

Senate File 1117 *M. ...*  
Ways and Means  
Van Gilst, Chairperson  
Shaff  
Noiting  
Gleba  
Lamborn

FILED FEB 10 1976

SENATE FILE 1117

By NORPEL

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

### A BILL FOR

1 An Act to define computers and related types of equipment as  
2 personal property for purposes of property taxation.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section four hundred twenty-seven A point one  
2 (427A.1), subsection one (1), Code 1975, is amended by striking  
3 paragraph j.

4 EXPLANATION

5 The bill repeals the provision of the current law which  
6 defines computers, computer output microfilming equipment,  
7 key entry devices that prepare information for input, and  
8 all equipment that produces a final output from the above,  
9 as real property.

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LSB 3708  
bk/rh/31

SENATE FILE 1117  
FISCAL NOTE

Date prepared: March 22, 1976  
Requested by: Senator Norpel  
Prepared in regard to: Senate File 1117, An Act to define computers and related types of equipment as personal property for purposes of property taxation.

Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

The personal property tax is currently being reduced and will ultimately be eliminated as the result of the enactment in 1973 of the additional personal property tax credit. The effect of this bill would be to include computers and related equipment in this phase-out of the personal property tax. Currently the state provides taxing jurisdictions with a reimbursement of a portion of the amount of tax revenue not collected because of the credit. The tax base on which this credit is calculated cannot, however, exceed the total actual value of personal property in a taxing jurisdiction as of January 1, 1973. As a result, the effect of the shift in values from real to personal property under this proposal would be to remove a portion or all of the value of the exempted property from a local government's tax base.

Determination of the estimated effect on property taxes of this proposal cannot be completed as a result of several factors. First, the total actual value of computers and related equipment in the entire state is not readily available. Also, information is not available to allow us to determine the amount of personal property of each company owning computers and related equipment and the total amount of personal property in each particular taxing district. The effect of this proposal on local government tax revenues would also be related to the adjustments made in tax rates as the result of the reduction in values.

Source: Department of Revenue

FILED  
MARCH 24, 1976

GERRY D. RANKIN  
LEGISLATIVE FISCAL DIRECTOR

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