds that it is necessary and advisable to provide guidance with regard to the process for submission, review and approval of claims for the Disabled Veteran Tax Credit in 2014.

Pursuant to Iowa Code § 421.17, the Director of the Iowa Department of Revenue has authority to "exercise general supervision over the administration of the assessments and tax

laws of the State, . . . to the end that all assessments of property be made relatively just and uniform in substantial compliance with the law." Iowa Code § 421.17(1). The Director may prepare and furnish memoranda or instructions which the Director deems necessary or expedient for the use or guidance of any of the officers over which the Director is authorized by law to exercise supervision and may also "direct boards of supervisors, boards of review and others obligated by law to make levies and assessments as to their duties under the law." Iowa Code § 421.17(3), (4).

For purposes of this directive, the terms "claim" and "application" are used interchangeably and shall refer to the document entitled "Application for Disabled Veteran's Homestead Tax Credit" prescribed by the Department of Revenue pursuant to Iowa Code § 425.8 and required to be filed with the county assessor under Iowa Code § 425.2. The terms "supporting documentation" and "documentation" shall refer to written statements from the United States Department of Veterans Affairs certifying the applicant meets the criteria found under § 425.15, subsection 1, in Senate File 2352, § 1 to qualify for the Credit.

THEREFORE, IT IS HEREBY DIRECTED by the Iowa Director of Revenue as follows:

For Assessors:

1. Assessors shall allow all applications to be filed by any person wishing to do so on or before the July 1, 2014 deadline set forth in Iowa Code § 425.2, regardless of whether the supporting documentation contemplated by the application is included with the application.

2. Applicants may submit the documentation in support of the application after July 1, 2014 if the application document was timely filed. Assessors shall deem supporting documentation filed on or before September 2, 2014 to be timely filed if the original application (without the supporting documentation) was filed on or before July 1, 2014.

3. For applications that are complete in all respects (including supporting documentation) the assessor shall proceed to provide its recommendation for allowance or disallowance to the county auditor in the manner contemplated by Iowa Code § 425.3.

4. For applications that are filed on or before July 1, 2014, that are complete in all respects except that supporting documentation required by the application is not included:

   a. The assessor shall review such applications for compliance with the requirements of the law.

   b. The assessor shall provide a conditional recommendation for allowance if the application would meet the law's requirements if the supporting documentation had been included. Such conditional allowance shall be provided to the county auditor by July 6 as required by Iowa Code § 425.3. These are referred to as the "Deferred Claims."

   c. For applications that would not meet the requirements of the law, even with supporting documentation, the assessor shall recommend disallowance.

5. After September 2 and before September 8, 2014, the assessor shall review all Deferred Claims. The assessor shall do the following with respect to each Deferred Claim:

   a. If no supporting documentation was submitted by September 2, 2014, the assessor shall recommend disallowance of the Credit.

   b. If the documentation that was submitted confirms the eligibility sought on the application, the assessor shall finalize its recommendation of allowance of the Credit.

   c. If the documentation that was submitted does not confirm the applicant's eligibility under the law, the assessor shall reverse its conditional recommendation allowing the Credit.

   Not later than September 8, 2014, the assessor shall remit to the county auditor a revised statement providing for its final recommendation for allowance or disallowance for Deferred Claims.

6. Assessors shall retain all applications and supporting documentation related to the Credit until otherwise directed by the Department of Revenue.

For County Auditors:

1. Pursuant to Iowa Code § 425.3, the auditor shall forward all claims and recommendations to the county board of supervisors. The Deferred Claims shall be forwarded at that time as well, but shall be identified as such.

2. Upon receipt of the assessor's final recommendations with respect to the Deferred Claims, the auditor shall forward such claims to the county board of supervisors.

For County Board of Supervisors:

1. Pursuant to Iowa Code § 425.3, the county board of supervisors shall allow or disallow the claims forwarded by the county auditor, except for the Deferred Claims, in accordance with its normal procedures.

2. Upon receipt from the county auditor of the assessor's final recommendations with respect to the Deferred Claims, the county board of supervisors shall allow or disallow the Deferred Claims. The county board of supervisors shall not allow any Deferred Claim if the application was not filed by July 1, 2014 or if the supporting documentation was not filed by September 2, 2014.

Except as modified by this directive, the processing of homestead credits shall remain unchanged.

Dated at Des Moines, Iowa this 30th day of June, 2014.

IOWA DEPARTMENT OF REVENUE

By_____
Courtney M. Kay-Decker, Director