

MAY 3 1973

HOUSE FILE 740

Place On Calendar

By COMMITTEE ON WAYS AND MEANS

See Kay and Mason 5/14 - Pass of H 756 4/5
 House File 740 *See Appropriation 6/6 - Pass 6/6*
 Van Gilst, Chairman
 Lamborn
 Griffin
 Schwengels
 Palmer

House File 740
 Potter, Chairman
 Shaff
 Willits

Passed House, Date 5-8-73 (1217) Passed Senate, Date 6-15-73 (1802)

Vote: Ayes 85 Nays 1 Vote: Ayes 36 Nays 8

Approved 7-21-73

*Passed House as amended by Senate and
 further amended by House
 6-21-73 (2247)
 77-21*

Motion to reconsider tabled 6/15

*Passed Senate per House amendment
 6-22-73 (2011)
 41-8*

A BILL FOR

1 An Act to increase the personal property tax credit.

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

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1 Section 1. Section four hundred twenty-seven A point two
2 (427A.2), unnumbered paragraph one (1), Code 1973, is amended
3 to read as follows:

4 Persons entitled to exemption from personal property tax
5 under provisions of section 427.3, shall be granted such
6 exemption, in addition to the credits provided by this chap-
7 ter. There is hereby granted a credit of not to exceed ~~two~~
8 three thousand ~~seven-hundred~~ dollars against the assessed
9 value of tangible personal property as defined in section
10 427A.1, owned by a person or business enterprise.

11 Sec. 2. Section four hundred twenty-seven A point four
12 (427A.4), Code 1973, is amended to read as follows:

13 427A.4 LIMIT OF CREDIT. No person or business enterprise
14 in the state shall be allowed a credit on personal property
15 tax in excess of ~~two~~ three thousand ~~seven-hundred~~ dollars
16 assessed valuation. Any person or business enterprise who
17 owns personal property subject to taxation in more than one
18 county of the state shall designate in reporting such prop-
19 erty to the assessor for the purpose of assessment as required
20 in section 427A.1 in which counties of the state the property
21 is located and may claim the entire credit in one county or
22 a proportionate part thereof in each county where the prop-
23 erty is situated, and in no case shall he claim more than
24 the ~~two~~ three thousand ~~seven-hundred~~ dollars assessed value
25 for all personal property assessed in all counties.

26 Each year, on or before July 4 first, the taxpayer shall
27 deliver to the assessor an application for personal property
28 tax credit and state by such affidavit or affidavits filed
29 in each county where his personal property is situated, that
30 he has not claimed a total personal property tax credit in
31 all counties in excess of a total of ~~two~~ three thousand ~~seven~~
32 ~~hundred~~ dollars assessed valuation.

33 It shall be the duty of the assessor to examine claims
34 for such credit filed with him and recommend on each such
35 claim the disallowance thereof where it appears that an owner

1 of tangible personal property has attempted to divide the
2 ownership thereof for purpose of obtaining additional credit
3 beyond the amount of ~~two three~~ thousand ~~seven-hundred~~ dol-
4 lars in a year.

5 If any person fails to make application for the credits
6 provided for under this chapter as herein required, he shall
7 be deemed to have waived the personal property tax credit
8 for the year in which he failed to make claim.

9 Any person making a false affidavit for the purpose of
10 obtaining the credit provided for in this section, or who
11 knowingly receives such credit without being legally entitled
12 thereto, or who makes claim for credit of more than ~~two three~~
13 thousand ~~seven-hundred~~ dollars in the state shall be guilty
14 of a misdemeanor and upon conviction thereof shall be fined
15 not more than one hundred dollars or imprisoned in the county
16 jail for not more than thirty days or be both so fined and
17 imprisoned.

18 Sec. 3. Section four hundred twenty-seven A point five
19 (427A.5), unnumbered paragraph one (1), Code 1973, is amended
20 to read as follows:

21 If personal property is owned separately by a husband and
22 wife, they may divide the credit or one may take the entire
23 credit, but in no case may a husband and wife receive a to-
24 tal credit of more than ~~two three~~ thousand ~~seven-hundred~~
25 dollars unless husband, wife or minor children own farm units
26 separately. If personal property is owned by separate busi-
27 ness enterprises and the business enterprises are controlled
28 or owned by the same person, the separate business enterprises
29 may divide the credit or one may take the entire credit, but
30 in no case may separate business enterprises which are con-
31 trolled or owned by the same person receive a total exemp-
32 tion of more than ~~two three~~ thousand ~~seven-hundred~~ dollars.

33 EXPLANATION

34 This bill increases the present personal property tax
35 credit from \$2,700 to \$3,000.

FISCAL NOTE
HOUSE FILE 740

Date prepared May 2, 1973

Requested by Committee on Ways and Means.

Prepared in regard to H.F. 740 - An Act to increase the personal property tax credit. Following is the fiscal effect in dollars of the legislative proposal as required by House Rule 48.

Increasing the personal property tax credit from \$2,700 to \$3,000 would increase the State General Fund expenditure a maximum of \$3,000,000 per year.

Filed
May 3, 1973

GERRY D. RANKIN
Legislative Fiscal Director

H-464

1. Amend House File 740 as follows:
- 2 1. Page 2, by striking from lines 8, 15, 24
- 3 and 31 the word "three" and inserting in lieu
- 4 thereof the word "five".
- 5 2. Page 3, by striking from lines 3, 12, 24
- 6 and 32 the word "three" and inserting in lieu
- 7 thereof the word "five".

H-464 Offered and withdrawn
May 8, 1973

By BRANSTAD of Winnebago

HOUSE FILE 740

S-756

1 Amend House File 740, as passed by the House, by striking
2 everything after the enacting clause and inserting in lieu there-
3 of the following:

4 Sec. ____ Chapter four hundred twenty-seven A (427A), Code
5 1973, is amended by adding the following new section:

6 NEW SECTION. In addition to and after computation and appli-
7 cation of the personal property tax credit provided pursuant to
8 sections four hundred twenty-seven A point one (427A.1) through
9 four hundred twenty-seven A point eight (427A.8) of this chapter
10 to personal property subject to taxation, each taxpayer is en-
11 titled to an additional personal property tax credit on his per-
12 sonal property taxes for which each taxing district in the state
13 shall be allowed an additional personal property tax credit on
14 the personal property assessed as of January first of the pre-
15 ceding year, in the following amounts:

16 1. For the extended tax year beginning January 1, 1974 and
17 ending June 30, 1975, fifteen percent.

18 2. For the tax year beginning July 1, 1975 and ending June
19 30, 1976, twenty-five percent.

20 3. For the tax year beginning July 1, 1976 and ending June
21 30, 1977, thirty-five percent.

22 4. For the tax year beginning July 1, 1977 and ending June
23 30, 1978, forty-five percent.

24 5. For the tax year beginning July 1, 1978 and ending June
25 30, 1979, fifty-five percent.

Page 2

1 6. For the tax year beginning July 1, 1979 and ending June
2 30, 1980, sixty-five percent.

3 7. For the tax year beginning July 1, 1980 and ending June
4 30, 1981, seventy-five percent.

5 8. For the tax year beginning July 1, 1981 and ending June
6 30, 1982, eighty-five percent.

7 9. For the tax year beginning July 1, 1982 and ending June
8 30, 1983 and all succeeding tax years, one hundred percent.

9 The tax credit for the tax year beginning July 1, 1982 and
10 ending June 30, 1983, and each year thereafter shall be based
11 upon personal property assessed as of January 1, 1982. Personal
12 property shall not be valued and assessed after July 1, 1982.

13 On or before January 1, 1974, and each year thereafter, the
14 auditor of each county shall prepare a statement listing for each
15 taxing district in the county all personal property assessed as
16 of January first of the preceding year. The statement shall show
17 the tax rates of the various taxing districts and the total amount
18 of taxes which were not collected for the year 1974 and each year
19 thereafter by reason of the additional personal property tax cred-
20 it granted by this section. The auditor shall certify and for-
21 ward copies of the statement to the state comptroller and the
22 director of revenue not later than January fifteenth of each year.
23 The director of revenue shall compute the applicable tax credit
24 each year and certify to the state comptroller the amount due to
25 each taxing district, which amount shall be the dollar amounts

1 which would be payable if the personal property were taxed.
 2 The amounts due each taxing district shall be paid in two equal
 3 payments by the state comptroller on March fifteenth and September
 4 fifteenth of each year, drawn upon warrants payable to the re-
 5 spective county treasurers. The county treasurer shall pay the
 6 proceeds to the various taxing districts in the county.
 7 There is appropriated from the general fund of the state to
 8 the state comptroller for the fiscal year beginning July 1, 1973
 9 and ending June 30, 1974, and each succeeding fiscal year, an
 10 amount sufficient to carry out the provisions of this section.

S-756 Filed *6 Sept 2/15*
 June 5, 1973

By COMMITTEE ON WAYS AND MEANS

S-913

1 Amend the Committee on Ways and Means amendment, S-756, to
 2 House File 740, as passed by the House, page 3, by striking lines
 3 7 through 10 and inserting in lieu thereof the following:

4 In the event that the amount appropriated for reimbursement of
 5 the taxing districts is insufficient to pay in full the amounts
 6 due to each of the taxing districts, then the amount of each pay-
 7 ment shall be reduced by the director of revenue according to the
 8 ratio that the total amount of funds to be paid to each taxing
 9 district bears to the total amount to be paid to all taxing
 10 districts in the state.

11 Sec. 2. Section four hundred forty-two point two (442.2), Code
 12 1973, is amended by adding the following new unnumbered paragraph:

13 NEW UNNUMBERED PARAGRAPH. The amount paid to each school
 14 district for the personal property tax credit under this Act shall
 15 be regarded as property tax. The portion of the payment which is
 16 foundation property tax shall be determined by applying the
 17 foundation property tax millage rate to the taxable value of per-
 18 sonal property assessed for taxation in the district as of Janu-
 19 ary 1, 1973, and January first of each year thereafter provided
 20 that on January 1, 1982 and each year thereafter, the portion of
 21 the payment which is foundation property tax shall be determined
 22 by applying the foundation property tax millage rate to the tax-
 23 able value of personal property assessed for taxation in the dis-
 24 trict as of January 1, 1982.

25 Sec. 3. NEW SECTION. There is appropriated from the general

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1 fund of the state of Iowa to the state comptroller for the
 2 fiscal year beginning July 1, 1973, and ending June 30, 1974,
 3 the sum of one million nine hundred fifty thousand (1,950,000)
 4 dollars, or so much thereof as may be necessary, and for the
 5 fiscal year beginning July 1, 1974, and ending June 30, 1975,
 6 the sum of three million eight hundred fifty thousand
 7 (3,850,000) dollars, or so much thereof as may be necessary,
 8 and for each succeeding fiscal year the sum of seven million
 9 seven hundred thousand (7,700,000) dollars, or so much
 10 thereof as may be necessary to carry out the provisions of
 11 section one (1) of this Act.

S-913 Filed *Loat 6/15*
 June 14, 1973

By DE KOSTER

S-557

1 Amend House File 740 as follows:

- 2 1. Page 2, line 8 by striking the word "hundred" and
3 insert in lieu thereof the words "five hundred"
- 4 2. Page 2, line 15 by striking the word "hundred" and
5 insert in lieu thereof the words "five hundred"
- 6 3. Page 2, line 24 by striking the word "hundred" and
7 insert in lieu thereof the words "five hundred"
- 8 4. Page 2, line 31 by striking the word "hundred" and
9 insert in lieu thereof the words "five hundred"
- 10 5. Page 3, line 3 by striking the word "hundred" and
11 insert in lieu thereof the words "five hundred"
- 12 6. Page 3, line 13 by striking the word "hundred" and
13 insert in lieu thereof the words "five hundred"
- 14 7. Page 3, line 24 by striking the word "hundred" and
15 insert in lieu thereof the words "five hundred"
- 16 8. Page 3, line 32 by striking the word "hundred" and
17 insert in lieu thereof the words "five hundred"

S-557 Filed - *Revised out of order with* By PRIEBE and SCHABEN
May 10, 1973 *adoption of S-756 6/15*

AMENDMENT S-557 TO HOUSE FILE 740
FISCAL NOTE
SENATE

Date prepared May 8, 1973

Requested by Senator Priebe.

Prepared in regard to H.F. 740 - An Act to increase the personal property tax credit, Priebe amendment thereto. Following is the fiscal effect in dollars of the legislative proposal as required by Senate Rule 31.

Increasing the personal property tax credit from \$2,700 to \$3,500 would increase the State general fund expenditure a maximum of \$9,000,000.

This would be an increase of \$6,000,000 over the cost of the original bill.

Filed
May 11, 1973

GERRY D. RANKIN
Legislative Fiscal Director

1 Amend House File 740, as passed by the House, by striking
2 everything after the enacting clause and inserting in lieu
3 thereof the following:

4 Sec. _____. Chapter four hundred twenty-seven A (427A),
5 Code 1973, is amended by adding the following new section:

6 NEW SECTION. In addition to and after computation and appli-
7 cation of the personal property tax credit provided pursuant to
8 sections four hundred twenty-seven A point one (427A.1) through
9 four hundred twenty-seven A point eight (427A.8) of this chapter
10 to personal property subject to taxation, each taxpayer is en-
11 titled to an additional personal property tax credit on his per-
12 sonal property taxes for which each taxing district in the state
13 shall be allowed an additional personal property tax credit on
14 the personal property assessed as of January first of the pre-
15 ceding year, in the following amounts:

16 1. For the extended tax year beginning January 1, 1974 and
17 ending June 30, 1975, fifteen percent.

18 2. For the tax year beginning July 1, 1975 and ending June
19 30, 1976, twenty-five percent.

20 3. For the tax year beginning July 1, 1976 and ending
21 June 30, 1977, thirty-five percent.

22 4. For the tax year beginning July 1, 1977 and ending
23 June 30, 1978, forty-five percent.

24 5. For the tax year beginning July 1, 1978 and ending
25 June 30, 1979, fifty-five percent.

26 6. For the tax year beginning July 1, 1979 and ending
27 June 30, 1980, sixty-five percent.

28 7. For the tax year beginning July 1, 1980 and ending
29 June 30, 1981, seventy-five percent.

30 8. For the tax year beginning July 1, 1981 and ending
31 June 30, 1982, eighty-five percent.

32 9. For the tax year beginning July 1, 1982 and ending
33 June 30, 1983, and all succeeding tax years, one hundred percent.

34 The tax credit for the tax year beginning July 1, 1982 and
35 ending June 30, 1983, and each year thereafter shall be based
36 upon personal property assessed as of January 1, 1982. Personal
37 property shall not be valued and assessed after July 1, 1982.

38 On or before January 1, 1974, and each year thereafter, the
39 auditor of each county shall prepare a statement listing for
40 each taxing district in the county all personal property
41 assessed as of January first of the preceding year. The state-
42 ment shall show the tax rates of the various taxing districts
43 and the total amount of taxes which were not collected for
44 the year 1974 and each year thereafter by reason of the
45 additional personal property tax credit granted by this section.
46 The auditor shall certify and forward copies of the statement
47 to the state comptroller and the director of revenue not later
48 than January fifteenth of each year. The director of revenue
49 shall compute the applicable tax credit each year and certify
50 to the state comptroller the amount due to each taxing district
51 which amount shall be the dollar amounts which would be payable
52 if the personal property were taxed.

53 The amounts due each taxing district shall be paid in two
54 equal payments by the state comptroller on March fifteenth and
55 September fifteenth of each year, drawn upon warrants payable
56 to the respective county treasurers. The county treasurer shall
57 pay the proceeds to the various taxing districts in the county.

58 There is appropriated from the general fund of the state to
59 the state comptroller for the fiscal year beginning July 1, 1973
60 and ending June 30, 1974, and each succeeding fiscal year, an
61 amount sufficient to carry out the provisions of this section.

H-858

1 Amend the Senate amendment to House File 740 by
2 striking everything after line 3 and inserting in lieu
3 thereof the following:

4 Section 1. Chapter four hundred twenty-seven A
5 (427A), Code 1973, is amended by adding the following
6 new section:

7 NEW SECTION. In addition to the personal property
8 tax credit granted pursuant to sections four hundred
9 twenty-seven A point one (427A.1) through four hundred
10 twenty-seven A point five (427A.5) of this chapter, each
11 taxpayer is granted an additional cumulative personal
12 property tax credit each of the following years against
13 the taxpayer's assessed value of personal property in
14 the following amounts:

- 15 1. For taxes payable in the year 1974, five hundred
16 dollars.
- 17 2. For taxes payable in the year 1975, an additional
18 five hundred dollars.
- 19 3. For taxes payable in the year 1976, an additional
20 five hundred dollars.
- 21 4. For taxes payable in the year 1977, an additional
22 five hundred dollars.
- 23 5. For taxes payable in the year 1978, an additional
24 five hundred dollars.
- 25 6. For taxes payable in the year 1979, an additional
26 five hundred dollars.
- 27 7. For taxes payable in the year 1980, an additional
28 five hundred dollars.
- 29 8. For taxes payable in the year 1981, an additional
30 five hundred dollars.
- 31 9. For taxes payable in the year 1982, an additional
32 five hundred dollars.
- 33 10. For taxes payable in the year 1983, an additional
34 five hundred dollars.

H-858 Filed - *Lost 6/21*
June 20, 1973

By EGENES of Story
WELDEN of Hardin

H-885

1 Amend the title to House File 740 by striking all
after the word
2 "Act" in line 1 and inserting in lieu thereof the
3 following: "relating to the personal property
4 tax credit, establishing the personal property
5 tax replacement fund and making an appropriation
6 thereto, and relating to debt limitations for
7 municipalities, political subdivisions, school
8 districts and taxing districts."

H-885 Filed and adopted
June 22, 1973

By STANLEY of Muscatine

HOUSE FILE 740

H-878

- 1 Amend the amendment H-858 to the Senate
- 2 amendment to House File 740 by inserting after
- 3 line 34 the following:
- 4 1. Page 1, by inserting after line 3 the following:
- 5 "Sec. _____. Section four hundred twenty-five point
- 6 one (425.1), subsection four (4), Code 1973, is
- 7 amended to read as follows:
- 8 4. Annually the department of revenue shall esti-
- 9 mate the millage credit not to exceed twenty-five
- 10 thirty-five mills to be given to each dollar of eligible
- 11 homestead valuation based upon the estimated revenue
- 12 that may be distributable from the homestead credit
- 13 fund for the ensuing year, and shall certify to the
- 14 county auditor of each county such millage credit
- 15 and the amount in dollars thereof. Each county
- 16 auditor shall then enter such credit against the tax
- 17 levied on each eligible homestead in each county
- 18 payable during the ensuing year, designating on the tax
- 19 lists such credit as being from the homestead credit
- 20 fund, and credit shall then be given to the several
- 21 taxing districts in which such eligible homesteads
- 22 are located in an amount equal to the credits allowed
- 23 on the taxes of such homesteads. The amount of
- 24 said credits shall be apportioned by each county
- 25 treasurer to the several taxing districts as provided
- 26 by law, in the same manner as though the amount of
- 27 the credit had been paid by the owners of said
- 28 homesteads; provided, however, that the several taxing
- 29 districts shall not be permitted to draw the funds
- 30 so credited until after the semiannual allocations
- 31 have been received by the county treasurer, as
- 32 provided in this chapter. Each county treasurer
- 33 shall show on each tax receipt the amount of credit
- 34 received from the homestead credit fund."
- 35 2. By renumbering sections to conform to this
- 36 amendment.

H-878 Filed and ruled
not germane
June 21, 1973

By MONROE of Des Moines
RINAS of Linn
CONNORS of Polk
BRUNOW of Appanoose
MILLER of Calhoun
PONCY of Wappello
HUTCHINS of Guthrie
HARPER of Davis
CLARK of Dubuque
HOWELL of Floyd
HENNESSEY of Delaware
WELLS of Linn
O'HALLORAN of Black Hawk
BRINCK of Lee

HOUSE FILE 740

H-861

1 Amend the Senate amendment to House File 740 by
2 striking everything after line 3 and inserting in lieu
3 thereof the following:

4 Sec. 1. Chapter four hundred twenty-seven A (427A),
5 Code 1973, is amended by adding the following new
6 sections:

7 NEW SECTION. In addition to and after application
8 of the personal property tax credit granted pursuant
9 to sections four hundred twenty-seven A point one
10 (427A.1) through four hundred twenty-seven A point
11 five (427A.5) of this chapter, each taxpayer is granted
12 an additional personal property tax credit against the
13 following percentage of the taxpayer's assessed value
14 of personal property which would otherwise be taxable
15 in the tax year:

16 1. For the extended tax year beginning January 1,
17 1974 and ending June 30, 1975, fifteen percent.

18 2. For the tax year beginning July 1, 1975 and
19 ending June 30, 1976, twenty-five percent.

20 3. For the tax year beginning July 1, 1976 and
21 ending June 30, 1977, thirty-five percent.

22 4. For the tax year beginning July 1, 1977 and
23 ending June 30, 1978, forty-five percent.

24 5. For the tax year beginning July 1, 1978 and
25 ending June 30, 1979, fifty-five percent.

26 6. For the tax year beginning July 1, 1979 and
27 ending June 30, 1980, sixty-five percent.

28 7. For the tax year beginning July 1, 1980 and
29 ending June 30, 1981, seventy-five percent.

30 8. For the tax year beginning July 1, 1981 and
31 ending June 30, 1982, eighty-five percent.

32 9. For the tax year beginning July 1, 1982 and
33 ending June 30, 1983 and all succeeding tax years, one
34 hundred percent.

35 As used in this Act "tax year" means the year in
36 which taxes are payable.

37 No application shall be required for the additional
38 personal property tax credit granted by this section.
39 The assessor and county auditor shall take all neces-
40 sary action to assure that each taxpayer receives the
41 credit.

42 NEW SECTION. Personal property shall not be listed
43 or assessed after the assessment made as of January 1,
44 1980. Effective July 1, 1982, all taxes on personal
45 property as defined in section four hundred twenty-
46 seven A point one (427A.1) of the Code are repealed.
47 This section shall prevail over all inconsistent
48 statutes.

49 NEW SECTION. For each annual assessment of personal
50 property through the final assessment as of January 1,

51 1980, the total assessed value of all personal property
52 in each assessing jurisdiction shall not exceed the total
53 assessed value of all personal property in the assessing
54 jurisdiction as of January 1, 1973, excluding livestock.
55 The assessor shall determine the tentative assessed
56 value of all taxable personal property in accordance
57 with chapter four hundred forty-one (441) of the Code.
58 If the total tentative assessed value exceeds the
59 limitation established by this section, the assessor
60 shall reduce the tentative assessed value of each tax-
61 payer's personal property by the same percentage, so
62 that the total assessed value of all personal property
63 in the assessing jurisdiction shall be equal to the
64 total assessed value of all personal property in the
65 assessing jurisdiction as of January 1, 1973, excluding
66 livestock. This section shall prevail over all incon-
67 sistent statutes.

68 NEW SECTION.

69 1. A personal property tax replacement fund is
70 established as a permanent fund in the office of the
71 treasurer of state, for the purpose of reimbursing the
72 taxing districts for their loss of revenue from personal
73 property taxes due to the provisions of this chapter,
74 determined as provided in this section.

75 2. On or before January 15, 1974, the county auditor
76 of each county shall prepare a statement listing for
77 each taxing district in the county.

78 a. The total assessed value of all personal property
79 assessed for taxation as of January 1, 1973, excluding
80 livestock but including other personal property eligible
81 for tax credits granted by this chapter.

82 b. The millage rate of each taxing district levied
83 in 1972 and payable in 1973.

84 c. The personal property tax replacement base for
85 each taxing district, which shall be equal to the amount
86 determined pursuant to paragraph a of this subsection
87 multiplied by the millage rate specified in paragraph
88 b of this subsection.

89 3. The county auditor shall certify and forward
90 one copy each of the statement to the state comptroller
91 and to the director of revenue not later than January
92 15, 1974. The director of revenue shall make any
93 necessary corrections and certify to the state comptroller
94 the amount of the personal property tax replacement
95 base for each taxing district in the state, determined
96 pursuant to subsection two (2) of this section.

97 4. The personal property tax replacement base for
98 each taxing district shall be permanent and shall not
99 be adjusted, except that the state comptroller shall
100 make any necessary corrections and shall make appropriate

101 adjustments to reflect mergers, annexations, and other
102 changes in taxing districts or their boundaries.

103 5. For each state fiscal year ending on or before
104 June 30, 1982, each taxing district shall be reimbursed
105 from the personal property tax replacement fund in an
106 amount equal to its personal property tax replacement
107 base multiplied by a fraction the numerator of which is
108 the total assessed value of all personal property,
109 excluding livestock, in the taxing district on which
110 taxes are not payable during such fiscal year because
111 of the various tax credits granted by this chapter,
112 and the denominator of which is the total assessed
113 value of all personal property in the taxing district,
114 excluding livestock but including other personal prop-
115 erty eligible for tax credits granted by this chapter.
116 For the half year beginning January 1, 1974 and ending
117 June 30, 1974, the amount of reimbursement shall be half
118 the amount determined pursuant to this subsection. The
119 county auditor shall certify and forward to the state
120 comptroller and the director of revenue, at the times
121 and in the form directed by the director of revenue,
122 any information needed for the purposes of this para-
123 graph. The director of revenue shall make any necessary
124 corrections and certify the appropriate information to
125 the state comptroller.

126 6. For each state fiscal year beginning on or after
127 July 1, 1982, each taxing district shall be reimbursed
128 from the personal property tax replacement fund in an
129 amount equal to its personal property tax replacement base.

130 7. The amount due each taxing district shall be
131 paid in the form of warrants payable to the respective
132 county treasurers by the state comptroller in two equal
133 payments on September fifteenth and March fifteenth of
134 each fiscal year. The first payment shall be made on
135 March 15, 1974. The county treasurer shall pay the
136 proceeds to the various taxing districts in the county.

137 8. It is the intent of the general assembly that
138 the amounts appropriated by this Act shall be sufficient
139 to pay in full the amounts due to all taxing districts.
140 If, for any fiscal year the amount appropriated to the
141 personal property tax replacement fund is insufficient
142 to pay in full the amounts due to all taxing districts,
143 then the amount of each payment shall be reduced by the
144 same percentage, so that the aggregate payments to all
145 taxing districts shall be equal to the amount appropriated
146 for such payments.

147 NEW SECTION. There is hereby appropriated from the
148 general fund of the state of Iowa to the personal prop-
149 erty tax replacement fund the following sums, or so
150 much thereof as may be necessary, to carry out the

151 provisions of this chapter as amended by this Act:

152	<u>For Fiscal Year</u>	<u>Amount</u>
153	1973-74	\$31,900,000
154	1974-75	35,700,000
155	1975-76	39,500,000
156	1976-77	43,300,000
157	1977-78	47,100,000
158	1978-79	50,900,000
159	1979-80	54,700,000
160	1980-81	58,500,000
161	1981-82	62,300,000
162	1982-83 and each suc-	
163	ceeding fiscal year	68,000,000

164 Sec. 2. Section four hundred twenty-seven A point
165 three (427A.3), Code 1973, is amended by striking
166 everything after unnumbered paragraph one (1).

167 Sec. 3. Section four hundred twenty-seven A point
168 six (427A.6), Code 1973, is amended to read as follows:

169 427A.6 LISTING BY AUDITOR. On or before January 1
170 of each year, the auditor of each county shall prepare
171 a statement listing for each taxing district in the county
172 all personal property upon which taxes shall not be
173 collected due to the tax credit granted in this chapter.
174 The statement shall show the tax rates of the various
175 taxing districts and the total amount of taxes which
176 shall not be collected in each district because of the
177 tax credit. The auditor shall certify and forward one
178 copy each of the statement to the state comptroller
179 and to the department of revenue on or before January 15
180 of such year. The department of revenue shall have the
181 responsibility of auditing credits allowed in all counties
182 in the state, and such audit shall be completed within
183 eighteen months from July 1 of the year the claims were
184 filed. A copy of the audit containing disallowed credits
185 shall be sent to the county auditor, the county treasurer
186 and state comptroller, and such individuals shall be
187 directed to correct their books and records accordingly.
188 The For tax years ending on or before December 31, 1973,
189 the amount of such erroneous credit shall be charged
190 to the county by the state comptroller. The director
191 of revenue shall be authorized and directed to disallow
192 any claim where the audit or investigation revealed
193 that the claimant was not entitled to the credit claimed.
194 Persons and business enterprises may appeal any disallowed
195 personal property credit to the state board of tax
196 review.

197 Sec. 4. Effective January 1, 1974, sections four
198 hundred twenty-seven A point seven (427A.7) and four
199 hundred twenty-seven A point eight (427A.8), Code
200 1973, are repealed.

201 Sec. 5. Section four hundred forty-two point two
202 (442.2), Code 1973, is amended by adding the following
203 new paragraph:

204 NEW PARAGRAPH. The amount paid to each school
205 district from the personal property tax replacement fund
206 established by this Act shall be regarded as property
207 tax. For budget years beginning on or after July 1,
208 1982, the portion of the payment which is foundation
209 property tax shall be determined by applying the founda-
210 tion property tax millage rate to the total assessed
211 value of all personal property assessed for taxation
212 in the district as of January 1, 1973, excluding livestock,
213 but including other personal property eligible for tax
214 credits granted by chapter four hundred twenty-seven
215 A (427A) of the Code as amended by this Act. For budget
216 years beginning before July 1, 1982, the portion of the
217 payment which is foundation property tax shall be de-
218 termined by the state comptroller pursuant to uniform
219 methods established by him.

220 Sec. 6. NEW SECTION. For the purposes of comput-
221 ing all debt limitations for municipalities, political
222 subdivisions, school districts and taxing districts
223 with respect to any debt incurred or proposed to be
224 incurred after July 1, 1973, the actual value of all
225 personal property as defined in section four hundred
226 twenty-seven A point one (427A.1) of the Code shall
227 be excluded.

H-861 Filed
June 21, 1973

By STANLEY of Muscatine
HOLDEN of Scott
ROORDA of Jasper

HOUSE FILE 740

H--862

1 Amend the Senate amendment to House File 740 by
2 striking everything after line 3 and inserting in lieu
3 thereof the following:

4 Sec. 1. Chapter four hundred twenty-seven A (427A),
5 Code 1973, is amended by adding the following new
6 sections:

7 NEW SECTION. Each taxpayer entitled to the per-
8 sonal property tax credit granted pursuant to sec-
9 tions four hundred twenty-seven A point one (427A.1)
10 through four hundred twenty-seven A point five
11 (427A.5) of this chapter is granted an additional per-
12 sonal property tax credit against the taxpayer's
13 assessed value of personal property which would other-
14 wise be taxable in the tax year.

15 The amount of the credit under this section shall
16 be a fixed amount for each tax year and shall increase
17 annually through the tax year ending June 30, 1982.
18 The director of revenue and the state comptroller,
19 jointly, shall determine the amount of the credit for
20 each such tax year. Such amount shall be the maximum
21 amount, rounded to the nearest ten dollars, which
22 will permit complete funding of the replacement
23 obligation under this Act, including the replacement
24 obligation for the tax credit granted pursuant to
25 sections four hundred twenty-seven A point one
26 (427A.1) through four hundred twenty-seven A point
27 five (427A.5) of this chapter, out of the appropria-
28 tion provided in this chapter.

29 As used in this Act "tax year" means the year in
30 which taxes are payable.

31 No application shall be required for the additional
32 personal property tax credit granted by this section.
33 The assessor and county auditor shall take all neces-
34 sary action to assure that each taxpayer receives the
35 credit.

36 NEW SECTION. Personal property shall not be listed
37 or assessed after the assessment made as of January 1,
38 1980. Effective July 1, 1982, all taxes on personal
39 property as defined in section four hundred twenty-
40 seven A point one (427A.1) of the Code are repealed.
41 This section shall prevail over all inconsistent
42 statutes.

43 NEW SECTION. For each annual assessment of personal
44 property through the final assessment as of January 1,
45 1980, the total assessed value of all personal property
46 in each assessing jurisdiction shall not exceed the total
47 assessed value of all personal property in the assessing
48 jurisdiction as of January 1, 1973, excluding livestock.
49 The assessor shall determine the tentative assessed
50 value of all taxable personal property in accordance

51 with chapter four hundred forty-one (441) of the Code.
52 If the total tentative assessed value exceeds the
53 limitation established by this section, the assessor
54 shall reduce the tentative assessed value of each tax-
55 payer's personal property by the same percentage, so
56 that the total assessed value of all personal property
57 in the assessing jurisdiction shall be equal to the
58 total assessed value of all personal property in the
59 assessing jurisdiction as of January 1, 1973, excluding
60 livestock. This section shall prevail over all incon-
61 sistent statutes.

62 NEW SECTION.

63 1. A personal property tax replacement fund is
64 established as a permanent fund in the office of the
65 treasurer of state, for the purpose of reimbursing the
66 taxing districts for their loss of revenue from personal
67 property taxes due to the provisions of this chapter,
68 determined as provided in this section.

69 2. On or before January 15, 1974, the county auditor
70 of each county shall prepare a statement listing for
71 each taxing district in the county:

72 a. The total assessed value of all personal property
73 assessed for taxation as of January 1, 1973, excluding
74 livestock but including other personal property eligible
75 for tax credits granted by this chapter.

76 b. The millage rate of each taxing district levied
77 in 1972 and payable in 1973.

78 c. The personal property tax replacement base for
79 each taxing district, which shall be equal to the amount
80 determined pursuant to paragraph a of this subsection
81 multiplied by the millage rate specified in paragraph
82 b of this subsection.

83 3. The county auditor shall certify and forward
84 one copy each of the statement to the state comptroller
85 and to the director of revenue not later than January
86 15, 1974. The director of revenue shall make any
87 necessary corrections and certify to the state comptroller
88 the amount of the personal property tax replacement
89 base for each taxing district in the state, determined
90 pursuant to subsection two (2) of this section.

91 4. The personal property tax replacement base for
92 each taxing district shall be permanent and shall not
93 be adjusted, except that the state comptroller shall
94 make any necessary corrections and shall make appropriate
95 adjustments to reflect mergers, annexations, and other
96 changes in taxing districts or their boundaries.

97 5. For each state fiscal year ending on or before
98 June 30, 1982, each taxing district shall be reimbursed
99 from the personal property tax replacement fund in an
100 amount equal to its personal property tax replacement

101 base multiplied by a fraction the numerator of which is
102 the total assessed value of all personal property,
103 excluding livestock, in the taxing district on which
104 taxes are not payable during such fiscal year because
105 of the various tax credits granted by this chapter,
106 and the denominator of which is the total assessed
107 value of all personal property in the taxing district,
108 excluding livestock but including other personal prop-
109 erty eligible for tax credits granted by this chapter.
110 For the half year beginning January 1, 1974 and ending
111 June 30, 1974, the amount of reimbursement shall be half
112 the amount determined pursuant to this subsection. The
113 county auditor shall certify and forward to the state
114 comptroller and the director of revenue, at the times
115 and in the form directed by the director of revenue,
116 any information needed for the purposes of this para-
117 graph. The director of revenue shall make any necessary
118 corrections and certify the appropriate information to
119 the state comptroller.

120 6. For each state fiscal year beginning on or after
121 July 1, 1982, each taxing district shall be reimbursed
122 from the personal property tax replacement fund in an
123 amount equal to its personal property tax replacement base.

124 7. The amount due each taxing district shall be
125 paid in the form of warrants payable to the respective
126 county treasurers by the state comptroller in two equal
127 payments on September fifteenth and March fifteenth of
128 each fiscal year. The first payment shall be made on
129 March 15, 1974. The county treasurer shall pay the
130 proceeds to the various taxing districts in the county.

131 8. It is the intent of the general assembly that
132 the amounts appropriated by this Act shall be sufficient
133 to pay in full the amounts due to all taxing districts.
134 If, for any fiscal year the amount appropriated to the
135 personal property tax replacement fund is insufficient
136 to pay in full the amounts due to all taxing districts,
137 then the amount of each payment shall be reduced by the
138 same percentage, so that the aggregate payments to all
139 taxing districts shall be equal to the amount appropriated
140 for such payments.

141 NEW SECTION. There is hereby appropriated from the
142 general fund of the state of Iowa to the personal prop-
143 erty tax replacement fund the following sums, or so
144 much thereof as may be necessary, to carry out the
145 provisions of this chapter as amended by this Act:

146	<u>For Fiscal Year</u>	<u>Amount</u>
147	1973-74	\$31,900,000
148	1974-75	35,700,000
149	1975-76	39,500,000
150	1976-77	43,300,000

151	1977-78	47,100,000
152	1978-79	50,900,000
153	1979-80	54,700,000
154	1980-81	58,500,000
155	1981-82	62,300,000
156	1982-83 and each suc-	
157	ceeding fiscal year	68,000,000

158 Sec. 2. Section four hundred twenty-seven A point
159 three (427A.3), Code 1973, is amended by striking
160 everything after unnumbered paragraph one (1).

161 Sec. 3. Section four hundred twenty-seven A point
162 six (427A.6), Code 1973, is amended to read as follows:

163 427A.6 LISTING BY AUDITOR. On or before January 1
164 of each year, the auditor of each county shall prepare
165 a statement listing for each taxing district in the county
166 all personal property upon which taxes shall not be
167 collected due to the tax credit granted in this chapter.
168 The statement shall show the tax rates of the various
169 taxing districts and the total amount of taxes which
170 shall not be collected in each district because of the
171 tax credit. The auditor shall certify and forward one
172 copy each of the statement to the state comptroller
173 and to the department of revenue on or before January 15
174 of such year. The department of revenue shall have the
175 responsibility of auditing credits allowed in all counties
176 in the state and the assessed values and assessment
177 practices which affect the amounts of credits, and such
178 audit shall be completed within eighteen months from
179 July 1 of the year the claims were filed. A copy of the
180 audit containing disallowed credits shall be sent to
181 the county auditor, the county treasurer and state
182 comptroller, and such individuals shall be directed to
183 correct their books and records accordingly. The
184 amount of such erroneous credit shall be charged to
185 the county the state comptroller. The director of
186 revenue shall be authorized and directed to disallow
187 any claim where the audit or investigation revealed
188 that the claimant was not entitled to the credit claimed.
189 Persons and business enterprises may appeal any disallowed
190 personal property credit to the state board of tax
191 review.

192 Sec. 4. Effective January 1, 1974, sections four
193 hundred twenty-seven A point seven (427A.7) and four
194 hundred twenty-seven A point eight (427A.8), Code
195 1973, are repealed.

196 Sec. 5. Section four hundred forty-two point two
197 (442.2), Code 1973, is amended by adding the following
198 new paragraph:

199 NEW PARAGRAPH. The amount paid to each school
200 district from the personal property tax replacement fund

201 established by this Act shall be regarded as property
202 tax. For budget years beginning on or after July 1,
203 1982, the portion of the payment which is foundation
204 property tax shall be determined by applying the founda-
205 tion property tax millage rate to the total assessed
206 value of all personal property assessed for taxation
207 in the district as of January 1, 1973, excluding livestock,
208 but including other personal property eligible for tax
209 credits granted by chapter four hundred twenty-seven
210 A (427A) of the Code as amended by this Act. For budget
211 years beginning before July 1, 1982, the portion of the
212 payment which is foundation property tax shall be de-
213 termined by the state comptroller pursuant to uniform
214 methods established by him.

215 Sec. 6. NEW SECTION. For the purposes of comput-
216 ing all debt limitations for municipalities, political
217 subdivisions, school districts and taxing districts
218 with respect to any debt incurred or proposed to be
219 incurred after July 1, 1973, the actual value of all
220 personal property as defined in section four hundred
221 twenty-seven A point one (427A.1) of the Code shall
222 be excluded.

H-862 Filed. *Adopted as amended by H. 869*
June 20, 1973 *6/21*

By STANLEY of Muscatine
HOLDEN of Scott
ROORDA of Jasper

HOUSE FILE 740

H-869

1 Amend the Stanley amendment, H-862, to House File
2 740 by striking everything after line 3 and inserting
3 in lieu thereof the following:

4 Sec. 1. Chapter four hundred twenty-seven A (427A),
5 Code 1973, is amended by adding the following new
6 sections:

7 NEW SECTION. Each taxpayer entitled to the per-
8 sonal property tax credit granted pursuant to sections
9 four hundred twenty-seven A point one (427A.1) through
10 four hundred twenty-seven A point five (427A.5) of this
11 chapter is granted an additional personal property tax
12 credit against the taxpayer's assessed value of per-
13 sonal property which would otherwise be taxable in
14 the tax year.

15 The amount of the additional personal property tax
16 credit shall be a fixed amount for each tax year. The
17 amount of the additional personal property tax credit
18 shall be increased for the extended tax year beginning
19 January 1, 1974 and ending June 30, 1975 and shall be
20 increased for each tax year immediately following a tax
21 year in which the growth of state general fund revenues,
22 adjusted for changes in rate or basis, exceeds five
23 and one-half percent. An increase in the additional
24 personal property tax credit, once granted, shall con-
25 tinue for each succeeding tax year. For the purposes
26 of this chapter the state comptroller may estimate the
27 state percent of growth if necessary to avoid delay in
28 the collection of taxes. After nine such increases have
29 been made, all taxes on personal property shall be re-
30 pealed as provided in the following section. The director
31 of revenue and the state comptroller, jointly, shall
32 determine the amount of the credit for each such tax year.
33 Such amount shall be the maximum amount, rounded to
34 the nearest ten dollars, which will permit complete
35 funding of the replacement obligation under this Act,
36 including the replacement obligation for the tax credit
37 granted pursuant to sections four hundred twenty-seven
38 A point one (427A.1) through four hundred twenty-seven
39 A point five (427A.5) of this chapter, out of the
40 appropriation provided in this chapter.

41 As used in this Act "additional personal property
42 tax credit" means the additional personal property tax
43 credit granted pursuant to this section.

44 As used in this Act "tax year" means the year in which
45 taxes are payable.

46 No application shall be required for the additional
47 personal property tax credit. The assessor and county
48 auditor shall take all necessary action to assure that
49 each taxpayer receives the credit.

50 NEW SECTION. Effective on July first after the tax year

51 in which the ninth increase in the additional personal prop-
52 erty tax credit becomes effective, all taxes on personal
53 property as defined in section four hundred twenty-seven
54 A point one (427A.1) of the Code are repealed, and
55 personal property shall not thereafter be listed or
56 assessed. This section shall prevail over all inconsistent
57 statutes.

58 NEW SECTION. For each annual assessment of personal
59 property through the final assessment, the total assessed
60 value of all personal property in each assessing jurisd-
61 iction shall not exceed the total assessed value of
62 all personal property in the assessing jurisdiction as
63 of January 1, 1973, excluding livestock. The assessor
64 shall determine the tentative assessed value of all
65 taxable personal property in accordance with chapter
66 four hundred forty-one (441) of the Code. If the total
67 tentative assessed value exceeds the limitation established
68 by this section, the assessor shall reduce the tentative
69 assessed value of each taxpayer's personal property by
70 the same percentage, so that the total assessed value
71 of all personal property in the assessing jurisdiction
72 shall be equal to the total assessed value of all personal
73 property in the assessing jurisdiction as of January 1,
74 1973, excluding livestock. This section shall prevail
75 over all inconsistent statutes.

76 NEW SECTION.

77 1. A personal property tax replacement fund if
78 established as a permanent fund in the office of the
79 treasurer of state, for the purpose of reimbursing the
80 taxing districts for their loss of revenue from personal
81 property taxes due to the provisions of this chapter,
82 determined as provided in this section.

83 2. On or before January 15, 1974, the county auditor
84 of each county shall prepare a statement listing for
85 each taxing district in the county:

86 a. The total assessed value of all personal property
87 assessed for taxation as of January 1, 1973, excluding
88 livestock but including other personal property eligible
89 for tax credits granted by this chapter.

90 b. The millage rate of each taxing district levied
91 in 1972 and payable in 1973.

92 c. The personal property tax replacement base for
93 each taxing district, which shall be equal to the amount
94 determined pursuant to paragraph a of this subsection
95 multiplied by the millage rate specified in paragraph
96 b of this subsection.

97 3. The county auditor shall certify and forward
98 one copy each of the statement to the state comptroller
99 and to the director of revenue not later than January
100 15, 1974. The director of revenue shall make any

101 necessary corrections and certify to the state comptroller
102 the amount of the personal property tax replacement
103 base for each taxing district in the state, determined
104 pursuant to subsection two (2) of this section.

105 4. The personal property tax replacement base for
106 each taxing district shall be permanent and shall not
107 be adjusted, except that the state comptroller shall
108 make any necessary corrections and shall make appropriate
109 adjustments to reflect mergers, annexations, and other
110 changes in taxing districts or their boundaries.

111 5. For each state fiscal year ending with or before
112 the year in which the ninth increase in the additional
113 personal property tax credit under this Act becomes
114 effective, each taxing district shall be reimbursed from
115 the personal property tax replacement fund in an amount
116 equal to its personal property tax replacement base
117 multiplied by a fraction the numerator of which is the
118 total assessed value of all personal property, excluding
119 livestock, in the taxing district on which taxes are not
120 payable during such fiscal year because of the various
121 tax credits granted by this chapter, and the denominator
122 of which is the total assessed value of all personal
123 property in the taxing district, excluding livestock but
124 including other personal property eligible for tax credits
125 granted by this chapter. For the half year beginning
126 January 1, 1974 and ending June 30, 1974, the amount of
127 reimbursement shall be half the amount determined pursuant
128 to this subsection. The county auditor shall certify
129 and forward to the state comptroller and the director of
130 revenue, at the times and in the form directed by the
131 director of revenue, any information needed for the
132 purposes of this paragraph. The director of revenue
133 shall make any necessary corrections and certify the
134 appropriate information to the state comptroller.

135 6. For each state fiscal year beginning after the
136 year in which the ninth increase in the additional
137 personal property tax credit under this Act becomes
138 effective, each taxing district shall be reimbursed
139 from the personal property tax replacement fund in an
140 amount equal to its personal property tax replacement
141 base.

142 7. The amount due each taxing district shall be
143 paid in the form of warrants payable to the respective
144 county treasurers by the state comptroller in two equal
145 payments on September fifteenth and March fifteenth of
146 each fiscal year. The first payment shall be made on
147 March 15, 1974. The county treasurer shall pay the
148 proceeds to the various taxing districts in the county.

149 8. It is the intent of the general assembly that
150 the amounts appropriated by this Act shall be sufficient

151 to pay in full the amounts due to all taxing districts.
152 If, for any fiscal year the amount appropriated to the
153 personal property tax replacement fund is insufficient
154 to pay in full the amounts due to all taxing districts,
155 then the amount of each payment shall be reduced by the
156 same percentage, so that the aggregate payments to all
157 taxing districts shall be equal to the amount appropriated
158 for such payments.

159 NEW SECTION. There is hereby appropriated from the
160 general fund of the state of Iowa to the personal prop-
161 erty tax replacement fund the following sums, or so
162 much thereof as may be necessary, to carry out the
163 provisions of this chapter as amended by this Act.
164 For the fiscal year beginning July 1, 1973 and ending
165 June 30, 1974, there is appropriated the sum of thirty-
166 one million nine hundred thousand (31,900,000) dollars.
167 For the fiscal year beginning July 1, 1974 and ending
168 June 30, 1975, and each succeeding fiscal year, there
169 is appropriated the sum of thirty-five million seven
170 hundred thousand (35,700,000) dollars. For each fiscal
171 year for which an increase in the additional personal
172 property tax credit becomes effective as provided in
173 this Act, the appropriation under this section shall be
174 increased by three million eight hundred thousand
175 (3,800,000) dollars, and such increased appropriation
176 shall continue for each succeeding fiscal year. For
177 the fiscal year for which the ninth increase in the
178 additional personal property tax credit becomes effective
179 as provided in this Act, and for each succeeding fiscal
180 year, the total appropriation shall be sixty-eight
181 million (68,000,000) dollars per year.

182 Sec. 2. Section four hundred twenty-seven A point
183 three (427A.3), Code 1973, is amended by striking
184 everything after unnumbered paragraph one (1).

185 Sec. 3. Section four hundred twenty-seven A point
186 six (427A.6), Code 1973, is amended to read as follows:

187 427A.6 LISTING BY AUDITOR. On or before January 1
188 of each year, the auditor of each county shall prepare
189 a statement listing for each taxing district in the county
190 all personal property upon which taxes shall not be
191 collected due to the tax credit granted in this chapter.
192 The statement shall show the tax rates of the various
193 taxing districts and the total amount of taxes which
194 shall not be collected in each district because of the
195 tax credit. The auditor shall certify and forward one
196 copy each of the statement to the state comptroller
197 and to the department of revenue on or before January 15
198 of such year. The department of revenue shall have the
199 responsibility of auditing credits allowed in all counties
200 in the state; and the assessed values and assessment

201 practices which affect the amounts of credits and such
202 audit shall be completed within eighteen months from
203 July 1 of the year the claims were filed. A copy of the
204 audit containing disallowed credits shall be sent to
205 the county auditor, the county treasurer and state
206 comptroller, and such individuals shall be directed to
207 correct their books and records accordingly. The
208 amount of such erroneous credit shall be charged to
209 the county by the state comptroller. The director of
210 revenue shall be authorized and directed to disallow
211 any claim where the audit or investigation revealed
212 that the claimant was not entitled to the credit claimed.
213 Persons and business enterprises may appeal any disallowed
214 personal property credit to the state board of tax
215 review.

216 Sec. 4. Effective January 1, 1974, sections four
217 hundred twenty-seven A point seven (427A.7) and four
218 hundred twenty-seven A point eight (427A.8), Code
219 1973, are repealed.

220 Sec. 5. Section four hundred forty-two point two
221 (442.2), Code 1973, is amended by adding the following
222 new paragraph:

223 NEW PARAGRAPH. The amount paid to each school district
224 from the personal property tax replacement fund estab-
225 lished by this Act shall be regarded as property tax.
226 For budget years beginning after the year in which
227 the ninth increase in the additional personal property
228 tax credit becomes effective as provided in this Act,
229 the portion of the payment which is foundation property
230 tax shall be determined by applying the foundation
231 property tax millage rate to the total assessed value
232 of all personal property assessed for taxation in the
233 district as of January 1, 1973, excluding livestock,
234 but including other personal property eligible for tax
235 credits granted by chapter four hundred twenty-seven
236 A (427A) of the Code as amended by this Act. For
237 budget years to and including the year in which the
238 ninth increase in the additional personal property tax
239 credit becomes effective as provided in this Act, the
240 portion of the payment which is foundation property
241 tax shall be determined by the state comptroller
242 pursuant to uniform methods established by him.

243 Sec. 6. NEW SECTION. For the purposes of comput-
244 ing all debt limitations for municipalities, political
245 subdivisions, school districts and taxing districts
246 with respect to any debt incurred or proposed to be
247 incurred after July 1, 1973, the actual value of
248 all personal property as defined in section four
249 hundred twenty-seven A point one (427A.1) of the
250 Code shall not exceed its actual value as of
251 January 1, 1973.

House 15
June 22, 1973

FITZGERALD of Webster
RAPP of Black Hawk
EGENES of Story
HOLDEN of Scott
BENNETT of Ida
MIDDLESWART of Warren
STANLEY of Muscatine
KNOKE of Pottawattamie
STROMER of Hancock
WULFF of Black Hawk
READINGER of Polk
FERGUSON of Carroll
DUNLAP of Story
MENKE of O'Brien
STROTHMAN of Henry
DANKER of Pottawattamie
CRAWFORD of Story
MENDENHALL of Allamakee
PELLETT of Cass
FREEMAN of Buena Vista
DRAKE of Muscatine
HARGRAVE of Johnson
HOWELL of Floyd
DOYLE of Woodbury
McCORMICK of Delaware
MILLER of Calhoun
CONNERS of Polk
MILLER of Cerro Gordo
GRIFFEE of Chickasaw
RINAS of Linn

CUSACK of Scott
NORPEL of Jackson
MONROE of Des Moines
BRANSTAD of Winnebago
EWING of Mahaska
AVENSON of Fayette
WEST of Marshall
KREAMER of Polk
OAKLEY of Clinton
GRASSLEY of Butler
ROORDA of Jasper
BYERLY of Polk
CARR of Dubuque
JUNKER of Woodbury
MENNENGA of Clinton
McELROY of Fremont
FULLERTON of Woodbury
LOGUE of Iowa
DAGGETT of Adams
HARVEY of Scott
HANSEN of O'Brien
HUSAK of Tama
FISCHER of Grundy
PETERSON of Woodbury
BROCKETT of Marshall
CLARK of Lee
HORN of Linn
EDELEN of Emmet
BORTELL of Madison
FISHER of Greene

Griffie	Krause	Miller, K. D.	Rinas
Hansen	Kreamer	Miller, R. G.	Roorda
Hargrave	Lippold	Monroe	Schroeder
Harper	Lipsky	Newhard	Stanley
Harvey	Logue	Norland	Stromer
Hill	McCormick	Norpel	Strothman
Holden	McElroy	Oakley	Tofte
Horn	Mendenhall	O'Halloran	Welden
Howell	Menke	Patchett	Wells
Husak	Mennenga	Pellett	West
Hutchins	Middleswart	Peterson	Wulff
Junker	Millen	Rapp	Wyckoff
Kiser	Miller, A. V.	Readinger	Mr. Speaker
Knoke			

The nays were, 13:

Brinck	Connors	Higgins	Poney
Byerly	Cusack	Jesse	Small
Caffrey	Hennessey	Nielsen	Woods
Clark, J. W.			

Absent or not voting, 2:

Jordan	Stephens
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Amendment H—862 adopted as amended.

The following amendment H—879 was offered by Rapp of Black Hawk and withdrawn:

H—879

- 1 Amend the Stanley amendment, H—862, to House File
- 2 740 by striking everything after line 3 and inserting
- 3 in lieu thereof the following:
- 4 Sec. 1. Chapter four hundred twenty-seven A (427A),
- 5 Code 1973, is amended by adding the following new
- 6 sections:
- 7 *NEW SECTION.* Each taxpayer entitled to the per-
- 8 sonal property tax credit granted pursuant to sections
- 9 four hundred twenty-seven A point one (427A.1) through
- 10 four hundred twenty-seven A point five (427A.5) of this
- 11 chapter is granted an additional personal property tax
- 12 credit against the taxpayer's assessed value of per-
- 13 sonal property which would otherwise be taxable in
- 14 the tax year and each taxpayer is entitled to an
- 15 additional homestead tax credit which shall be in addi-
- 16 tion to the homestead tax credit granted under section
- 17 four hundred twenty-five point one (425.1), subsection
- 18 four (4) of the Code.
- 19 The amount of the additional personal property tax
- 20 credit and additional homestead tax credit shall be
- 21 a fixed amount for each tax year. The amount of the
- 22 additional personal property tax credit and additional
- 23 homestead tax credit shall be increased for the extended
- 24 tax year beginning January 1, 1974 and ending June 30,
- 25 1975 and shall be increased for each tax year immediately
- 26 following a tax year in which the growth of state general
- 27 fund revenues, adjusted for changes in rate or basis,
- 28 exceeds five and one-half percent. An increase in

29 the additional personal property tax credit and the
30 additional homestead tax credit, once granted, shall
31 continue for each succeeding tax year. For the
32 purposes of this chapter the state comptroller may
33 estimate the state percent of growth if necessary to
34 avoid delay in the collection of taxes. The director
35 of revenue and the state comptroller, jointly, shall
36 determine the amount of the additional credits for
37 each such tax year. Such amount shall be the maximum
38 amount, rounded to the nearest ten dollars, which will
39 permit complete funding of the replacement obligation
40 under this Act, including the replacement obligation
41 for the tax credit granted pursuant to sections four
42 hundred twenty-seven A point one (427A.1) through
43 four hundred twenty-seven A point five (427A.5) of
44 this chapter, and the additional homestead tax credit
45 out of the appropriation provided in this chapter.

46 As used in this Act "additional personal property
47 tax credit" means the additional personal property
48 tax credit granted pursuant to this section.

49 As used in this Act "tax year" means the year in
50 which taxes are payable.

51 No application shall be required for the additional
52 personal property tax credit. The assessor and county
53 auditor shall take all necessary action to assure that
54 each taxpayer receives the credit.

55 *NEW SECTION.* For each annual assessment of personal
56 property through the ninth assessment, the total juris-
58 diction shall not exceed the total assessed value of
59 all personal property in the assessing jurisdiction as
60 of January 1, 1973, excluded livestock. The assessor
61 shall determine the tentative assessed value of all
62 taxable personal property in accordance with chapter
63 four hundred forty-one (441) of the Code. If the total
64 tentative assessed value exceeds the limitation established
65 by this section, the assessor shall reduce the tentative
66 assessed value of each taxpayer's personal property by
67 the same percentage, so that the total assessed value
68 of all personal property in the assessing jurisdiction
69 shall be equal to the total assessed value of all personal
70 property in the assessing jurisdiction as of January 1,
71 1973, excluding livestock. This section shall prevail
72 over all inconsistent statutes.

73 *NEW SECTION.*

74 1. A personal property tax replacement fund is
75 established as a permanent fund in the office of the
76 treasurer of state, for the purpose of reimbursing the
77 taxing districts for their loss of revenue from personal
78 property taxes due to the provisions of this chapter,
79 determined as provided in this section.

80 2. On or before January 15, 1974, the county auditor
81 of each county shall prepare a statement listing for
82 each taxing district in the county:

83 a. The total assessed value of all personal property
84 assessed for taxation as of January 1, 1973, excluding

85 livestock but including other personal property eligible
86 for tax credits granted by this chapter.

87 b. The millage rate of each taxing district levied
88 in 1972 and payable in 1973.

89 c. The personal property tax replacement base for
90 each taxing district, which shall be equal to the amount
91 determined pursuant to paragraph a of this subsection
92 multiplied by the millage rate specified in paragraph
93 b of this subsection.

94 3. The county auditor shall certify and forward
95 one copy each of the statement to the state comptroller
96 and to the director of revenue not later than January
97 15, 1974. The director of revenue shall make any
98 necessary corrections and certify to the state comptroller
99 the amount of the personal property tax replacement
100 base for each taxing district in the state, determined
101 pursuant to subsection two (2) of this section.

102 4. The personal property tax replacement base for
103 each taxing district shall be permanent and shall not
104 be adjusted, except that the state comptroller shall
105 make any necessary corrections and shall make appropriate
106 adjustments to reflect mergers, annexations, and other
107 changes in taxing districts or their boundaries.

108 5. For each state fiscal year ending with or before
109 the year in which the ninth increase in the additional
110 personal property tax credit under this Act becomes
111 effective, each taxing district shall be reimbursed from
112 the personal property tax replacement fund in an amount
113 equal to its personal property tax replacement base
114 multiplied by a fraction the numerator of which is the
115 total assessed value of all personal property, excluding
116 livestock, in the taxing district on which taxes are not
117 payable during such fiscal year because of the various
118 tax credits granted by this chapter, and the denominator
119 of which is the total assessed value of all personal
120 property in the taxing district, excluding livestock, but
121 including other personal property eligible for tax credits
122 granted by this chapter. For the half year beginning
123 January 1, 1974 and ending June 30, 1974, the amount of
124 reimbursement shall be half the amount determined pursuant
125 to this subsection. The county auditor shall certify
126 and forward to the state comptroller and the director of
127 revenue, at the times and in the form directed by the
128 director of revenue, any information needed for the
129 purposes of this paragraph. The director of revenue
130 shall make any necessary corrections and certify the
131 appropriate information to the state comptroller.

132 6. For each state fiscal year beginning after the
133 year in which the ninth increase in the additional
134 personal property tax credit under this Act becomes
135 effective, each taxing district shall be reimbursed
136 from the personal property tax replacement fund in an
137 amount equal to its personal property tax replacement
138 base.

139 7. The amount due each taxing district shall be

140 paid in the form of warrants payable to the respective
141 county treasurers by the state comptroller in two equal
142 payments on September fifteenth and March fifteenth of
143 each fiscal year. The first payment shall be made on
144 March 15, 1974. The county treasurer shall pay the
145 proceeds to the various taxing districts in the county.

146 8. It is the intent of the general assembly that
147 the amounts appropriated by this Act shall be sufficient
148 to pay in full the amounts due to all taxing districts.
149 If, for any fiscal year the amount appropriated to the
150 personal property tax replacement fund is insufficient
151 to pay in full the amounts due to all taxing districts,
152 then the amount of each payment shall be reduced by the
153 same percentage, so that the aggregate payments to all
154 taxing districts shall be equal to the amount appropriated
155 for such payments.

156 *NEW SECTION.* There is hereby appropriated from the
157 general fund of the state of Iowa to the personal prop-
158 erty tax replacement fund the following sums, or so
159 much thereof as may be necessary, to carry out the
160 provisions of this chapter as amended by this Act.
161 For the fiscal year beginning July 1, 1973 and ending
162 June 30, 1974, there is appropriated the sum of thirty
163 million nine hundred fifty thousand (30,950,000) dollars.
164 For the fiscal year beginning July 1, 1974 and ending
165 June 30, 1975, and each succeeding fiscal year, there
166 is appropriated the sum of thirty-three million eight
167 hundred thousand (33,800,000) dollars. For each fiscal
168 year for which an increase in the additional personal
169 property tax credit becomes effective as provided in this
170 Act, the appropriation under this section shall be in-
171 creased by one million nine hundred thousand (1,900,000)
172 dollars, and such increased appropriation shall continue
173 for each succeeding fiscal year. For the fiscal year
174 for which the ninth increase in the additional personal
175 property tax credit becomes effective as provided
176 in this Act, and for each succeeding fiscal year,
177 the total appropriation shall be forty-nine million
178 (49,000,000) dollars per year.

179 There is appropriated from the general fund of
180 the state of Iowa to the homestead tax credit fund
181 the following sums, or so much thereof as may be neces-
182 sary, to provide for an additional homestead tax credit.
183 For the fiscal year beginning July 1, 1974 and ending
184 June 30, 1975, and each succeeding year, there is
185 appropriated the sum of one million nine hundred
186 (1,900,000) dollars over and above the amount appro-
187 priated under section four hundred twenty-five point
188 one (425.1), subsection one (1), of the Code. For
189 each fiscal year for which an increase in the addi-
190 tional homestead tax credit becomes effective, as
191 provided in this Act, the appropriation under this
192 section shall be increased by one million nine hun-
193 dred thousand (1,900,000) dollars, and each such
194 increased appropriation shall continue for each

195 succeeding fiscal year. For the fiscal year for
196 which the ninth increase in the additional homestead
197 tax credit becomes effective, and for each succeeding
198 fiscal year, the total appropriation shall be fifty-nine
199 million (59,000,000) dollars per year. The additional
200 increase in the homestead shall be computed by
201 the state comptroller and the director of revenue in
202 the same manner as the additional personal property
203 tax credit is determined.

204 Sec. 2. Section four hundred twenty-seven A point
205 three (427A.3), Code 1973, is amended by striking
206 everything after unnumbered paragraph one (1).

207 Sec. 3. Section four hundred twenty-seven A point
208 six (427A.6), Code 1973, is amended to read as follows:

209 427A.6 LISTING BY AUDITOR. On or before January 1
210 of each year, the auditor of each county shall prepare
211 a statement listing for each taxing district in the county
212 all personal property upon which taxes shall not be
213 collected due to the tax credit granted in this chapter.
214 The statement shall show the tax rates of the various
215 taxing districts and the total amount of taxes which
216 shall not be collected in each district because of the
217 tax credit. The auditor shall certify and forward one
218 copy each of the statement to the state comptroller
219 and to the department of revenue on or before January 15
220 of each year. The department of revenue shall have the
221 responsibility of auditing credits allowed in all counties
222 in the state[,] and the assessed values and assessment
223 practices which affect the amounts of credits and such
224 audit shall be completed within eighteen months from
225 July 1 of the year the claims were filed. A copy of the
226 audit containing disallowed credits shall be sent to
227 the county auditor, the county treasurer and state
228 comptroller, and such individuals shall be directed to
229 correct their books and records accordingly. The
230 amount of such erroneous credit shall be charged to
231 the county by the state comptroller. The director of
232 revenue shall be authorized and directed to disallow
233 any claim where the audit or investigation revealed
234 that the claimant was not entitled to the credit claimed.
235 Persons and business enterprises may appeal any disallowed
236 personal property credit to the state board of tax
237 review.

238 Sec. 4. Effective January 1, 1974, sections four
239 hundred twenty-seven A point seven (427A.7) and four
240 hundred twenty-seven A point eight (427A.8), Code
241 1973, are repealed.

242 Sec. 5. Section four hundred forty-two point two
243 (442.2), Code 1973, is amended by adding the following
244 new paragraph:

245 *NEW PARAGRAPH.* The amount paid to each school district
246 from the personal property tax replacement fund estab-
247 lished by this Act shall be regarded as property tax.
248 For budget years beginning after the year in which
249 the ninth increase in the additional personal property

250 tax credit becomes effective as provided in this act,
 251 the portion of the payment which is foundation property
 252 tax shall be determined by applying the foundation
 253 property tax millage rate to the total assessed value
 254 of all personal property assessed for taxation in the
 255 district as of January 1, 1973, excluding livestock,
 256 but including other personal property eligible for tax
 257 credits granted by chapter four hundred twenty-seven
 258 A (427A) of the Code as amended by this Act. For
 259 budget years to and including the year in which the
 260 ninth increase in the additional personal property tax
 261 credit becomes effective as provided in this Act, the
 262 portion of the payment which is foundation property
 263 tax shall be determined by the state comptroller
 264 pursuant to uniform methods established by him.
 265 Sec. 6. *NEW SECTION.* For the purposes of comput-
 266 ing all debt limitations for municipalities, political
 267 subdivisions, school districts and taxing districts
 268 with respect to any debt incurred or proposed to be
 269 incurred after July 1, 1973, the actual value of
 270 all personal property as defined in section four
 271 hundred twenty-seven A point one (427A.1) of the
 272 Code shall not exceed its actual value as of
 273 January 1, 1973.

Stanley of Muscatine offered the following amendment H—885
 filed by him and moved its adoption:

H—885

1 Amend the title to House File 740 by striking all after the word
 2 "Act" in line 1 and inserting in lieu thereof the
 3 following: "relating to the personal property
 4 tax credit, establishing the personal property
 5 tax replacement fund and making an appropriation
 6 thereto, and relating to debt limitations for
 7 municipalities, political subdivisions, school
 8 districts and taxing districts."

~~Amendment H—885 adopted.~~

Stanley of Muscatine moved that the House concur in the
 Senate amendment as amended.

Roll call was requested by Stanley of Muscatine and Bittle of
 Polk.

On the question "Shall the House concur in the Senate amend-
 ment as amended?"

The ayes were, 76:

Anderson	Brockett	Crabb	Drake
Avenson	Brunow	Daggett	Dunlap
Bennett	Butler	Danker	Dunton
Bittle	Carr	De Jong	Edelen
Bortell	Clark, J. H.	Den Herder	Ewing
Branstad	Cochran	Doyle	Ferguson

HOUSE AMENDMENT TO SENATE AMENDMENT TO HOUSE FILE 740

1 1. Amend the Senate amendment to House File 740 by
2 striking everything after line 3 and inserting in
3 lieu thereof the following:
4 Section 1. Chapter four hundred twenty-seven A (427A),
5 Code 1973, is amended by adding the following new
6 sections:

7 NEW SECTION. Each taxpayer entitled to the per-
8 sonal property tax credit granted pursuant to sections
9 four hundred twenty-seven A point one (427A.1) through
10 four hundred twenty-seven A point five (427A.5) of this
11 chapter is granted an additional personal property tax
12 credit against the taxpayer's assessed value of per-
13 sonal property which would otherwise be taxable in
14 the tax year.

15 The amount of the additional personal property tax
16 credit shall be a fixed amount for each tax year. The
17 amount of the additional personal property tax credit
18 shall be increased for the extended tax year beginning
19 January 1, 1974 and ending June 30, 1975 and shall be
20 increased for each tax year immediately following a tax
21 year in which the growth of state general fund revenues,
22 adjusted for changes in rate or basis, exceeds five
23 and one-half percent. An increase in the additional
24 personal property tax credit, once granted, shall con-
25 tinue for each succeeding tax year. For the purposes

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1 of this chapter the state comptroller may estimate the
2 state percent of growth if necessary to avoid delay in
3 the collection of taxes. After nine such increases have
4 been made, all taxes on personal property shall be re-
5 pealed as provided in the following section. The director
6 of revenue and the state comtrpller, jointly, shall
7 determine the amount of the credit for each such tax year.
8 Such amount shall be the maximum amount, rounded to
9 the nearest ten dollars, which will permit complete
10 funding of the replacement obligation under this Act,
11 including the replacement obligation for the tax credit
12 granted pursuant to sections four hundred twenty-seven
13 A point one (427A.1) through four hundred twenty-seven
14 A point five (427A.5) of this chapter, out of the
15 appropriation provided in this chapter.

16 As used in this Act "additional personal property
17 tax credit" means the additional personal property tax
18 credit granted pursuant to this section.

19 As used in this Act "tax year" means the year in which
20 taxes are payable.

21 No application shall be required for the additional
22 personal property tax credit. The assessor and county
23 auditor shall take all necessary action to assure that
24 each taxpayer receives the credit.

25 NEW SECTION. Effective on July first after the tax year

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1 in which the ninth increase in the additional personal prop-
2 erty tax credit becomes effective, all taxes on personal
3 property as defined in section four hundred twenty-seven
4 A point one (427A.1) of the Code are repealed, and
5 personal property shall not thereafter be listed or
6 assessed. This section shall prevail over all inconsistent
7 statutes.

8 NEW SECTION. For each annual assessment of personal
9 property through the final assessment, the total assessed
10 value of all personal property in each assessing jurisdic-
11 tion shall not exceed the total assessed value of
12 all personal property in the assessing jurisdiction as
13 of January 1, 1973, excluding livestock. The assessor
14 shall determine the tentative assessed value of all
15 taxable personal property in accordance with chapter
16 four hundred forty-one (441) of the Code. If the total
17 tentative assessed value exceeds the limitation established
18 by this section, the assessor shall reduce the tentative
19 assessed value of each taxpayer's personal property by
20 the same percentage, so that the total assessed value
21 of all personal property in the assessing jurisdiction
22 shall be equal to the total assessed value of all personal
23 property in the assessing jurisdiction as of January 1,
24 1973, excluding livestock. This section shall prevail
25 over all inconsistent statutes.

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1 NEW SECTION.

- 2 1. A personal property tax replacement fund is
3 established as a permanent fund in the office of the
4 treasurer of state, for the purpose of reimbursing the
5 taxing districts for their loss of revenue from personal
6 property taxes due to the provisions of this chapter,
7 determined as provided in this section.
- 8 2. On or before January 15, 1974, the county auditor
9 of each county shall prepare a statement listing for
10 each taxing district in the county.
- 11 a. The total assessed value of all personal property
12 assessed for taxation as of January 1, 1973, excluding
13 livestock but including other personal property eligible
14 for tax credits granted by this chapter.
- 15 b. The millage rate of each taxing district levied
16 in 1972 and payable in 1973.
- 17 c. The personal property tax replacement base for
18 each taxing district, which shall be equal to the amount
19 determined pursuant to paragraph a of this subsection
20 multiplied by the millage rate specified in paragraph
21 b of this subsection.
- 22 3. The county auditor shall certify and forward
23 one copy each of the statement to the state comptroller
24 and to the director of revenue not later than January
25 15, 1974. The director of revenue shall make any

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1 to pay in full the amounts due to all taxing districts.
2 If, for any fiscal year the amount appropriated to the
3 personal property tax replacement fund is insufficient
4 to pay in full the amounts due to all taxing districts,
5 then the amount of each payment shall be reduced by the
6 same percentage, so that the aggregate payments to all
7 taxing districts shall be equal to the amount appropriated
8 for such payments.

9 NEW SECTION. There is hereby appropriated from the
10 general fund of the state of Iowa to the personal prop-
11 erty tax replacement fund the following sums, or so
12 much thereof as may be necessary, to carry out the
13 provisions of this chapter as amended by this Act.
14 For the fiscal year beginning July 1, 1973 and ending
15 June 30, 1974, there is appropriated the sum of thirty-
16 one million nine hundred thousand (31,900,000) dollars.
17 For the fiscal year beginning July 1, 1974 and ending
18 June 30, 1975, and each succeeding fiscal year, there
19 is appropriated the sum of thirty-five million seven
20 hundred thousand (35,700,000) dollars. For each fiscal
21 year for which an increase in the additional personal
22 property tax credit becomes effective as provided in
23 this Act, the appropriation under this section shall be
24 increased by three million eight hundred thousand
25 (3,800,000) dollars, and such increased appropriation

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1 shall continue for each succeeding fiscal year. For
2 the fiscal year for which the ninth increase in the
3 additional personal property tax credit becomes effective
4 as provided in this Act, and for each succeeding fiscal
5 year, the total appropriation shall be sixty-eight
6 million (68,000,000) dollars per year.

7 Sec. 2. Section four hundred twenty-seven A point
8 three (427A.3), Code 1973, is amended by striking
9 everything after unnumbered paragraph one (1).

10 Sec. 3. Section four hundred twenty-seven A point
11 six (427A.6), Code 1973, is amended to read as follows:

12 427A.6 LISTING BY AUDITOR. On or before January 1
13 of each year, the auditor of each county shall prepare
14 a statement listing for each taxing district in the county
15 all personal property upon which taxes shall not be
16 collected due to the tax credit granted in this chapter.
17 The statement shall show the tax rates of the various
18 taxing districts and the total amount of taxes which
19 shall not be collected in each district because of the
20 tax credit. The auditor shall certify and forward one
21 copy each of the statement to the state comptroller
22 and to the department of revenue on or before January 15
23 of such year. The department of revenue shall have the
24 responsibility of auditing credits allowed in all counties
25 in the state, and the assessed values and assessment

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1 necessary corrections and certify to the state comptroller
2 the amount of the personal property tax replacement
3 base for each taxing district in the state, determined
4 pursuant to subsection two (2) of this section.

5 4. The personal property tax replacement base for
6 each taxing district shall be permanent and shall not
7 be adjusted, except that the state comptroller shall
8 make any necessary corrections and shall make appropriate
9 adjustments to reflect mergers, annexations, and other
10 changes in taxing districts or their boundaries.

11 5. For each state fiscal year ending with or before
12 the year in which the ninth increase in the additional
13 personal property tax credit under this Act becomes
14 effective, each taxing district shall be reimbursed from
15 the personal property tax replacement fund in an amount
16 equal to its personal property tax replacement base
17 multiplied by a fraction the numerator of which is the
18 total assessed value of all personal property, excluding
19 livestock, in the taxing district on which taxes are not
20 payable during such fiscal year because of the various
21 tax credits granted by this chapter, and the denominator
22 of which is the total assessed value of all personal
23 property in the taxing district, excluding livestock but
24 including other personal property eligible for tax credits
25 granted by this chapter. For the half year beginning

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1 January 1, 1974 and ending June 30, 1974, the amount of
2 reimbursement shall be half the amount determined pursuant
3 to this subsection. The county auditor shall certify
4 and forward to the state comptroller and the director of
5 revenue, at the times and in the form directed by the
6 director of revenue, any information needed for the
7 purposes of this paragraph. The director of revenue
8 shall make any necessary corrections and certify the
9 appropriate information to the state comptroller.

10 6. For each state fiscal year beginning after the
11 year in which the ninth increase in the additional
12 personal property tax credit under this Act becomes
13 effective, each taxing district shall be reimbursed
14 from the personal property tax replacement fund in an
15 amount equal to its personal property tax replacement
16 base.

17 7. The amount due each taxing district shall be
18 paid in the form of warrants payable to the respective
19 county treasurers by the state comptroller in two equal
20 payments on September fifteenth and March fifteenth of
21 each fiscal year. The first payment shall be made on
22 March 15, 1974. The county treasurer shall pay the
23 proceeds to the various taxing districts in the county.

24 8. It is the intent of the general assembly that
25 the amounts appropriated by this Act shall be sufficient

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1 practices which affect the amounts of credits and such
2 audit shall be completed within eighteen months from
3 July 1 of the year the claims were filed. A copy of the
4 audit containing disallowed credits shall be sent to
5 the county auditor, the county treasurer and state
6 comptroller, and such individuals shall be directed to
7 correct their books and records accordingly. The
8 amount of such erroneous credit shall be charged to
9 the county by the state comptroller. The director of
10 revenue shall be authorized and directed to disallow
11 any claim where the audit or investigation revealed
12 that the claimant was not entitled to the credit claimed.
13 Persons and business enterprises may appeal any disallowed
14 personal property credit to the state board of tax
15 review.

16 Sec. 4. Effective January 1, 1974, sections four
17 hundred twenty-seven A point seven (427A.7) and four
18 hundred twenty-seven A point eight (427A.8), Code
19 1973, are repealed.

20 Sec. 5. Section four hundred forty-two point two
21 (442.2), Code 1973, is amended by adding the following
22 new paragraph:

23 NEW PARAGRAPH. The amount paid to each school district
24 from the personal property tax replacement fund estab-
25 lished by this Act shall be regarded as property tax.

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1 For budget years beginning after the year in which
2 the ninth increase in the additional personal property
3 tax credit becomes effective as provided in this Act,
4 the portion of the payment which is foundation property
5 tax shall be determined by applying the foundation
6 property tax millage rate to the total assessed value
7 of all personal property assessed for taxation in the
8 district as of January 1, 1973, excluding livestock,
9 but including other personal property eligible for tax
10 credits granted by chapter four hundred twenty-seven
11 A (427A) of the Code as amended by this Act. For
12 budget years to and including the year in which the
13 ninth increase in the additional personal property tax
14 credit becomes effective as provided in this Act, the
15 portion of the payment which is foundation property
16 tax shall be determined by the state comptroller
17 pursuant to uniform methods established by him.

18 Sec. 6. NEW SECTION. For the purposes of comput-
19 ing all debt limitations for municipalities, political
20 subdivisions, school districts and taxing districts
21 with respect to any debt incurred or proposed to be
22 incurred after July 1, 1973, the actual value of
23 all personal property as defined in section four
24 hundred twenty-seven A point one (427A.1) of the
25 Code shall not exceed its actual value as of

1 January 1, 1973.
2 2. Amend the title by striking all after the word
3 "Act" in line 1 and inserting in lieu thereof the
4 following: "relating to the personal property tax
5 credit, establishing the personal property tax
6 replacement fund and making an appropriation thereto,
7 and relating to debt limitations for municipalities,
8 political subdivisions, school districts and taxing
9 districts."

Received from the House
June 22, 1973

Senate concurred 6/22

S—991

1 Amend the House Amendment to the Senate Amendment to House
2 File 740, page 1, by striking everything after line 3 and by
3 striking all of pages 2 through 11 and insert the following:
4 Section 1. Chapter four hundred twenty-seven A (427A), Code
5 1973, is amended by adding the following new section:
6 NEW SECTION. In addition to the personal property tax credit
7 granted pursuant to sections four hundred twenty-seven A point
8 one (427A.1) through four hundred twenty-seven A point five
9 (427A.5) of this chapter, each taxpayer is granted an additional
10 cumulative personal property tax credit each of the following
11 years against the taxpayer's assessed value of personal property
12 in the following amounts:
13 1. For taxes payable in the year 1974, three hundred
14 dollars.
15 2. For taxes payable in the year 1975, an additional five
16 hundred dollars.
17 3. For taxes payable in the year 1976, an additional five
18 hundred dollars.
19 4. For taxes payable in the year 1977, an additional five
20 hundred dollars.
21 5. For taxes payable in the year 1978, an additional five
22 hundred dollars.

S—991 Filed
June 22, 1973

By BLOUIN, GLENN, GLUBA,
ORR, DODERER and PALMER