

**361—11.5(450) Real property and tangible personal property.** The tax credit is applicable for transfers of real property or of tangible personal property located in Iowa. Transfers of intangible property or of property located outside of Iowa will never qualify for the tax credit.

**11.5(1) Real property.** The executive council will not approve a credit for a transfer of a joint interest in real property or for property which is encumbered by liens. However, the council may approve a credit for an interest in real property which is less than full legal and equitable title if the interest is an easement for public access, a conservation or preservation easement, dedication for preserves or for other public use, or other similar interest which by virtue of the location and nature of the property is of significant, unique value to the public or to the environment. Property encumbered by liens of creditors will not qualify for the tax credit. Proposals to transfer a partial interest will not qualify for the tax credit.

EXAMPLE: A and B inherit a remainder interest in land from an estate. C is the life tenant. Any request for tax credit for a proposal which would only transfer the remainder interest or only transfer a life estate will not be approved by the council. If A, B, and C propose to transfer their entire interests, such transfers would become eligible for the tax credit.

EXAMPLE: D inherits land from an estate. The land is encumbered by a mortgage lien. D proposes to transfer the land to a school district, which has accepted the transfer, and requests a tax credit. Since the land is encumbered with a mortgage lien, the council will not approve the tax credit.

EXAMPLE: E and F inherit land from an estate as tenants in common. E proposes to transfer E's interest to the state. Because the proposal is to transfer a partial interest, the council will not approve the tax credit.

**11.5(2) Tangible personal property.** Tangible personal property is tangible property which can be touched or handled. It is corporeal and is contrasted with intangible property. Intangible property includes but is not limited to cash, choses in action, copyrights, patents, stocks, bonds, trademarks, or annuities. *Ramco, Inc. v. Director, Department of Revenue*, 248 N.W.2d 122 (Iowa 1976).