

*Sen. Energy 2/4, Pass 2/3  
" Ways & Means 2/3*

*PRINTED 3/13/72*

Senate File 1084  
Energy  
Tieden, Chairperson  
Scott  
Burroughs

SENATE FILE 1084

Senate File 1084  
Ways and Means  
Rogers, Chairperson  
Gluta  
Schwengels \_\_\_\_\_

By PRIEBE

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

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

Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing an exemption from taxation for property  
2 purchased and used to convert solar energy, wind or water  
3 into mechanical, electrical or heat energy.

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

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1 Section 1. Section four hundred twenty-two point forty-  
2 five (422.45), Code 1975, is amended by adding the following  
3 new subsection:

4 NEW SUBSECTION. A person who purchases tangible personal  
5 property to be installed or to be used in the construction  
6 or installation of a system for converting solar energy, wind  
7 or water into mechanical, electrical or heat energy may apply  
8 to the director for a refund of any sales or use tax paid  
9 on the purchase of the tangible personal property. The  
10 application shall be made in such manner and on such forms  
11 as the director may prescribe and shall be accompanied by  
12 proof that the limited property tax exemption provided pursuant  
13 to section two (2) of this Act was granted. The department  
14 shall audit the claim and if approved shall request the state  
15 comptroller to issue a warrant to the applicant in the amount  
16 of such sales or use tax which was paid by the applicant to  
17 the state.

18 Sec. 2. Section four hundred twenty-seven point one  
19 (427.1), Code 1975, is amended by adding the following new  
20 subsection:

21 NEW SUBSECTION. Personal property or improvements to real  
22 property used to convert solar energy, wind or water into  
23 mechanical, electrical or heat energy, not to exceed the  
24 actual value of the property or improvements, shall be exempt  
25 from taxation for the periods and to the extent provided in  
26 this subsection upon compliance with the provisions of this  
27 subsection.

28 This exemption shall apply to new installations of the  
29 property for a period of twenty years beginning on January  
30 first after the construction or installation of the property  
31 is completed. The exemption under this subsection shall apply  
32 for a period of twenty years beginning on January 1, 1977  
33 to property existing on the effective date of this Act if  
34 its construction or installation was completed after September  
35 23, 1971. The exemption for existing property shall begin

1 with respect to the assessment as of January 1, 1977, and  
2 the taxes payable on the basis of this assessment during the  
3 fiscal year beginning July 1, 1978.

4 Application for the exemption under this subsection shall  
5 be filed with the assessing authority not later than the first  
6 of February of the year in which the assessment is made, on  
7 forms provided by the department of revenue. The application  
8 shall describe and locate the specific property to be exempt.

9 The first annual application for exemption of property  
10 to be used for commercial and industrial purposes shall be  
11 accompanied by a certificate of the director of revenue  
12 certifying that the primary use of the property for which  
13 exemption is requested is to conserve nonrenewable fossil  
14 and nuclear fuels through the use of energy derived from the  
15 sun, wind or water. Application for exemption of property  
16 to be used for noncommercial or nonindustrial purposes,  
17 including home and farm use shall not require a certificate  
18 from the director and the determination of eligibility for  
19 tax exemption shall be made by the assessing authority.  
20 Judicial review of a determination of the director of revenue  
21 under this subsection may be sought in accordance with the  
22 Iowa Administrative Procedure Act. Review of a determination  
23 by an assessing authority may be sought from the board of  
24 review as provided in chapter four hundred forty-one (441)  
25 of the Code.

26 The department of revenue shall adopt any rules necessary  
27 to implement this subsection, including rules on identification  
28 and valuation of the property. All rules adopted shall be  
29 subject to the provisions of chapter seventeen A (17A) of  
30 the Code.

31 EXPLANATION

32 This bill provides a limited exemption from property  
33 taxation for property used to convert solar energy, wind or  
34 water into mechanical, electrical or heat energy. This bill  
35 also provides for a refund of sales or use tax collected on

1 materials to be installed or to be used in the construction  
2 or installation of systems for such energy conversion.

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