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Iowa Expands Benefits for Military Retirees

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Governor Terry Branstad expects to sign Iowa's new Home Base Act into law this Memorial Day. Iowa's government means to incentivize veterans, particularly native Iowans, to retire in or relocate to Iowa.

Most notably, the act exempts military retirement pay from state income tax, amending the state tax to subtract "retirement pay received by a resident taxpayer from the federal government for military service performed in the armed forces, armed forces military reserve, or the national guard" from the overall calculation of taxpayer income.

Another incentive contained within the Home Base Act is an update to the state's Military Homeownership Assistance Program. This program offers a \$5,000 grant to veterans who have served 90 days or more since September 11, 2001, to be used in the down payment or closing costs of a home. Annual reserve training and inactive duty training do not count toward the required 90 days of active service. The home must be located in Iowa and must be the veteran's intended primary

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residence. The Home Base Act raises the annual amount earmarked from \$800,000 to \$2,500,000 for FY 2014-2015, enabling a higher number of veterans to access the program.

The act also authorizes private employers to implement hiring preferences for veterans, spouses of disabled veterans, or spouses of service members who died while on active duty, or as a result of active duty service.

Additionally, the Home Base Act aims to ease licensing requirements on veterans by requiring “all professional and occupational licensing boards adopt rules by January 1, 2015, to provide credit towards licensing for education, training, and service that is either obtained or completed by an individual while serving on federal active duty, state active duty, or national guard duty.” The licensing boards must also expedite licensing in this state of any veterans or spouses who already possess licenses to practice in another state, provided that the foreign state’s licensing requirements are substantially equivalent to Iowa’s. Even if the requirements are not substantially equivalent, the act mandates that the local licensing board issue a provisional license “for a period of time deemed necessary to obtain a substantial equivalent to the licensing requirements of [Iowa].”

Approved: May 13, 2014. Captain Samuel F. Wright, JAGC, USN (Ret.)—Director, Service Members Law Center.