

FEB 6 2003  
Agriculture

HOUSE FILE 148  
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Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to a tax credit for pollution-control and  
2 recycling property connected to property used for the care and  
3 feeding of livestock, and providing for the Act's  
4 applicability.

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

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HF 148

1 Section 1. Section 427.1, subsection 19, unnumbered  
2 paragraphs 8 and 9, Code 2003, are amended to read as follows:

3 For the purposes of this subsection:

4 a. "~~pollution-control-property~~" "Pollution-control  
5 property" means personal property or improvements to real  
6 property, or any portion thereof, used primarily to control or  
7 abate pollution of any air or water of this state or used  
8 primarily to enhance the quality of any air or water of this  
9 state and "recycling property" means personal property or  
10 improvements to real property or any portion of the property,  
11 used primarily in the manufacturing process and resulting  
12 directly in the conversion of waste plastic, wastepaper  
13 products, or waste paperboard, into new raw materials or  
14 products composed primarily of recycled material. In the  
15 event such property shall also serve other purposes or uses of  
16 productive benefit to the owner of the property, only such  
17 portion of the assessed valuation thereof as may reasonably be  
18 calculated to be necessary for and devoted to the control or  
19 abatement of pollution, to the enhancement of the quality of  
20 the air or water of this state, or for recycling shall be  
21 exempt from taxation under this subsection.

22 "Pollution-control property" or "recycling property" does  
23 not include property used for purposes related to the care and  
24 feeding of livestock as defined in section 169C.1, except for  
25 property which is eligible for a family farm tax credit as  
26 provided in chapter 425A. The exemption calculated for  
27 pollution-control property or recycling property used for the  
28 purpose of care and feeding of livestock and which is eligible  
29 for a family farm tax credit is limited to the first one  
30 hundred thousand dollars of the property's assessed value.

31 b. For-the-purposes-of-this-subsection-"pollution"  
32 "Pollution" means air pollution as defined in section 455B.131  
33 or water pollution as defined in section 455B.171.

34 c. "Water of the state" means the water of the state as  
35 defined in section 455B.171.

1 d. "Enhance the quality" means to diminish the level of  
2 pollutants below the air or water quality standards  
3 established by the environmental protection commission of the  
4 department of natural resources.

5 Sec. 2. APPLICABILITY. This Act is applicable for tax  
6 years beginning on and after January 1, 2004.

7 EXPLANATION

8 This bill amends Code section 427.1, which provides a  
9 number of exemptions from property taxation. The section  
10 includes an exemption for certain types of pollution-control  
11 and recycling property as certified by the department of  
12 natural resources. The bill limits this tax exemption for  
13 such property that is related to the care and feeding of  
14 livestock by requiring that the property used for the care and  
15 feeding of livestock must be eligible for a family farm tax  
16 credit under Code chapter 425A. The bill also provides that  
17 the tax credit still available is limited to the first  
18 \$100,000 of the property's assessed value. The bill is  
19 applicable for tax years beginning on and after January 1,  
20 2004.

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