

**REVENUE DEPARTMENT[701]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code sections 421.14 and 422.68 and 2013 Iowa Acts, Senate File 295, the Department of Revenue hereby amends Chapter 80, "Property Tax Credits and Exemptions," Iowa Administrative Code.

The subject matter of new rule 701—80.49(441) is commercial and industrial property tax replacement. This rule implements Iowa Code section 441.21A, which requires the Department of Revenue to administer counties' commercial and industrial property tax replacement claims.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 1028C** on September 18, 2013. No public comments were received. This rule is identical to that published under Notice.

The new rule will not necessitate additional expenditures by political subdivisions or agencies and entities which contract with political subdivisions. However, for a fiscal year beginning on or after July 1, 2017, if an amount appropriated for a fiscal year is insufficient to pay all replacement claims, counties will receive a pro rata percentage of the replacement claims.

Any person who believes that the application of the discretionary provisions of this rule would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any.

The Department of Revenue adopted this rule on October 23, 2013.

After analysis and review of this rule making, no adverse impact on jobs has been found.

This rule is intended to implement Iowa Code section 441.21A.

This rule will become effective March 26, 2014.

The following amendment is adopted.

Adopt the following new rule 701—80.49(441):

**701—80.49(441) Commercial and industrial property tax replacement—county replacement claims.** For each fiscal year beginning on or after July 1, 2014, the department of revenue shall pay to the county treasurer an amount equal to the amount of the commercial and industrial property tax replacement claims in the county. For fiscal years beginning on or after July 1, 2017, if an amount appropriated for a fiscal year is insufficient to pay all replacement claims, the director of revenue shall prorate the payment of replacement claims to the county treasurers and shall notify the county auditors of the pro rata percentage on or before September 30.

**80.49(1)** For each taxing district, the commercial and industrial property tax replacement claim amount is determined by multiplying the amounts calculated in 80.49(1) "a" and "b" and dividing the resultant amount by \$1,000.

*a.* The difference between the assessed valuation of all commercial property and industrial property for the assessment year used to calculate taxes which are due and payable in the applicable fiscal year and the actual value of all commercial property and industrial property that is subject to assessment and taxation for the same assessment year; and

*b.* The tax levy rate per \$1,000 of assessed value of each taxing district for that fiscal year.

**80.49(2)** Reporting requirements.

*a.* On or before July 1 of each fiscal year beginning on or after July 1, 2014, the assessor shall report to the county auditor the total actual value of all commercial and industrial property in the county that is subject to assessment and taxation for the assessment year used to calculate the taxes due and payable in that fiscal year.

*b.* On or before September 1 of each fiscal year beginning on or after July 1, 2014, the county auditor shall, based upon the information in the report required to be provided in paragraph "a" of this subrule, prepare and submit a statement to the department of revenue which lists, for each taxing district in the county, the information required in 80.49(1).

*c.* The department shall pay the replacement amount to the county treasurer in two installments in September and March of each year.

*d.* The county treasurer shall apportion the replacement claim payments among the eligible taxing districts in the county.

[Filed 1/27/14, effective 3/26/14]

[Published 2/19/14]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/19/14.