

## CHAPTER 6

### DISABLED VETERAN HOMESTEAD TAX CREDIT — ELIGIBILITY

H.F. 166

**AN ACT** relating to the disabled veteran homestead tax credit by modifying eligibility criteria and including effective date and retroactive applicability provisions.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 425.15, subsection 1, paragraphs b, c, and d, Code 2015, are amended to read as follows:

b. A veteran as defined in section 35.1 with a permanent service-connected disability rating of one hundred percent, as certified by the United States department of veterans affairs, or a permanent and total disability rating based on individual unemployability that is compensated at the one hundred percent disability rate, as certified by the United States department of veterans affairs.

c. A former member of the national guard of any state who otherwise meets the service requirements of section 35.1, subsection 2, paragraph “b”, subparagraph (2) or (7), with a permanent service-connected disability rating of one hundred percent, as certified by the United States department of veterans affairs, or a permanent and total disability rating based on individual unemployability that is compensated at the one hundred percent disability rate, as certified by the United States department of veterans affairs.

d. An individual who is a surviving spouse or a child and who is receiving dependency and indemnity compensation pursuant to 38 U.S.C. §1301 et seq., as certified by the United States department of veterans affairs.

Sec. 2. Section 425.15, subsection 2, paragraph b, Code 2015, is amended to read as follows:

b. An individual described in subsection 1, paragraph “d”, is no longer eligible for the credit ~~if the individual marries or~~ upon termination of dependency and indemnity compensation under 38 U.S.C. §1301 et seq.

Sec. 3. Section 425.15, Code 2015, is amended by adding the following new subsection:

**NEW SUBSECTION.** 5. For purposes of this section, “*permanent and total disability rating based on individual unemployability*” means a condition under which a person has either a permanent service-connected disability rating of sixty percent or two or more permanent service-connected disability conditions in which one of the conditions has at least a forty percent rating and the combined rating for all the conditions is at least seventy percent, and the person has an administrative adjustment added to the service-connected disability rating, due to individual unemployability, such that the United States department of veterans affairs rates the veteran permanently and totally disabled for purposes of disability compensation.

Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 5. RETROACTIVE APPLICABILITY. This Act applies retroactively to May 26, 2014, for applications for the homestead credit under chapter 425 filed on or after that date.<sup>1</sup>

Approved March 5, 2015

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<sup>1</sup> See chapter 116, §21 herein