

FEB 9 1998
PAID AND MEANS

HOUSE FILE 2173
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and GRUNDBERG

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing a property tax credit for commercial property
2 and providing effective and applicability date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2173

1 Section 1. NEW SECTION. 426C.1 COMMERCIAL PROPERTY TAX
2 CREDIT FUND -- APPORTIONMENT -- PAYMENT.

3 1. A commercial property tax credit fund is created.
4 There is appropriated annually from the general fund of the
5 state to the department of revenue and finance to be credited
6 to the commercial property tax credit fund, an amount
7 sufficient to implement this chapter.

8 The director of revenue and finance shall issue warrants on
9 the commercial property tax credit fund payable to the county
10 treasurer of each county of the state pursuant to this
11 chapter.

12 2. The commercial property tax credit fund shall be
13 apportioned each year so as to give a credit against the tax
14 on each eligible commercial property in the state in an amount
15 equal to the actual levy on the first four thousand seven
16 hundred fifty dollars of actual value for each eligible
17 commercial property.

18 3. The amount due each county shall be paid in two
19 payments on November 15 and March 15 of each fiscal year,
20 drawn upon warrants payable to the respective county
21 treasurers. The two payments shall be as nearly equal as
22 possible.

23 4. Annually, the department of revenue and finance shall
24 estimate the credit not to exceed the actual levy on the first
25 four thousand seven hundred fifty dollars of actual value of
26 each eligible commercial property, and shall certify to the
27 county auditor of each county the credit and its amount in
28 dollars. Each county auditor shall then enter the credit
29 against the tax levied on each eligible commercial property in
30 each county payable during the ensuing year, designating on
31 the tax lists the credit as being from the commercial property
32 tax credit fund, and credit shall then be given to the several
33 taxing districts in which eligible commercial property is
34 located in an amount equal to the credits allowed on the taxes
35 of the commercial property. The amount of credits shall be

1 apportioned by each county treasurer to the several taxing
2 districts as provided by law, in the same manner as though the
3 amount of the credit had been paid by the owners of the
4 commercial property. However, the several taxing districts
5 shall not draw the funds so credited until after the
6 semiannual allocations are received by the county treasurer,
7 as provided in this chapter. Each county treasurer shall show
8 on each tax receipt the amount of credit received from the
9 commercial property tax credit fund.

10 5. The tax credit allowed in this chapter shall not exceed
11 the actual amount of taxes payable on the eligible commercial
12 property, exclusive of any special assessments levied against
13 the commercial property.

14 Sec. 2. NEW SECTION. 426C.2 DEFINITIONS.

15 For purposes of this chapter, unless the context otherwise
16 requires:

17 1. "Commercial property" means land and buildings assessed
18 as commercial property for property tax purposes.

19 2. "Eligible commercial property" means commercial
20 property separately described as provided in section 428.7.

21 Sec 3. NEW SECTION. 426C.3 CERTIFICATION TO THE
22 DEPARTMENT.

23 On or before June 1 of each year, the county treasurer
24 shall certify to the department of revenue and finance the
25 total amount of dollars, listed by taxing district in the
26 county, due for commercial property tax credits allowed.

27 Sec. 4. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

28 This Act applies retroactively to January 1, 1998, for
29 assessment years beginning on or after that date for which
30 valuations are determined for property taxes due and payable
31 in fiscal years beginning on or after July 1, 1999.

32 EXPLANATION

33 The bill provides a \$4,750 property tax credit for real
34 property assessed as commercial property. The bill requires
35 no filing of forms since the county assessor will allow the

1 credit for property that the assessor assesses as commercial
2 property.

3 The bill applies retroactively to January 1, 1998, for
4 assessment years beginning on or after that date for which
5 valuations are determined for property taxes due and payable
6 in fiscal years beginning on or after July 1, 1999.

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