

House File 228

HOUSE FILE _____
BY FORD

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

A BILL FOR

1 An Act limiting a tax credit and tax exemption for
2 pollution=control and recycling property connected to property
3 used for the care and feeding of livestock, and providing for
4 the Act's applicability.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 2071HH 82
7 da/es/88

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1 1 Section 1. Section 427.1, subsection 19, Code 2007, is
1 2 amended to read as follows:
1 3 19. POLLUTION CONTROL AND RECYCLING. Pollution=control or
1 4 recycling property as defined in this subsection shall be
1 5 exempt from taxation to the extent provided in this
1 6 subsection, upon compliance with the provisions of this
1 7 subsection.
1 8 a. This exemption shall apply to new installations of
1 9 pollution=control or recycling property beginning on January 1
1 10 after the construction or installation of the property is
1 11 completed. This exemption shall apply beginning on January 1,
1 12 1975, to existing pollution=control property if its
1 13 construction or installation was completed after September 23,
1 14 1970, and this exemption shall apply beginning January 1,
1 15 1994, to recycling property.
1 16 b. This exemption shall be limited to the market value, as
1 17 defined in section 441.21, of the pollution=control or
1 18 recycling property. If the pollution=control or recycling
1 19 property is assessed with other property as a unit, this
1 20 exemption shall be limited to the net market value added by
1 21 the pollution=control or recycling property, determined as of
1 22 the assessment date.
1 23 c. Application for this exemption shall be filed with the
1 24 assessing authority not later than the first of February of
1 25 the first year for which the exemption is requested, on forms
1 26 provided by the department of revenue.
1 27 (1) The application shall describe and locate the specific
1 28 pollution=control or recycling property to be exempted.
1 29 (2) The application for a specific pollution=control or
1 30 recycling property shall be accompanied by a certificate of
1 31 the department of natural resources certifying that the
1 32 primary use of the pollution=control property is to control or
1 33 abate pollution of any air or water of this state or to
1 34 enhance the quality of any air or water of this state or, if
1 35 the property is recycling property, that the primary use of
2 1 the property is for recycling.
2 2 d. A taxpayer may seek judicial review of a determination
2 3 of the department or, on appeal, of the environmental
2 4 protection commission in accordance with the provisions of
2 5 chapter 17A.
2 6 e. The environmental protection commission of the
2 7 department of natural resources shall adopt rules relating to
2 8 certification under this subsection and information to be
2 9 submitted for evaluating pollution=control or recycling
2 10 property for which a certificate is requested. The department
2 11 of revenue shall adopt any rules necessary to implement this
2 12 subsection, including rules on identification and valuation of
2 13 pollution=control or recycling property. All rules adopted
2 14 shall be subject to the provisions of chapter 17A.
2 15 f. For the purposes of this subsection, ~~"pollution=control~~
2 16 all of the following apply:
2 17 (1) (a) "Pollution=control property" means personal
2 18 property or improvements to real property, or any portion

2 19 thereof, used primarily to control or abate pollution of any
2 20 air or water of this state or used primarily to enhance the
2 21 quality of any air or water of this state and "recycling
2 22 property" means personal property or improvements to real
2 23 property or any portion of the property, used primarily in the
2 24 manufacturing process and resulting directly in the conversion
2 25 of waste glass, waste plastic, wastepaper products, waste
2 26 paperboard, or waste wood products into new raw materials or
2 27 products composed primarily of recycled material. In the
2 28 event such property shall also serve other purposes or uses of
2 29 productive benefit to the owner of the property, only such
2 30 portion of the assessed valuation thereof as may reasonably be
2 31 calculated to be necessary for and devoted to the control or
2 32 abatement of pollution, to the enhancement of the quality of
2 33 the air or water of this state, or for recycling shall be
2 34 exempt from taxation under this subsection.

2 35 (b) "Pollution=control property" or "recycling property"
3 1 does not include property used for purposes related to the
3 2 care and feeding of livestock as defined in section 169C.1,
3 3 except for property which is eligible for a family farm tax
3 4 credit as provided in chapter 425A. The exemption calculated
3 5 for pollution=control property or recycling property used for
3 6 the purpose of care and feeding of livestock and which is
3 7 eligible for a family farm tax credit is limited to the first
3 8 one hundred thousand dollars of the property's assessed value.

3 9 (2) For the purposes of this subsection, "pollution"
3 10 "Pollution" means air pollution as defined in section 455B.131
3 11 or water pollution as defined in section 455B.171.

3 12 (3) "Water of the state" means the water of the state as
3 13 defined in section 455B.171.

3 14 (4) "Enhance the quality" means to diminish the level of
3 15 pollutants below the air or water quality standards
3 16 established by the environmental protection commission of the
3 17 department of natural resources.

3 18 Sec. 2. APPLICABILITY. This Act is applicable for tax
3 19 years beginning on and after January 1, 2008.

3 20 EXPLANATION

3 21 This bill amends Code section 427.1, which provides a
3 22 number of exemptions from property taxation. The section
3 23 includes an exemption for certain types of pollution=control
3 24 and recycling property as certified by the department of
3 25 natural resources. The bill limits this tax exemption for
3 26 such property that is related to the care and feeding of
3 27 livestock by requiring that the property used for the care and
3 28 feeding of livestock must be eligible for a family farm tax
3 29 credit under Code chapter 425A. The bill also provides that
3 30 the tax credit still available is limited to the first
3 31 \$100,000 of the property's assessed value.

3 32 The bill is applicable for tax years beginning on and after
3 33 January 1, 2008.

3 34 LSB 2071HH 82

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