

FEB 18 2004

**WAYS AND MEANS**

HOUSE FILE 2301

BY FORD

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act limiting a tax credit for pollution-control and recycling  
2 property used for the care and feeding of livestock, and  
3 providing for the tax credit's applicability.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2301

1 Section 1. Section 427.1, subsection 19, unnumbered  
2 paragraphs 8 and 9, Code Supplement 2003, are amended to read  
3 as follows:

4 a. For the purposes of this subsection, ~~"pollution-~~  
5 ~~control:~~

6 a. "Pollution-control property" means personal property or  
7 improvements to real property, or any portion thereof, used  
8 primarily to control or abate pollution of any air or water of  
9 this state or used primarily to enhance the quality of any air  
10 or water of this state and "recycling property" means personal  
11 property or improvements to real property or any portion of  
12 the property, used primarily in the manufacturing process and  
13 resulting directly in the conversion of waste plastic,  
14 wastepaper products, waste paperboard, or waste wood products  
15 into new raw materials or products composed primarily of  
16 recycled material. In the event such property shall also  
17 serve other purposes or uses of productive benefit to the  
18 owner of the property, only such portion of the assessed  
19 valuation thereof as may reasonably be calculated to be  
20 necessary for and devoted to the control or abatement of  
21 pollution, to the enhancement of the quality of the air or  
22 water of this state, or for recycling shall be exempt from  
23 taxation under this subsection.

24 "Pollution-control property" or "recycling property" does  
25 not include property used for purposes related to the care and  
26 feeding of livestock as defined in section 169C.1, except for  
27 property which is eligible for a family farm tax credit as  
28 provided in chapter 425A. The exemption calculated for  
29 pollution-control property or recycling property used for the  
30 purpose of care and feeding of livestock and which is eligible  
31 for a family farm tax credit is limited to the first one  
32 hundred thousand dollars of the property's assessed value.

33 b. ~~For-the-purposes-of-this-subsection,~~ "pollution"  
34 "Pollution" means air pollution as defined in section 455B.131  
35 or water pollution as defined in section 455B.171.

1 c. "Water of the state" means the water of the state as  
2 defined in section 455B.171.

3 d. "Enhance the quality" means to diminish the level of  
4 pollutants below the air or water quality standards  
5 established by the environmental protection commission of the  
6 department of natural resources.

7 Sec. 2. APPLICABILITY. This Act is applicable for tax  
8 years beginning on and after January 1, 2005.

9 EXPLANATION

10 This bill amends Code section 427.1, which provides a  
11 number of exemptions from property taxation. The section  
12 includes an exemption for certain types of pollution-control  
13 and recycling property as certified by the department of  
14 natural resources. The bill limits this tax exemption for  
15 such property that is related to the care and feeding of  
16 livestock by requiring that the property used for the care and  
17 feeding of livestock must be eligible for a family farm tax  
18 credit under Code chapter 425A. The bill also provides that  
19 the tax credit still available is limited to the first  
20 \$100,000 of the property's assessed value. The bill is  
21 applicable for tax years beginning on and after January 1,  
22 2005.

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