

CHAPTER 427B
SPECIAL TAX PROVISIONS

Referred to in §331.303, 331.402, 433.4A, 437A.16A, 441.47

Table listing sections 427B.1 through 427B.26, organized by subchapter (I, II, III, IV, V) and describing various tax provisions such as exemptions, fund creation, and remedial actions.

SUBCHAPTER I

INDUSTRIAL PROPERTY AND CATTLE FACILITIES ACTUAL VALUE ADDED EXEMPTION

427B.1 Actual value added exemption from tax — public hearing.

1. For purposes of this section:

a. "Distribution center" means a building or structure used primarily for the storage of goods which are intended for subsequent shipment to retail outlets.

b. "New construction" means new buildings and structures and includes new buildings and structures which are constructed as additions to existing buildings and structures.

c. "Research-service facilities" means a building or group of buildings devoted primarily to research and development activities, including but not limited to the design and production

or manufacture of prototype products for experimental use, and corporate-research services which do not have a primary purpose of providing on-site services to the public.

d. “Warehouse” means a building or structure used as a public warehouse for the storage of goods pursuant to [chapter 554, article 7](#), except that it does not mean a building or structure used primarily to store raw agricultural products or from which goods are sold at retail.

2. A city council, or a county board of supervisors as authorized by [section 427B.2](#), may provide by ordinance for a partial exemption from property taxation of the actual value added to industrial real estate by the new construction of industrial real estate, research-service facilities, warehouses, distribution centers and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to [section 427A.1, subsection 1](#), paragraph “e”. The exemption shall also apply to new machinery and equipment assessed as real estate pursuant to [section 427A.1, subsection 1](#), paragraph “e”, unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operational status.

3. The ordinance may be enacted not less than thirty days after a public hearing is held in accordance with [section 335.6](#) in the case of a county, or [section 362.3](#) in the case of a city. The ordinance shall designate the length of time the partial exemption shall be available and may provide for an exemption schedule in lieu of that provided in [section 427B.3](#). However, an alternative exemption schedule adopted shall not provide for a larger tax exemption in a particular year than is provided for that year in the schedule contained in [section 427B.3](#).

[C81, §427B.1; 82 Acts, ch 1104, §20]

84 Acts, ch 1232, §2; 85 Acts, ch 232, §1; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 34, §8; 2017 Acts, ch 29, §123

Referred to in [§364.19](#), [427.1\(27\)\(c\)](#), [427.1\(27\)\(d\)](#), [427B.2](#), [427B.3](#), [427B.4](#), [427B.5](#), [427B.7](#), [427B.17](#)

#### **427B.2 Zoning under chapter 335.**

1. The board of supervisors of a county which has appointed a county zoning commission and provided for county zoning under [chapter 335](#) may provide for a partial exemption from property taxation of the actual value added to industrial real estate as provided under [section 427B.1](#).

2. The board of supervisors of a county which has not appointed a zoning commission may provide for a partial exemption from property taxation of the actual value added to industrial real estate as provided under [section 427B.1](#) in the following areas:

a. Outside the incorporated limits of a city to which a city has extended its zoning ordinance pursuant to [section 414.23](#) which complies with the city’s zoning ordinance.

b. Outside the incorporated limits of a city which has adopted a zoning ordinance but which has not extended the ordinance to the area permitted under [section 414.23](#) if the property would be within the area to which a city may extend a zoning ordinance pursuant to [section 414.23](#).

c. Outside the incorporated limits of a city which has not adopted a zoning ordinance but which would be within the area to which a city may extend a zoning ordinance pursuant to [section 414.23](#).

3. The board of supervisors of a county which has not appointed a zoning commission may provide for a partial exemption from property taxation of the actual value added to industrial real estate as provided under [section 427B.1](#) in an area where the partial exemption could not otherwise be granted under [this chapter](#) where the actual value added is to industrial real estate existing on July 1, 1979.

4. To grant an exemption under the provisions of [this section](#), the county board of supervisors shall comply with all of the requirements imposed by [this chapter](#) upon the city council of a city.

[C81, §427B.2; 82 Acts, ch 1104, §21 – 23]

2009 Acts, ch 41, §255

Referred to in [§427B.1](#), [427B.7](#), [427B.17](#)

#### **427B.3 Period of partial exemption.**

1. “Actual value added”, as used in [this chapter](#), means the actual value added as of the first

year for which the exemption is received, except that actual value added by improvements to machinery and equipment means the actual value as determined by the assessor as of January 1 of each year for which the exemption is received.

2. The actual value added to industrial real estate for the reasons specified in [section 427B.1](#) is eligible to receive a partial exemption from taxation for a period of five years. However, if property ceases to be classified as industrial real estate or ceases to be used as a warehouse or distribution center, the partial exemption for the value added shall not be allowed for subsequent assessment years.

3. *a.* The amount of actual value added which is eligible to be exempt from taxation shall be as follows:

- (1) For the first year, seventy-five percent.
- (2) For the second year, sixty percent.
- (3) For the third year, forty-five percent.
- (4) For the fourth year, thirty percent.
- (5) For the fifth year, fifteen percent.

*b.* This schedule shall be followed unless an alternative schedule is adopted by the city council of a city or the board of supervisors of a county in accordance with [section 427B.1](#).

4. However, the granting of the exemption under [this section](#) for new construction constituting complete replacement of an existing building or structure shall not result in the assessed value of the industrial real estate being reduced below the assessed value of the industrial real estate before the start of the new construction added.

[C81, §427B.3]

[84 Acts, ch 1232, §3; 2011 Acts, ch 34, §167](#)

Referred to in [§427B.1](#), [427B.7](#), [427B.17](#)

#### **427B.4 Application for exemption by property owner.**

1. An application shall be filed for each project resulting in actual value added for which an exemption is claimed. The application for exemption shall be filed by the owner of the property with the local assessor by February 1 of the assessment year in which the value added is first assessed for taxation. Applications for exemption shall be made on forms prescribed by the director of revenue and shall contain information pertaining to the nature of the improvement, its cost, and other information deemed necessary by the director of revenue.

2. A person may submit a proposal to the city council of the city or the board of supervisors of a county to receive prior approval for eligibility for a tax exemption on new construction. The city council or the board of supervisors, by ordinance, may give its prior approval of a tax exemption for new construction if the new construction is in conformance with the zoning plans for the city or county. The prior approval shall also be subject to the hearing requirements of [section 427B.1](#). Prior approval does not entitle the owner to exemption from taxation until the new construction has been completed and found to be qualified real estate. However, if the tax exemption for new construction is not approved, the person may submit an amended proposal to the city council or board of supervisors to approve or reject.

[C81, §427B.4; [82 Acts, ch 1104, §24](#)]

[2000 Acts, ch 1058, §40; 2003 Acts, ch 145, §286; 2018 Acts, ch 1041, §127](#)

Referred to in [§427.1\(27\)\(d\)](#), [427B.7](#), [427B.17](#)

#### **427B.5 Exemption may be repealed.**

When in the opinion of the city council or the county board of supervisors continuation of the exemption granted by [this chapter](#) ceases to be of benefit to the city or county, the city council or the county board of supervisors may repeal the ordinance authorized by [section 427B.1](#), but all existing exemptions shall continue until their expiration.

[C81, §427B.5]

Referred to in [§427B.17](#)

**427B.6 Dual exemptions prohibited.**

A property tax exemption under [this chapter](#) shall not be granted if the property for which the exemption is claimed has received any other property tax exemption authorized by law. [C81, §427B.6]

**427B.7 Actual value added exemption from tax — cattle facilities.**

A city council, or a county board of supervisors as authorized by [section 427B.2](#), may, by ordinance as provided in [section 427B.1](#), establish a partial exemption from property taxation of the actual value added to owner-operated cattle facilities, including small or medium sized feedlots but not including slaughter facilities, either by new construction or by the retrofitting of existing facilities. The application for the exemption shall be filed pursuant to [section 427B.4](#). The actual value added to owner-operated cattle facilities, as specified in [section 427B.1](#), is eligible to receive a partial exemption from taxation for a period of five years. The amount of actual value added which is eligible to be exempt from taxation is the same as provided in the exemption schedule in [section 427B.3](#).

[87 Acts, ch 169, §10](#)

**427B.8 and 427B.9** Reserved.

SUBCHAPTER II

RESERVED

**427B.10 through 427B.16** Reserved.

SUBCHAPTER III

SPECIAL VALUATION FOR MACHINERY, EQUIPMENT, AND COMPUTERS — STATE REPLACEMENT FUNDS

**427B.17 Property subject to special valuation.**

1. For purposes of [this section](#):

a. “*Electric power generating plant*” means any nameplate rated electric power generating plant, in which electric energy is produced from other forms of energy, including all taxable land, buildings, and equipment used in the production of such energy.

b. “*Net acquisition cost*” means the acquired cost of the property including all foundations and installation cost less any excess cost adjustment.

c. “*Net actual generation*” means net electrical megawatt hours produced by the unit during the preceding assessment year.

d. “*Net capacity factor*” means net actual generation divided by the product of net maximum capacity times the number of hours the unit was in the active state during the assessment year. Upon commissioning, a unit is in the active state until it is decommissioned.

e. “*Net maximum capacity*” means the capacity the unit can sustain over a specified period when not restricted by ambient conditions or equipment deratings, minus the losses associated with station service or auxiliary loads.

2. For property defined in [section 427A.1, subsection 1](#), paragraphs “e” and “j”, the taxpayer’s valuation shall be limited to thirty percent of the net acquisition cost of the property, except as otherwise provided in [subsections 3 and 4](#).

3. Property defined in [section 427A.1, subsection 1](#), paragraphs “e” and “j”, which is first assessed for taxation in this state on or after January 1, 1995, shall be exempt from taxation.

4. Property defined in [section 427A.1, subsection 1](#), paragraphs “e” and “j”, and assessed under [subsection 2](#) of [this section](#), shall be valued by the local assessor as follows for the following assessment years:

a. For the assessment year beginning January 1, 1999, at twenty-two percent of the net acquisition cost.

b. For the assessment year beginning January 1, 2000, at fourteen percent of the net acquisition cost.

c. For the assessment year beginning January 1, 2001, at six percent of the net acquisition cost.

d. For the assessment year beginning January 1, 2002, and succeeding assessment years, at zero percent of the net acquisition cost.

5. Property assessed pursuant to [this section](#) shall not be eligible to receive a partial exemption under [sections 427B.1 through 427B.5](#).

6. For the purpose of dividing taxes under [section 260E.4](#), the employer's or business's valuation of property defined in [section 427A.1, subsection 1](#), paragraphs "e" and "j", and used to fund a new jobs training project which project's first written agreement providing for a division of taxes as provided in [section 403.19](#) is approved on or before June 30, 1995, shall be limited to thirty percent of the net acquisition cost of the property. The community college shall notify the assessor by February 15 of each assessment year if taxes levied against such property of an employer or business will be used to finance a project in the following fiscal year. In any fiscal year in which the community college does rely on taxes levied against an employer's or business's property defined in [section 427A.1, subsection 1](#), paragraph "e" or "j", to finance a project, such property shall not be valued pursuant to [subsection 3 or 4](#), whichever is applicable, for that fiscal year. An employer's or business's taxable property used to fund a new jobs training project shall not be valued pursuant to [subsection 3 or 4](#), whichever is applicable, until the assessment year following the calendar year in which the certificates or other funding obligations have been retired or escrowed. If the certificates issued, or other funding obligations incurred, between January 1, 1982, and June 30, 1995, are refinanced or refunded after June 30, 1995, the valuation of such property shall then be the valuation specified in [subsection 3 or 4](#), whichever is applicable, for the applicable assessment year beginning with the assessment year following the calendar year in which those certificates or other funding obligations are refinanced or refunded after June 30, 1995.

7. Notwithstanding [subsection 8](#) or any other provision to the contrary, [this section](#) shall be applicable to a new cogeneration facility subject to the assessed value provisions of [section 437A.16A](#), but the exemptions provided in [this section](#) shall be reduced by an amount bearing the same ratio to the value of the property that is exempt pursuant to [this section](#) as the allowable credit under [section 437A.16A, subsection 1](#), bears to the assessable value of the entire new cogeneration facility before the application of any abatements, credits, or exemptions against that value.

8. a. [This section](#) shall not apply to property assessed by the department of revenue pursuant to [sections 428.24 through 428.29](#), or [chapters 433, 434, 437, 437A, 437B, and 438](#), and such property shall not receive the benefits of [this section](#).

b. Any electric power generating plant which operated during the preceding assessment year at a net capacity factor of more than twenty percent, shall not receive the benefits of [this section](#) or of [section 15.332](#).

85 Acts, ch 32, §109; 93 Acts, ch 180, §12; 95 Acts, ch 206, §29; 96 Acts, ch 1049, §2, 3, 9; 96 Acts, ch 1180, §18; 97 Acts, ch 66, §1, 2; 2002 Acts, ch 1150, §11; 2003 Acts, ch 145, §286; 2005 Acts, ch 150, §64, 69; 2011 Acts, ch 104, §1, 2; 2013 Acts, ch 90, §105; 2013 Acts, ch 94, §5, 35, 36; 2018 Acts, ch 1026, §139

Referred to in §427B.19, 427B.19A, 427B.19C, 427B.19D, 437A.3

For future amendment to subsection 8, paragraph a, effective July 1, 2024, see 2018 Acts, ch 1158, §12, 28

#### **427B.18 Replacement.**

Beginning with the fiscal year beginning July 1, 1996, each county treasurer shall be paid from the industrial machinery, equipment and computers replacement fund an amount equal to the amount of the industrial machinery, equipment and computers tax replacement claim, as calculated in [section 427B.19](#).

95 Acts, ch 206, §30

#### **427B.19 Assessor and county auditor duties.**

1. On or before July 1 of each fiscal year, the assessor shall determine the total assessed

value of the property assessed under [section 427B.17](#) for taxes payable in that fiscal year and the total assessed value of such property assessed as of January 1, 1994, and shall report the valuations to the county auditor.

2. On or before July 1 of each fiscal year, the assessor shall determine the valuation of all commercial and industrial property assessed for taxes payable in that fiscal year and the valuation of such property assessed as of January 1, 1994, and shall report the valuations to the county auditor.

3. On or before September 1 of each fiscal year through June 30, 2004, the county auditor shall prepare a statement, based upon the report received pursuant to [subsections 1 and 2](#), listing for each taxing district in the county:

a. Beginning with the assessment year beginning January 1, 1995, the difference between the assessed valuation of property assessed pursuant to [section 427B.17](#) for that year and the total assessed value of such property assessed as of January 1, 1994. If the total assessed value of the property assessed as of January 1, 1994, is less, there is no tax replacement for the fiscal year.

b. The tax levy rate for each taxing district for that fiscal year.

c. The industrial machinery, equipment and computers tax replacement claim for each taxing district. For fiscal years beginning July 1, 1996, and ending June 30, 2001, the replacement claim is equal to the amount determined pursuant to paragraph “a”, multiplied by the tax rate specified in paragraph “b”. For fiscal years beginning July 1, 2001, and ending June 30, 2004, the replacement claim is equal to the product of the amount determined pursuant to paragraph “a”, less any increase in valuations determined in paragraph “d”, and the tax rate specified in paragraph “b”. If the amount subtracted under paragraph “d” is more than the amount determined in paragraph “a”, there is no tax replacement for the fiscal year.

d. Beginning with the assessment year beginning January 1, 2000, the auditor shall reduce the amount listed in paragraph “a”, by the increase, if any, in assessed valuations of commercial and industrial property in the assessment year beginning January 1, 1994, and the assessment year for which taxes are due and payable in that fiscal year. If the calculation under this paragraph indicates a net decrease in aggregate valuation of such property, the industrial machinery, equipment and computers tax replacement claim for each taxing district is equal to the amount determined pursuant to paragraph “a”, multiplied by the tax rate specified in paragraph “b”.

4. The county auditor shall certify and forward one copy of the statement to the department of revenue not later than September 1 of each year.

5. For purposes of [this section](#), “assessed value of the property assessed under [section 427B.17](#)” does not include the value of property defined in [section 427A.1, subsection 1](#), paragraphs “e” and “j”, which is obligated to secure payment of certificates or other indebtedness incurred pursuant to [chapter 260E](#) or [260F](#).

6. For purposes of computing replacement amounts under [this section](#), that portion of an urban renewal area defined as the sum of the assessed valuations defined in [section 403.19, subsections 1 and 2](#), shall be considered a taxing district.

[95 Acts, ch 206, §31; 96 Acts, ch 1049, §4; 97 Acts, ch 158, §32, 33; 2003 Acts, ch 145, §286; 2003 Acts, ch 178, §5, 6](#)

Referred to in [§257.3, 427B.18, 427B.19A](#)

#### **427B.19A Fund created.**

1. The industrial machinery, equipment and computers property tax replacement fund is created. For the fiscal year beginning July 1, 1996, through the fiscal year ending June 30, 2004, there is appropriated annually from the general fund of the state to the department of revenue to be credited to the industrial machinery, equipment and computers property tax replacement fund, an amount sufficient to implement [this subchapter](#). However, for the fiscal year beginning July 1, 2003, the amount appropriated to the department of revenue to be credited to the industrial machinery, equipment and computers tax replacement fund is eleven million two hundred eighty-one thousand six hundred eighty-five dollars.

2. If an amount appropriated for a fiscal year is insufficient to pay all claims as a result of action by the general assembly limiting the amount appropriated to the fund, the director

shall prorate the disbursements from the fund to the county treasurers and shall notify the county auditors of the pro rata percentage on or before September 30.

3. The replacement claims shall be paid to each county treasurer in equal installments in September and March of each year. The county treasurer shall apportion the replacement claim payments among the eligible taxing districts in the county. If the taxing district is an urban renewal area, the amount of the replacement claim shall be apportioned as provided in [subsection 4](#) unless the municipality elects to proceed under [subsection 5](#).

4. a. If the total assessed value of property located in an urban renewal area taxing district is equal to or more than that portion of such valuation defined in [section 403.19, subsection 1](#), the total tax replacement amount computed pursuant to [section 427B.19](#) shall be credited to that portion of the assessed value defined in [section 403.19, subsection 2](#).

b. If the total assessed value of the property is less than that portion of such valuation defined in [section 403.19, subsection 1](#), the replacement amount shall be credited to those portions of the assessed value defined in [section 403.19, subsections 1 and 2](#), as follows:

(1) To that portion defined in [section 403.19, subsection 1](#), an amount equal to the amount that would be produced by multiplying the applicable consolidated levy times the difference between the assessed value of the taxable property defined in [section 403.19, subsection 1](#), and the total assessed value in the budget year for which the replacement claim is computed.

(2) To that portion defined in [section 403.19, subsection 2](#), the remaining amount, if any.

c. Notwithstanding the allocation provisions of paragraphs “a” and “b”, the amount of the tax replacement amount that shall be allocated to that portion of the assessed value defined in [section 403.19, subsection 2](#), shall not exceed the amount equal to the amount certified to the county auditor under [section 403.19](#) for the budget year in which the claim is paid, after deduction of the amount of other revenues committed for payment on that amount for the budget year. The amount not allocated to that portion of the assessed value defined in [section 403.19, subsection 2](#), as a result of the operation of this paragraph, shall be allocated to that portion of assessed value defined in [section 403.19, subsection 1](#).

5. A municipality may elect to reduce the amount of assessed value of property defined in [section 403.19, subsection 1](#), by an amount equal to that portion of the amount of such assessed value which was phased out for the fiscal year by operation of [section 427B.17, subsection 4](#). The applicable assessment roll and ordinance providing for the division of taxes under [section 403.19](#) in the urban renewal taxing district shall be deemed to be modified for that fiscal year only to the extent of such adjustment without further action on the part of the city or county implementing the urban renewal taxing district.

95 Acts, ch 206, §32; 96 Acts, ch 1049, §5, 6; 97 Acts, ch 158, §34; 2001 Acts, ch 116, §22; 2003 Acts, ch 145, §286; 2003 Acts, ch 178, §7; 2003 Acts, ch 179, §37; 2013 Acts, ch 90, §246; 2017 Acts, ch 54, §76

Referred to in §257.3, 298.18A, 427B.19C

**427B.19B Guarantee of state replacement funds.** Repealed by 2003 Acts, ch 178, §11.

**427B.19C Adjustment of certain assessments required.**

In the assessment year beginning January 1, 2003, the amount of assessed value of property defined in [section 403.19, subsection 1](#), for an urban renewal taxing district which received replacement moneys under [section 427B.19A, subsection 4](#), shall be reduced by an amount equal to that portion of the amount of assessed value of such property which was assessed pursuant to [section 427B.17, subsection 4](#).

96 Acts, ch 1049, §7; 2003 Acts, ch 178, §8; 2013 Acts, ch 90, §247

**427B.19D Appeal for state assistance.**

For fiscal years beginning on or after July 1, 1996, a municipality in which is located an urban renewal district for which debt was incurred prior to June 30, 1996, may appeal to the state appeal board for state assistance to meet such debt obligations for the fiscal year if such debt is not secured by an assessment agreement pursuant to [section 403.6, subsection 19](#), and if the urban renewal area contains property assessed pursuant to [section 427B.17](#). The appeal

shall be made by May 15 preceding the fiscal year on forms approved by the department of management.

[96 Acts, ch 1049, §8](#)

#### SUBCHAPTER IV

### UNDERGROUND STORAGE TANKS REMEDIAL ACTION CREDIT

#### **427B.20 Local option remedial action property tax credit — public hearing.**

1. As used in [this subchapter](#):

a. “Actual portion of the costs paid by the owner or operator of an underground storage tank in connection with a remedial action for which the Iowa comprehensive petroleum underground storage tank fund shares in the cost of corrective action” means the amount determined by the fund’s board, or the board’s designee, as the administrator of the Iowa comprehensive petroleum underground storage tank fund, and for which the owner or operator was not reimbursed from any other source.

b. “Small business” means a business with gross receipts of less than five hundred thousand dollars per year.

2. In order to further the public interests of protecting the drinking water supply, preserving business and industry within a community, preserving convenient access to gas stations within a community, or other public purposes, a city council or county board of supervisors may provide by ordinance for partial or total property tax credits to owners of small businesses that own or operate an underground storage tank to reduce the amount of property taxes paid over the permitted period in amounts not to exceed the actual portion of costs paid by the business owner in connection with a remedial action for which the Iowa comprehensive petroleum underground storage tank fund shares in the cost of corrective action, and for which the small business owner was not reimbursed from any other source. A county board of supervisors may grant credits only for property located outside of the corporate limits of a city, and a city council may grant credits only for property located within the corporate limits of the city. The credit shall be taken on the property where the underground storage tank is situated. The credit granted by the council or board shall not exceed the amount of taxes generated by the property for the respective city or county. The credit shall apply to property taxes payable in the fiscal year following the calendar year in which a cost of remedial action was paid by the small business owner.

3. The ordinance may be enacted not less than thirty days after a public hearing is held in accordance with [section 335.6](#) in the case of a county, or [section 362.3](#) in the case of a city. The ordinance shall designate the length of time the partial or total credit shall be available, and shall include a credit schedule and description of the terms and conditions of the credit.

4. A property tax credit provided under [this section](#) shall be paid for out of any available funds budgeted for that purpose by the city council or county board of supervisors. A city council may certify a tax for the general fund levy and a county board of supervisors may certify a tax for the rural county service fund levy for property tax credits authorized by [this section](#).

5. The maximum permitted period of a tax credit granted under [this section](#) is ten years.

[89 Acts, ch 131, §30; 2009 Acts, ch 41, §128; 2017 Acts, ch 54, §76](#)

Referred to in [§427B.22](#)

#### **427B.21 Application for credit by underground storage tank owner or operator — approval by county board of supervisors or city council.**

1. An application shall be filed by an owner of a small business that owns or operates an underground storage tank for each property for which a credit is sought. Applications shall be filed with the respective county board of supervisors or the city council by September 30 of the year following the calendar year in which a cost of remedial action was paid by the owner or operator. Small business owners receiving credits shall file applications for renewal of the credit by September 30 of each year. A credit may be renewed only if title to the credited property remains in the name of the person or entity originally receiving the credit.



2. In reviewing the applications, the board of supervisors or city council shall consider whether granting the credit would serve a public purpose. Upon approval of the application by the board of supervisors, and after the applicant has paid any property taxes due, the board shall direct the county treasurer to issue a warrant to the small business owner in the amount of the credit granted. Upon approval of the application by the city council, and after the applicant has paid any property taxes due, the council shall direct the city clerk to issue a warrant to the small business owner in the amount of the credit granted.

3. Applications for credit shall be made on forms prescribed by the director of revenue and shall contain information pertaining to the nature of the release, the total cost of corrective action, the actual portion of the costs paid by the small business owner and for which the owner was not reimbursed from any other source, the small business owner's income tax form from the most recent tax year, and other information deemed necessary by the director.

89 Acts, ch 131, §31; 2003 Acts, ch 145, §286; 2018 Acts, ch 1041, §127

**427B.22 Credit may be repealed.**

If in the opinion of the city council or the county board of supervisors continuation of the credit granted under an ordinance adopted pursuant to [this subchapter](#) ceases to be of benefit to the city or county, the city council or the county board of supervisors may repeal the ordinance authorized by [section 427B.20](#), but all existing credits shall continue until their expiration.

89 Acts, ch 131, §32; 2017 Acts, ch 54, §76

**427B.23 through 427B.25** Reserved.

## SUBCHAPTER V

### SPECIAL VALUATION FOR WIND ENERGY CONVERSION PROPERTY

**427B.26 Special valuation of wind energy conversion property.**

1. *a.* A city council or county board of supervisors may provide by ordinance for the special valuation of wind energy conversion property as provided in [subsection 2](#). The ordinance may be enacted not less than thirty days after a public hearing on the ordinance is held. Notice of the hearing shall be published in accordance with [section 331.305](#) in the case of a county, or [section 362.3](#) in the case of a city. The ordinance shall only apply to property first assessed on or after the effective date of the ordinance.

*b.* If in the opinion of the city council or the county board of supervisors continuation of the special valuation provided under [this section](#) ceases to be of benefit to the city or county, the city council or the county board of supervisors may repeal the ordinance authorized by [this subsection](#). Property specially valued under [this section](#) prior to repeal of the ordinance shall continue to be valued under [this section](#) until the end of the nineteenth assessment year following the assessment year in which the property was first assessed. Following repeal of the ordinance and conclusion of the applicable nineteen-year period, the wind energy conversion property shall be subject to assessment and taxation under [chapter 437A](#), [section 441.21](#), [subsection 8](#), paragraphs "*b*", "*c*", and "*d*", or [sections 428.24 through 428.26](#), [428.28](#), and [428.29](#), as applicable.

2. In lieu of the valuation and assessment provisions in [chapter 437A](#), [section 441.21](#), [subsection 8](#), paragraphs "*b*", "*c*", and "*d*", and [sections 428.24 through 428.26](#), [428.28](#), and [428.29](#), as applicable, wind energy conversion property which is first assessed for property taxation on or after January 1, 1994, and on or after the effective date of the ordinance enacted pursuant to [subsection 1](#), shall be valued by the local assessor for property tax purposes as follows:

*a.* For the first assessment year, at zero percent of the net acquisition cost.

*b.* For the second through sixth assessment years, at a percent of the net acquisition cost which rate increases by five percentage points each assessment year.

c. For the seventh and succeeding assessment years, at thirty percent of the net acquisition cost.

3. a. The taxpayer shall file with the local assessor by February 1 of the assessment year in which the wind energy conversion property is first assessed for property tax purposes, a declaration of intent to have the property assessed at the value determined under [this section](#) in lieu of the valuation and assessment provisions in [chapter 437A, section 441.21, subsection 8](#), paragraphs “b”, “c”, and “d”, and [sections 428.24 through 428.26, 428.28, and 428.29](#), as applicable.

b. Maintaining, refurbishing, or repowering wind energy conversion property shall not cause the wind energy conversion property to receive a new assessment schedule under [subsection 2](#).

4. For purposes of [this section](#):

a. “Collector substation” means an electrical substation designed to collect energy from multiple electricity-generating sources.

b. “Net acquisition cost” means the acquired cost of the property including all foundations and installation cost less any excess cost adjustment. However, except in the case of a clerical error, an adjustment shall not be made after the third year the wind energy conversion property is assessed.

c. “Repowering” means the removal and replacement of components of wind energy conversion property.

d. “Wind energy conversion property” means the entire wind plant including but not limited to a wind charger, windmill, wind turbine, tower and electrical equipment, pad mount transformers, power lines, and collector substation.

[93 Acts, ch 161, §2; 2021 Acts, ch 80, §269, 270; 2022 Acts, ch 1075, §1 – 6](#)

Referred to in [§437A.6, 441.21, 476B.6](#)

2022 amendment to subsection 1, paragraph b applies retroactively to assessment years beginning on or after January 1, 2022; 2022 Acts, ch 1075, §5

2022 amendment to subsection 2, unnumbered paragraph 1 applies retroactively to assessment years beginning on or after January 1, 2022; 2022 Acts, ch 1075, §5

2022 amendment to subsection 3, paragraph a applies retroactively to assessment years beginning on or after January 1, 2022; [2022 Acts, ch 1075, §5](#)

Subsection 3, paragraph b applies to assessment schedules commenced under subsection 2 on or after May 23, 2022; [2022 Acts, ch 1075, §6](#)

2022 amendment to subsection 4 applies retroactively to assessment years beginning on or after January 1, 2022; 2022 Acts, ch 1075, §5

Subsection 1, paragraph b amended

Subsection 2, unnumbered paragraph 1 amended

Subsections 3 and 4 amended