

to implement the exclusions, the director shall designate by rule the states which allow a similar exclusion for income received by residents of Iowa, and may enter into agreements with other states to provide that similar exclusions will be allowed, and to provide suitable withholding requirements in each state.

Sec. 2. Section 422.8, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 5. The director may, when cost-efficient, administratively feasible, and of mutual benefit to both states, enter into reciprocal agreements with tax administration agencies of other states to further tax administration and eliminate duplicate withholding by exempting from Iowa taxation income earned from personal services in Iowa by residents of another state, if the other state provides a tax exemption for the same type of income earned from personal services by Iowa residents in the other state. For purposes of this subsection, "income earned from personal services" means wages, salaries, commissions, and tips, and earned income from other sources. This subsection does not authorize the department to withhold taxes on deferred compensation payments, pension distributions, and annuity payments when paid to a nonresident of the state of Iowa. All the terms of the agreements shall be described in the rules adopted by the department.

Sec. 3. Section 422.15, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Notwithstanding subsections 1, 2, and 3, or any other provision of this chapter, withholding of income tax and any reporting requirement shall not be imposed upon a person, corporation, or withholding agent or any payor of deferred compensation, pensions, or annuities with regard to such payments made to a nonresident of the state.

Sec. 4. This Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 1992, for tax years beginning on or after that date.

Approved May 26, 1992

CHAPTER 1225

TAXATION OF SPECULATIVE SHELL BUILDINGS

H.F. 2484

AN ACT relating to speculative shell buildings by allowing a for-profit entity to receive a property tax exemption for the building under certain circumstances and allowing accelerated depreciation of the building for income tax purposes and providing applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 422.7, Code Supplement 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 26. Add depreciation taken for federal income tax purposes on a speculative shell building defined in section 427.1, subsection 41 which is owned by a for-profit entity and the for-profit entity is receiving the proper tax exemption. Subtract depreciation computed as if the speculative shell building were classified as fifteen-year property under the accelerated cost recovery system of the Internal Revenue Code during the period during which it is owned by the for-profit entity and is receiving the property tax exemption. However, this subsection does not apply to a speculative shell building which is used by the for-profit entity, subsidiary of the for-profit entity, or majority owners of the for-profit entity, for other than as a speculative shell building, as defined in section 427.1, subsection 41.

Sec. 2. Section 422.35, Code Supplement 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 15. Add depreciation taken for federal income tax purposes on a speculative shell building defined in section 427.1, subsection 41 which is owned by a for-profit entity and the for-profit entity is receiving the proper tax exemption. Subtract depreciation computed as if the speculative shell building were classified as fifteen-year property during the period during which it is owned by the taxpayer and is receiving the property tax exemption. However, this subsection does not apply to a speculative shell building which is used by the taxpayer, subsidiary of the taxpayer, or majority owners of the taxpayer, for other than as a speculative shell building, as defined in section 427.1, subsection 41.

Sec. 3. Section 427.1, subsection 41, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

New construction of shell buildings by community development organizations or for-profit entities for speculative purposes or the portion of the value added to buildings being reconstructed or renovated by community development organizations or for-profit entities in order to become speculative shell buildings. The exemption or partial exemption shall be allowed only pursuant to ordinance of a city council or board of supervisors, which ordinance shall specify if the exemption will be available for community development organizations, for-profit entities, or both, and shall be effective for the assessment year in which the building is first assessed for property taxation or the assessment year in which the reconstruction or renovation first adds value and all subsequent years until the property is leased or sold or for a specific time period stated in the ordinance or until the exemption is terminated by ordinance of the city council or board of supervisors which approved the exemption. Eligibility for an exemption as a speculative shell building shall be determined as of January 1 of the assessment year. However, an exemption shall not be granted a speculative shell building of a for-profit entity if the building is used by the for-profit entity, subsidiary of the for-profit entity, or majority owners of the for-profit entity for other than as a speculative shell building. If the shell building or any portion of the shell building is leased or sold, the portion of the shell building which is leased or sold shall not be entitled to an exemption under this subsection for subsequent years. An application shall be filed pursuant to section 427B.4 for each project for which an exemption is claimed. Upon the sale of the shell building, the shell building shall be considered new construction for purposes of section 427B.1 if used for purposes set forth in section 427B.1.

Sec. 4. Section 427.1, subsection 41, paragraphs b and c, Code Supplement 1991, are amended to read as follows:

b. "New construction" means new buildings or structures and includes new buildings or structures which are constructed as additions to existing buildings or structures. "New construction" also includes reconstruction or renovation of an existing building or structure which constitutes complete replacement of an existing building or structure or refitting of an existing building or structure, if the reconstruction or renovation of the existing building or structure is required due to economic obsolescence, if the reconstruction or renovation is necessary to implement recognized industry standards for the manufacturing or processing of products, and the reconstruction or renovation is required in order to competitively manufacture or process products or for community development organizations or for-profit entities to market a building or structure as a speculative shell building, which determination must receive prior approval from the city council of the city or county board of supervisors of the county.

c. "Speculative shell building" means a building or structure owned and constructed or reconstructed by a community development organization or a for-profit entity without a tenant or buyer for the purpose of attracting an employer or user which will complete the building to the employer's or user's specification for manufacturing, processing, or warehousing the employer's or user's product line.

Sec. 5. Section 1 of this Act applies retroactively to January 1, 1992, for tax years beginning on or after that date. Section 2 of this Act applies to tax years beginning on or after July 1, 1992.

Approved May 26, 1992

CHAPTER 1226
EMERGENCY MEDICAL SERVICES
H.F. 2400

AN ACT relating to the funding for emergency medical services, authorizing a county to impose a local option tax or combination of taxes to provide local funding, and authorizing the establishment of benefited emergency medical services districts.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 298.14, unnumbered paragraph 1, Code 1991, is amended to read as follows:

For each fiscal year, the cumulative total of the percents of surtax approved by the board of directors of a school district and collected by the department of revenue and finance under sections 257.21, 257.29, 279.54, and 298.2, and the enrichment surtax under section 442.15, Code 1989, and an income surtax collected by a political subdivision under chapter 422C, shall not exceed twenty percent.

Sec. 2. **NEW SECTION. 357F.1 DEFINITIONS.**

As used in this chapter, unless the context otherwise requires:

1. "District" means a benefited emergency medical services district.
2. "Board" means the board of supervisors of a county.
3. "Trustee" means a trustee of a district.

Sec. 3. **NEW SECTION. 357F.2 PETITION FOR PUBLIC HEARING.**

1. The board shall, on the petition of twenty-five percent of the resident property owners in a proposed district if the assessed valuation of the property owned by the petitioners represents at least twenty-five percent of the total assessed value of the proposed district, hold a public hearing concerning the establishment of a proposed district. The petition shall include a statement containing the following information:

- a. The need for emergency medical services.
- b. The district to be served.
- c. The approximate number of families in the district.
- d. The proposed personnel, equipment, and facilities to provide the emergency medical services.

2. The board of supervisors may require a bond of the petitioners conditioned for the payment of all costs and expenses incurred in the proceedings in case the district is not established.

Sec. 4. **NEW SECTION. 357F.3 LIMITATION ON AREA.**

A district may include all or parts of the unincorporated areas of one township and any unincorporated areas of adjoining townships or parts of adjoining townships, but shall not include property assessed as agricultural land, or centrally assessed property.

Sec. 5. **NEW SECTION. 357F.4 TIME OF HEARING.**

The public hearing required in section 357F.2 shall be held within thirty days of the presentation of the petition. Notice of hearing shall be given by publication in two successive issues of any paper of general circulation within the district. The last publication shall be not less than one week before the proposed hearing.