

**427A.1 Property taxed as real property.**

1. For the purposes of property taxation only, the following shall be assessed and taxed, unless otherwise qualified for exemption, as real property:

- a. Land and water rights.
- b. Substances contained in or growing upon the land, before severance from the land, and rights to such substances. However, growing crops shall not be assessed and taxed as real property, and this paragraph is also subject to the provisions of [section 441.22](#).
- c. Buildings, structures, or improvements, any of which are constructed on or in the land, attached to the land, or placed upon a foundation whether or not attached to the foundation. However, property taxed under [chapter 435](#), property that is a concrete batch plant as that term is defined in [subsection 4](#), and to the extent provided in [subsection 7](#), property that is transmission property shall not be assessed and taxed as real property.
- d. Buildings, structures, equipment, machinery, or improvements, any of which are attached to the buildings, structures, or improvements defined in paragraph “c” of [this subsection](#). However, to the extent provided in [subsection 7](#), property that is transmission property shall not be assessed and taxed as real property.
- e. Machinery used in manufacturing establishments. The scope of property taxable under this paragraph is intended to be the same as, and neither broader nor narrower than, the scope of property taxable under [section 428.22](#), [Code 1973](#), prior to July 1, 1974.
- f. Property taxed under [chapter 499B](#).
- g. Rights to space above the land.
- h. Property assessed by the department of revenue pursuant to [sections 428.24 to 428.29](#), or [chapters 433, 434, 437, 437A, 437B](#), and [438](#).
- i. Property used but not owned by the persons whose property is defined in paragraph “h” of [this subsection](#), which would be assessed by the department of revenue if the persons owned the property. However, this paragraph does not change the manner of assessment or the authority entitled to make the assessment.
- j. (1) Computers. As used in this paragraph, “computer” means stored program processing equipment and all devices fastened to the computer by means of signal cables or communication media that serve the function of signal cables, but does not include point of sales equipment.
  - (2) Computer output microfilming equipment.
  - (3) Key entry devices that prepare information for input to a computer.
  - (4) All equipment that produces a final output from one of the facilities listed in subparagraphs (1), (2) and (3) of this paragraph.
- k. Transmission towers and antennae not a part of a household.
2. As used in [subsection 1](#), “attached” means any of the following:
  - a. Connected by an adhesive preparation.
  - b. Connected in a manner so that disconnecting requires the removal of one or more fastening devices, other than electric plugs.
  - c. Connected in a manner so that removal requires substantial modification or alteration of the property removed or the property from which it is removed.
3. Notwithstanding the definition of “attached” in [subsection 2](#), property is not “attached” if it is a kind of property which would ordinarily be removed when the owner of the property moves to another location. In making this determination the assessing authority shall not take into account the intent of the particular owner.
4. Notwithstanding the definition of “attached” in [subsection 2](#), property is not “attached” if any of the following conditions are met:
  - a. It is a fixture used for cooking, refrigeration, or freezing of value-added agricultural products, used in value-added agricultural processing, or used in direct support of value-added agricultural processing. For purposes of [this subsection](#), “direct support” includes storage by public refrigerated warehouses for processors of value-added agricultural products. Such fixtures shall not be considered “attached” whether owned directly by the processor or warehouse operator or by another who leases the fixture to the processor or warehouse operator. This paragraph shall not apply to fixtures used primarily for retail sale or display.

b. It is a concrete batch plant. A “concrete batch plant” is the machinery, equipment, and fixtures used at a concrete mixing facility to process cement dry additive and other raw materials into concrete.

c. It is a hot mix asphalt facility.

d. It is a photobioreactor used in the production of algae for harvesting as a crop for animal feed, food, nutritionals, or biofuel production.

5. Notwithstanding the other provisions of [this section](#), property described in [this section](#), if held solely for sale, lease or rent as part of a business regularly engaged in selling, leasing or renting such property, and if the property is not yet sold, leased, rented or used by any person, shall not be assessed and taxed as real property. [This subsection](#) does not apply to any land or building.

6. Notwithstanding the other provisions of [this section](#), property that is equipment used for the washing, waxing, drying, or vacuuming of motor vehicles and point-of-sale equipment necessary for the purchase of car wash services shall not be assessed and taxed as real property.

7. a. For purposes of [this section](#), “transmission property” means cable and wire facilities, poles, aerial cable, underground cable, buried cable, intrabuilding network cable, or aerial wire within the meaning of and for purposes of the uniform system of accounts for telecommunication companies in [47 C.F.R. pt. 32](#), in effect on July 1, 2018. “Transmission property” also includes lines, electronic equipment, headend electronics, poles, aerial cable, cable drops, lasers, fiber optics, underground cable, and any electronics attached thereto used to provide telecommunications service, cable television signals, or internet service to subscribers. “Transmission property” does not include a tower as defined in [section 8C.2](#).

b. Transmission property that is not subject to assessment and taxation under [chapter 433](#), shall be subject to assessment and taxation as follows:

(1) For the assessment year beginning January 1, 2019, at seventy-five percent of the transmission property’s actual value.

(2) For the assessment year beginning January 1, 2020, at fifty percent of the transmission property’s actual value.

(3) For the assessment year beginning January 1, 2021, at thirty percent of the transmission property’s actual value.

(4) For the assessment year beginning January 1, 2022, and each subsequent assessment year, transmission property shall not be assessed and taxed as real property.

8. Nothing in [this section](#) shall be construed to permit an item of property to be assessed and taxed in this state more than once in any one year.

9. The assessing authority shall annually reassess property which is assessed and taxed as real property, but which would be regarded as personal property except for [this section](#). [This section](#) shall not be construed to limit the assessing authority’s powers to assess or reassess under other provisions of law.

10. The director of revenue shall promulgate rules subject to [chapter 17A](#) to carry out the intent of [this section](#).

[C71, 73, 75, 77, 79, 81, §427A.1]

85 Acts, ch 32, §103; 95 Acts, ch 67, §32; 2001 Acts, ch 116, §21, 28; 2002 Acts, ch 1150, §10; 2003 Acts, ch 145, §286; 2006 Acts, ch 1146, §1 – 3; 2006 Acts, ch 1158, §59, 69; 2013 Acts, ch 94, §4, 35, 36; 2013 Acts, ch 118, §1, 3, 4; 2018 Acts, ch 1158, §9, 11

Referred to in §15.333, 15.333A, 386.1, 423.3, 427.1(29)(a), 427B.1, 427B.17, 427B.19, 437A.3, 441.19, 441.21

For future amendment to subsection 1, paragraph h, effective July 1, 2024, see 2018 Acts, ch 1158, §10, 28

Subsection 1, paragraphs c and d amended

NEW subsection 7 and former subsections 7 – 9 renumbered as 8 – 10