



CHESTER J. CULVER
GOVERNOR

OFFICE OF THE GOVERNOR

PATTY JUDGE
LT. GOVERNOR

May 11, 2007

The Honorable Michael Mauro
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

Senate File 278, an Act relating to changes in the utility replacement tax law by redefining a new electric power generating plant, extending the life of the utility replacement tax task force, and requiring notification by the taxpayer to the department of revenue and local taxing district upon transfer of utility property.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester J. Culver".

Chester J. Culver
Governor

CJC:bdj

cc: Secretary of the Senate
Chief Clerk of the House





SENATE FILE 278

AN ACT

RELATING TO CHANGES IN THE UTILITY REPLACEMENT TAX LAW BY REDEFINING A NEW ELECTRIC POWER GENERATING PLANT, EXTENDING THE LIFE OF THE UTILITY REPLACEMENT TAX TASK FORCE, AND REQUIRING NOTIFICATION BY THE TAXPAYER TO THE DEPARTMENT OF REVENUE AND LOCAL TAXING DISTRICT UPON TRANSFER OF UTILITY PROPERTY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 437A.3, subsection 11, unnumbered paragraph 2, Code 2007, is amended to read as follows:

"New electric power generating plant" means an any of the following:

a. An electric power generating plant that is owned by or leased to an electric company, electric cooperative, or municipal utility, and that initially generates electricity subject to replacement generation tax under section 437A.6 on or after January 1, 2003.

b. An electric power generating plant that is owned by or leased to an electric company, electric cooperative, or municipal utility, that initially generated electricity subject to replacement generation tax under section 437A.6 before January 1, 2003, and that is sold, leased, or transferred, in full or in part, on or after January 1, 2003. If any portion of an electric power generating plant is sold, the entire plant shall be treated as if it were a new electric power generating plant.

Sec. 2. Section 437A.15, subsection 7, unnumbered paragraph 2, Code 2007, is amended to read as follows:

The task force shall study the effects of the replacement tax on local taxing authorities, local taxing districts, consumers, and taxpayers through January 1, ~~2007~~ 2010. If the task force recommends modifications to the replacement tax that will further the purposes of tax neutrality for local taxing authorities, local taxing districts, taxpayers, and consumers, consistent with the stated purposes of this chapter, the department of management shall transmit those recommendations to the general assembly.

Sec. 3. Section 437A.19, subsection 1, paragraph a, Code 2007, is amended to read as follows:

a. A taxpayer whose property is subject to the statewide property tax shall report to the director by July 1, 1999, and by May 1 of each subsequent tax year, on forms prescribed by the director, the book value, as of the beginning and end of the preceding calendar year, of all of the following:

(1) The local amount of any major addition by local taxing district.

(2) The statewide amount of any major addition without notation of location.

(3) Any building in Iowa at acquisition cost of more than ten million dollars ~~which that~~ that was originally placed in service by the taxpayer prior to January 1, 1998, and ~~which that~~ that was transferred or disposed of in the preceding calendar year, ~~without-notation-of-location~~ by local taxing district.

(4) Any electric power generating plant in Iowa at acquisition cost of more than ten million dollars ~~which that~~ that was originally placed in service by the taxpayer prior to

January 1, 1998, and which that was transferred or disposed of in the preceding calendar year, ~~without notation of location by local taxing district.~~

(5) All other taxpayer property without notation of location.

(6) The local amount of any major addition eligible for the urban revitalization exemption provided for in chapter 404, by situs.

(7) All other transferred taxpayer property, in addition to any transferred property reported under subparagraphs (3) and (4), by local taxing district.

Sec. 4. Section 437A.19, subsection 2, paragraphs b and c, Code 2007, are amended to read as follows:

b. ~~(1)~~ Adjust the assessed value of taxpayer property in each local taxing district by allocating the change in book value during the preceding calendar year of the statewide amount and all other taxpayer property described in subsection 1, paragraph "a", subparagraph (5), to the assessed value of all taxpayer property in the state pro rata according to its preadjustment value. Any value for a taxpayer owning, or owning an interest in, a new electric power generating plant in excess of a local amount, where such taxpayer owns no other taxpayer property in this state, shall not be allocated to any local taxing districts.

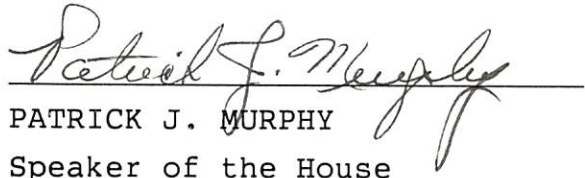
~~(2) -- If, during the preceding calendar year, a taxpayer transferred an electric power generating plant or an interest in an electric power generating plant to a taxpayer who owned no other taxpayer property in this state as of the end of such preceding calendar year, in lieu of the adjustment provided in subparagraph (1), the director shall allocate the transferee taxpayer's change in book value of the statewide amount during such preceding calendar year, if any, among local taxing districts in proportion to the allocation of the transferor's assessed value among local taxing districts as of the end of such preceding calendar year.~~

c. In the case of taxpayer property described in subsection 1, paragraph "a", subparagraphs (3), and (4), and (7), decrease the assessed value of taxpayer property in each local taxing district by the ~~taxable~~ assessed value of such

~~property within each such local taxing district on January 1,~~
1998 reported within such local taxing district.



JOHN P. KIBBIE
President of the Senate



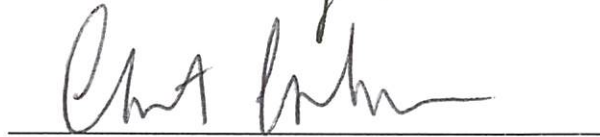
PATRICK J. MURPHY
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 278, Eighty-second General Assembly.



MICHAEL E. MARSHALL
Secretary of the Senate

Approved May 11th, 2007



CHESTER J. CULVER
Governor