

# Property Tax Reform Bill Comparison

By Iowans for Tax Relief

	Governor's Bill - SSB 3034/HSB 563	Senate Republican Bill - SSB 3001	House Republican Bill - HSB 596
<b>Local Government Property Tax Revenue Limit</b>	City and county total property tax collections could only grow 2% from the previous year's total for all taxing authorities other than debt services and school funding. New construction and growth added to the base, but not included in the current fiscal year's limit.	City and county property tax collections could grow between 2% and 5%, based on inflation. New construction and growth added to the base, but not included in the current fiscal year's limit.	City and county total property tax collections could only grow 2% from the previous year's total for all taxing authorities other than debt services and school funding. New construction and growth added to the base, but not included in the current fiscal year's limit.
<b>Homestead Exemption and Rollback</b>	The current homestead credit would be changed to a homestead exemption. This is a structural change with no intended taxpayer impact.	Eliminates Iowa's taxable valuation rollback system and replace it with a flat 50 percent taxable value discount for homestead properties.	Residential property will receive a \$25,000 taxable value exemption. This exemption does not apply to property tax imposed by a school district. No change to rollback.
<b>Schools</b>	Phases in using up to 30% of SAVE funds (current 1% sales tax) for school district property tax relief.	<p>Reduces the school foundation levy from \$5.40 to \$4.48662.</p> <p>Eliminates the supplemental levy and increases the state share from 88.4% to 100%.</p> <p>Increases special education support services from 79% to 100%.</p> <p>Media and educational services funding shift from local property tax to state funding.</p> <p>Reduces maximum regular PPEL, voted PPEL, and bond tax by 30%.</p> <p>Restricts a school district's ability to impose a management levy if cash reserves are too high.</p>	No change in this bill.
<b>Senior Citizens</b>	Freezes property tax bills for seniors age 65 and older who live in homes valued at \$350,000 or less.	Eliminates most city or county property taxes for seniors age 60 and older who have paid off their mortgage.	No change in this bill.
<b>Assessments</b>	Changes property tax assessments from every 2 years to every 3 years. Shifts the burden of proof from the taxpayer to the assessor in valuation appeals. Adjusts commercial and industrial assessment.	Structures other than dwellings on ag land will not be included in assessment.	No change in this bill.
<b>Tax Increment Financing (TIF)</b>	Improve transparency, limit TIF to public purposes, and set project time limits to 20 years.	School foundation property tax is excluded from TIF for taxes levied against a data center.	No change in this bill.
<b>Gas Tax</b>	No change in this bill.	Indexed to increase with inflation.	No change in this bill.
<b>Sales Tax</b>	No change in this bill.	Allows the current 1% local option sales tax to increase to 1.5%.	No change in this bill.
<b>Shared Services and Consolidation</b>	Provide grants to local governments to help implement shared services	No change in this bill.	Adds coordination, planning, and technical assistance for local government entities for the purpose of consolidating, sharing, or regionalizing services among units of local government to the list of Council of Governments duties.
<b>First-Time Homebuyers</b>	Expand tax-deductible savings accounts for first-time homebuyers.	No change in this bill.	No change in this bill.
<b>Renters</b>	Creates a rent reimbursement credit for elderly and disabled renters.	No change in this bill.	No change in this bill.
<b>Veterans</b>	Changes Homestead Credit for disabled veterans to an exemption with certain veterans receiving a complete property tax exemption.	Increases the current exemption from \$4,000 to \$7,000.	No change in this bill.
<b>Local Government Budget Statements</b>	No change in this bill.	Requires statements to be posted on websites and social media instead of mailing paper copies.	Redesigned mailer with more information and easier to see how much individual taxpayer bills will change. Effective for budget years after July 1, 2027.
<b>Local Elections</b>	County Auditor, Recorder, and Treasurer would no longer be elected, but appointed by the county supervisors.	No change in this bill.	No change in this bill.
<b>Bonding</b>	No change in this bill.	No change in this bill.	Effective July 1, 2026, all city, county, and school district general obligation bonds that rely on property taxes, including those for essential purposes, must be approved by voters with a 60 percent majority. School revenue bonds would also be subject to a vote.

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Table: Iowans for Tax Relief