

450B.2 Alternate election of value for qualified use.

1. Notwithstanding [section 450.37](#), the value of qualified real property for the purpose of the tax imposed under [chapter 450](#) may, at the election of the taxpayer, be its value for the use under which it qualifies as prescribed by section 2032A of the Internal Revenue Code. A taxpayer may make an election under [this section](#) only if all of the following conditions are met:

a. An election for federal estate tax purposes was made with regard to the qualified real property under section 2032A of the Internal Revenue Code.

b. All persons who signed the agreement referred to in section 2032A(d)(2) of the Internal Revenue Code make the election under [this section](#) and sign an agreement with the department of revenue consenting to the application of [section 450B.3](#) with respect to the qualified real property.

c. The total decrease in the value of the qualified real property as a result of the election under [this section](#) does not exceed the dollar limitation specified in section 2032A(a)(2) of the Internal Revenue Code.

2. The election under [this section](#) shall be made by the taxpayer in the manner as the director of revenue may prescribe by rule. The value for the qualified use under [this section](#) shall be the value as determined and accepted for federal estate tax purposes.

3. The definitions and special rules specified in section 2032A(e) of the Internal Revenue Code shall apply with respect to qualified real property for which an election was made under [this section](#) except that rules shall be prescribed by the director of revenue in lieu of the regulations promulgated by the secretary of the treasury.

4. The director shall prescribe regulations setting forth the application of [this chapter](#) in the case of an interest in a partnership, corporation, or trust which, with respect to the decedent, is an interest in a closely held business within the meaning of section 6166(b)(1) of the Internal Revenue Code. Such regulations shall conform as nearly as possible with the regulations promulgated by the United States secretary of the treasury in respect to such interests.

[[81 Acts, ch 147, §13](#)]

[88 Acts, ch 1028, §40](#); [2003 Acts, ch 145, §286](#); [2011 Acts, ch 25, §143](#)