

# Tax Credits and Exemptions

Iowa law provides for a number of credits and exemptions. It is the property owner's responsibility to apply for these as provided by law. It is also the property owner's responsibility to report to the Assessor when they are no longer eligible for any credit or exemption they have applied for. Following is a list of several credits and exemptions available in Iowa.

## **Homestead Tax Credit** – [Application for Homestead Tax Credit](#)

To qualify for the credit, the property owner must be a resident of Iowa and occupy the property on July 1 and for at least six months of every year. New applications for homestead tax credit are to be filed with the Assessor on or before July 1 of the year the credit is first claimed. Once a person qualifies, the credit continues until the property is sold or until the owner no longer qualifies. This credit is equal to the tax on the first \$4,850 of actual value for each homestead. (Refer Iowa Code, Chapter 425)

## **Military Tax Exemption** – [Application for Military Exemption](#)

To file for the exemption, the property owner must be a resident of Iowa and meet one of the following qualifications:

- Honorably discharged veteran who served in eligible service period.
- Honorably discharged veteran who served for a minimum of 18 months, or for fewer than 18 months because of a service related injury.
- Former member, or member who is currently serving, of Reserve Forces or Iowa National Guard who has served at least 20 years.
- Member of Reserve Forces or Iowa National Guard who was activated for Federal Duty, not including training for a minimum of 90 days.
- Former member of the Armed Forces whose enlistment would have occurred during the Korean Conflict but chose to serve 5 years on the Reserve Forces.

New applications must be made with the Assessor on or before July 1 of the year the exemption is first claimed. As with the Homestead Tax Credit, the exemption remains in effect until the property owner is no longer eligible. This exemption is worth the taxes calculated on \$2,778 for WWI veterans and \$1,852 for all others after that time. (Refer to Code of Iowa Chapter 427)

## **Family Farm Credit** – [Application for Family Farm Tax Credit](#)

This is a tax credit on agricultural tracts of land 10 acres or more that are farmed by the owner or immediate family members (this includes spouse, parent, grandparent, great grandparent, child, grandchild, great grandchild, stepchild, brother, sister, uncle, aunt, niece, nephew.) To obtain the credit, the owner must file an application for credit with the Assessor by November 1. If the claim for credit is approved, no further filing shall be required, provided the ownership and the designated person actively engaged in farming the property remain the same during successive years. A new application for credit shall be required only if the property is sold or the designated person changes. The owner shall provide written notice to the assessor if the designated person changes. Failure to do so shall result in the owner's being liable for the amount of the credit plus a penalty equal to 5 percent of the amount of the credit granted.