

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](#)