

DIVISION II
PROPERTY ASSESSMENT
LIMITATION AND REPLACEMENT

Changed the limitation in increases for agricultural and residential property from 4% to 3% for statewide valuation.

Created a rollback for commercial and industrial property beginning with 2013 valuation. The 2013 assessment rollback is 95%; the 2014 and future assessment rollbacks are 90%.

Created a tax replacement claim for commercial and industrial property. It is based on the difference between the assessed valuation of all commercial and industrial property used to calculate taxes and the actual value of all commercial and industrial property subject to assessment and taxation. If the difference is zero, there is no tax replacement.

DIVISION IV
TELECOMMUNICATIONS
COMPANY PROPERTY TAXATION

Provided a partial exemption beginning with the 2013 assessments.

The percentage of exemption will depend on the actual value of each company's property within the state.

For 2013, the percentage will range from 10% to 20%.

For 2014 and thereafter, the percentage will range from 20% to 40%.

An exemption value per mile will be determined.

Created a 'Property Taxation of Telecommunications Companies Study'. The study will include representatives from the Department of Revenue, Department of Management and telecommunication companies. The purpose is to analyze the current system of assessing telecommunication company property, levying property taxes and then make recommendations for changes.

DIVISION V
IOWA TAXPAYERS TRUST FUND
TAX CREDIT

Created a trust fund tax credit for individuals income taxes.

DIVISION VII
EARNED INCOME TAX CREDIT

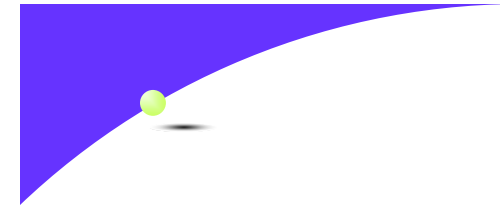
Changed the current 7% reduction to the match the federal earned income tax credit.

- 2013 credit is 14%.
- 2014 and forward, the credit is 15%.



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Revised with legislation from HF 616



**Assessor's Perspective
of SF 295**

**STATE AND LOCAL TAXATION
OF PROPERTY AND INCOME**

Senate File 295 contained seven divisions pertaining to property taxes and income taxes for Iowans. Several of these divisions directly impact the day-to-day operations of the Assessor's Office.

The divisions which Assessors are directly involved include: Division I (Business Property Tax Credit), Division III (Multi Residential Classification), and Division VI (Property Assessment Appeal Board).

Divisions which do not directly impact the local Assessor, but which he/she must have knowledge of are: Division II (Property Assessment Limitation and Replacement) and Division IV (Telecommunications Company Property Taxation).

Divisions V and VII are mentioned on the back. However, they do not affect the operations of the local Assessor's Office.

SF 295 OVERVIEW

DIVISION I BUSINESS PROPERTY TAX CREDIT

The Business Property Tax Credit (BPTC) is a credit against taxes based on valuation, for commercial, industrial, and railroad property. For BPTC applications received and approved by January 15, 2014, the credit will be applied to the 2013 assessment and therefore calculated as a credit on the Fall 2014 and Spring 2015 property tax statement. For all future years, the deadline for applying in the local assessor's office, is March 15th. *HF 616 passed in 2015 changed the filing date starting with the 2016 Assessment year and thereafter to July 1st of the same year.

Property owners may claim and receive one credit for each eligible parcel unless the parcel is a part of a property unit for which a credit is claimed. A property unit is defined in the law as "contiguous parcels all of which are located within the same county, with the same property tax classification, are owned by the same person, and operated by that person for a common use and purpose." Eligible parcels, or property units, must be classified and taxed as commercial, industrial, or railroad property.

The law excluded properties which will be reclassified to the new multi-residential classification in 2015. These property types include: mobile home parks, manufactured home communities, land-leased communities, assisted living facilities (as defined in section 441.21, subsection 13, enacted in this law), and any property primarily used or intended for human habitation containing three or more separate dwelling units. Therefore, apartment buildings, dwellings converted to 3 or more apartments, and Section 42 Housing are excluded. Also excluded, are residential and agricultural properties that may have home businesses or are rental properties.

DIVISION III MULTIRESIDENTIAL PROPERTY CLASSIFICATION

Created a new classification for assessment and taxation purposes beginning with the 2015 assessment.

The multi-residential classification applies to mobile home parks, manufactured home communities, land-leased communities, assisted living facilities, (as defined in section 441.21, subsection 13, enacted in this law), and any property intended for human habitation containing 3 or more separate dwelling units (apartment buildings, etc.).

Allowed for dual classification on a single parcel when a portion of a building is used for human habitation, regardless of the number of dwelling units. That portion of the building used for human habitation will be classified multi-residential, and the remaining portion will be classified based on its primary use.

Created a graduated rollback for multi-residential property until it equals the residential rollback in 2022. For Example: an Apartment building assessed at \$100,000:

	Taxable value
2013 -95%	\$95,000
2014 -90%	\$90,000
2015 -86.25%	\$86,250
2016 -82.5%	\$82,500
2017 -78.75%	\$78,750
2018 -75%	\$75,000
2019 -71.25%	\$71,250
2020 -67.5%	\$67,500
2021 -63.75%	\$63,750
2022	Is Equal to residential rollback

DIVISION VI PROPERTY ASSESSMENT APPEAL BOARD

Made changes to the Property Assessment Appeal Board (PAAB) as well as the Board of Review (BOR) as follows:

Required two members of PAAB to be certified real property appraisers.

Allowed for electronic filing of PAAB appeals.

Clarified the filing date of appeals to PAAB; they must be filed within 20 days of Board of Review adjournment or May 31st, whichever is later.

Allowed PAAB appeals to be considered by one or more PAAB board member.

Burden of proof shall be on complainant unless offers competent evidence from two disinterested witnesses concerning market value.

Extended the sunset date of PAAB from July 1, 2013 to July 1, 2018.

Changed the assessment notification date from April 15th to April 1st.

Created an informal assessment review period. Between April 1st and May 4th an owner may contact the Assessor to request an informal review of their assessment. *HF 616 passed in 2015 changed the filing dates to April 2nd to April 25th.

Changed the dates in which a protest may be filed from April 16th through May 5th to April 7th through May 5th. *HF 616 passed in 2015 changed the filing dates to April 2nd to April 30th.

Expanded the types of errors which may be protested to the BOR. The code previously referred to clerical and mathematical errors and it now includes listing or other errors.