

## REVENUE DEPARTMENT[701]

### Regulatory Analysis

Notice of Intended Action to be published: 701—Chapter 105  
“Mobile, Modular, and Manufactured Home Tax”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 421.14

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 435

### *Public Hearing*

A public hearing at which persons may present their views orally or in writing will be held as follows:

November 18, 2026  
2 to 3 p.m.

Via videoconference call:  
[meet.google.com/egs-ucjg-frv](https://meet.google.com/egs-ucjg-frv)

### *Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Revenue no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Nick Behlke  
Department of Revenue  
Hoover State Office Building  
P.O. Box 10457  
Des Moines, Iowa 50306-3457  
Phone: 515.336.9025  
Email: [nick.behlke@iowa.gov](mailto:nick.behlke@iowa.gov)

### *Purpose and Summary*

The purpose of this proposed rulemaking is to rescind and adopt a new Chapter 105. These proposed rules describe the Department’s interpretation of the underlying statutes on the taxation of mobile, modular, and manufactured homes. The Department proposes revisions to remove portions of the rules that the Department determined are obsolete, unnecessary, or duplicative of statutory language as required by Executive Order 10. Further, the Department proposes revisions to the chapter to add clarity and better organization to aid the public’s understanding of the mobile, modular, and manufactured home tax.

### *Analysis of Impact*

#### **1. Persons affected by the proposed rulemaking:**

##### **• Classes of persons that will bear the costs of the proposed rulemaking:**

This proposed rulemaking does not create costs for any classes of persons.

##### **• Classes of persons that will benefit from the proposed rulemaking:**

Local governments will benefit from a greater understanding of the assessment and taxation of manufactured and mobile homes. Property owners of manufactured and mobile homes will benefit from consistent and accurate application of the law to their property.

**2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

There is no economic impact associated with this proposed rulemaking beyond what is contained in statute.

- **Qualitative description of impact:**

The qualitative benefits of this proposed rulemaking beyond what is already provided in statute is the value of having a clear understanding of how to properly tax manufactured and mobile homes in order to ensure a consistent application of the law across the state and eliminate any confusion that could prevent an individual's property from being improperly taxed.

**3. Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

There are no costs to the State beyond what is already required to administer the relevant statutes.

- **Anticipated effect on State revenues:**

A greater understanding of the taxation of manufactured and mobile homes will ensure that the correct amount of taxes is collected.

**4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The cost of inaction would be potential confusion about taxation of manufactured and mobile homes. There is no cost associated with this proposed rulemaking.

**5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

This proposed rulemaking is not costly or intrusive.

**6. Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

The Department did not consider any alternative methods.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Failing to have rules on the taxation of manufactured and mobile homes would lead to greater confusion about the application of the tax and could lead to property being improperly taxed. The chapter is proposed to be updated to remove outdated and duplicative language.

*Small Business Impact*

**If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:**

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

**If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?**

There is no impact on small business associated with this proposed rulemaking.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 701—Chapter 105 and adopt the following new chapter in lieu thereof:

CHAPTER 105  
MOBILE, MODULAR, AND MANUFACTURED HOME TAX

**701—105.1(435) Movement of home to another county.** If one or both installments of the tax for the current fiscal year have been paid and subsequently the home is moved to another county, the tax paid shall remain in the county that originally collected. No reimbursement shall be made either to the owner of the home or to the county to which the home is moved. If only the first installment has been paid and the home is moved prior to January 1, the second installment shall be made to the county to which the home is moved.

This rule is intended to implement Iowa Code section 435.24.

**701—105.2(435) Sale of home.** If the owner of a home has paid one or both installments of the tax for the current fiscal year and subsequently sells the home, no reimbursement shall be made to the seller for any portion of the tax paid. If only the first installment has been paid and the home is sold prior to January 1, the purchaser is responsible for the second installment.

This rule is intended to implement Iowa Code section 435.24.

**701—105.3(435) Reduced tax rate.**

**105.3(1) Claimant.** The claimant's name must appear on the title to the home to receive the reduced rate of tax provided in Iowa Code section 435.22.

**105.3(2) Claims.** Claims for the reduced tax rate must be filed with the county treasurer between January 1 and June 1 immediately preceding the fiscal year during which the taxes are due. The county treasurer may extend the time for filing a claim for reduced tax rate through March 31 of the fiscal year during which the property taxes are due if good cause exists. The director may also extend the time for filing a claim through June 30 of the fiscal year during which the property taxes are due if good cause exists. Late reduced tax rate claims will be reimbursed by the director directly to the claimant upon proof of tax payment. The claimant must own and occupy the home at the time the claim for credit is filed or, if the claimant is deceased, at the time of the claimant's death. The claim forms shall be provided by the department.

EXAMPLE: A taxpayer wants to submit a claim reducing the taxpayer's taxes payable in September 2024 and March 2025. The taxpayer's application for credit must be submitted by June 1, 2024. The taxpayer becomes ill and is unable to submit the taxpayer's application on time. The taxpayer asks the treasurer for an extension, and the treasurer extends the deadline to March 31, 2025. The department may extend the deadline to June 30, 2025.

**105.3(3) Reports to department.** On or before May 1 of each year, the county treasurer of each county shall report to the department the amount of taxes not to be collected for the current fiscal year as a result of the reduced tax rate provided in Iowa Code section 435.22(2). All reports shall be made on forms provided by the department.

**105.3(4) Payment of claims.** On June 15 of each year, the department shall remit to each county treasurer an amount equal to the taxes not collected during the current fiscal year as a result of the granting of the reduced tax rate.

This rule is intended to implement Iowa Code section 435.22.

**701—105.4(435) Taxation—real estate.** Homes located outside of mobile home parks or manufactured home communities must be placed on a permanent foundation and are subject to assessment and taxation as real estate. The homes are eligible for all property tax credits and exemptions applicable to other real estate. The assessor shall collect the title to a home only when a security interest is noted on the title and the secured party is given a mortgage on the land on which the home is located.

This rule is intended to implement Iowa Code section 435.26.

**701—105.5(435) Taxation—square footage.** It shall be the responsibility of the owner to provide the county treasurer with appropriate documentation to verify eligibility for the reduced tax due to the home's age. Modular homes placed in mobile home parks or manufactured home communities that were not in existence on or before January 1, 1998, shall be subject to assessment and taxation as real estate.

This rule is intended to implement Iowa Code sections 435.22 and 435.24(3).

**701—105.6(435) Audit by department.** The director may audit the books and records of the county treasurer to determine if the amounts certified by the county treasurer to the director as tax not collected due to the reduced tax rate are true and correct. Upon investigation, the director may order the county treasurer to reimburse the state of Iowa any amounts that were erroneously paid to the county treasurer. The director may also require that additional payments be made to the county treasurer by the owner of a home if investigation reveals that the county treasurer did not receive the full amounts due in accordance with Iowa Code section 435.22.

The director may initiate investigations or assist the county treasurer's investigations into eligibility of a claimant for the reduced tax rate in accordance with Iowa Code section 435.22. Upon investigation, the director may order a claimant to reimburse the state of Iowa any amount erroneously claimed as a reduced tax rate that was reimbursed by the department to the county treasurer in accordance with Iowa Code section 435.22. The director may also issue a reimbursement directly to the claimant if it is determined the claimant did not receive the full benefits to which the claimant was entitled pursuant to Iowa Code section 435.22.

This rule is intended to implement Iowa Code section 435.22.

**701—105.7(435) Collection of tax.**

**105.7(1) *Partial payment of tax.*** Partial payments of taxes may be allowed at the discretion of the county treasurer. If the treasurer elects to permit partial payments, the authorization shall apply to all taxpayers within the county. If the partial payments made are insufficient to fully satisfy an installment due by the delinquency date, the unpaid portion of the installment shall draw interest as provided in Iowa Code section 445.39. Current year taxes may be paid at any time regardless of any prior year delinquent taxes. The minimum payment for delinquent taxes must be equal to or exceed the interest, fees, and costs of the installment being paid.

**105.7(2) *When delinquent.*** The date on which unpaid taxes become delinquent is to be determined as follows:

- a.* If the home is put to use between January 1 and March 31, the prorated tax for the period from the date the home is put to use through June 30 becomes delinquent on April 1.
- b.* If the home is put to use between April 1 and June 30, the prorated tax for the period from the date the home is put to use through June 30 becomes delinquent on October 1.
- c.* If the home is put to use between July 1 and September 30, the prorated tax for the period from the date the home is put to use through December 31 becomes delinquent on October 1.
- d.* If the home is put to use between October 1 and December 31, the prorated tax for the period from the date the home is put to use through December 31 becomes delinquent on April 1 of the following calendar year.
- e.* For purposes of this rule, a home is "put to use" upon its acquisition from a dealer or its being brought into Iowa for immediate use by a person who is not engaged in the business of manufacturing, sale, or transportation of homes.

This rule is intended to implement Iowa Code sections 435.24 and 435.25.