

2-4/23/96 W.D. 70.

MAR 14 1996

WAYS & MEANS CALENDAR

HOUSE FILE 2480

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2278)

Passed House, ^(p. 1775) Date 4/22/96 Passed Senate, Date _____
 Vote: Ayes 91 Nays 1 Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act relating to property taxation of property given to the
 2 state or a political subdivision upon which a life estate is
 3 retained.

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

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HF 2480

1 Section 1. NEW SECTION. 427.2A TAXATION OF LIFE ESTATE
2 PROPERTY.

3 Real estate donated to the state or a political subdivision
4 of the state or any agency of the state or political
5 subdivision, for which the donor retains a life estate, or
6 provides for another to possess a life estate shall continue
7 to be subject to property taxation and special assessment to
8 the same extent as the property was so subject during the
9 fiscal year in which the donation was made. The real property
10 shall continue to be taxed until the fiscal year following the
11 fiscal year during which the life estate terminates. Upon
12 termination of the life estate, the real estate shall be
13 subject to taxation as otherwise provided by law.

14 EXPLANATION

15 The bill provides that when real estate is donated as a
16 gift to the state or a political subdivision of the state, and
17 the donor provides for the donor or someone else to retain the
18 use of the property for the remainder of their lives, the real
19 estate continues to be subject to property tax and special
20 assessments if the property was so subject prior to the making
21 of the gift. Once the use for life ceases the property is
22 then taxed or not taxed based upon the law and the
23 classification of the property at that time.

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