

Senate File 496 - Introduced

SENATE FILE _____
BY ZIEMAN

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

A BILL FOR

1 An Act providing for a commercial property tax credit for
2 proportional increases in the state percent of growth, making
3 an appropriation, and including an applicability date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2271XS 82
6 ak/gg/14

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1 1 Section 1. NEW SECTION. 426C.1 COMMERCIAL PROPERTY TAX
1 2 CREDIT FUND.
1 3 There is created as a permanent fund in the office of the
1 4 treasurer of state a fund to be known as the commercial
1 5 property tax credit fund, and for the purpose of establishing
1 6 and maintaining this fund, for each fiscal year there is
1 7 appropriated from the general fund of the state and deposited
1 8 into the commercial property tax credit fund an amount
1 9 sufficient to implement this chapter.
1 10 Sec. 2. NEW SECTION. 426C.2 DEFINITIONS.
1 11 As used in this chapter:
1 12 1. "Base year" means the budget year beginning July 1,
1 13 2007.
1 14 2. "Budget year" means as defined in section 257.2.
1 15 3. "Commercial property" means property assessed for
1 16 property taxation as commercial and industrial real estate,
1 17 except for property intended for human habitation.
1 18 Sec. 3. NEW SECTION. 426C.3 WHERE CREDIT GIVEN.
1 19 The commercial property tax credit fund shall be
1 20 apportioned each year so as to give a credit against the tax
1 21 levied against commercial property that is equal in amount to
1 22 the amount by which the additional property tax levy rate
1 23 computed under section 257.4 for the budget year exceeds the
1 24 amount that the additional property tax levy rate would be for
1 25 the budget year if the combined district cost is the same as
1 26 the combined district cost for the base year.
1 27 Sec. 4. NEW SECTION. 426C.4 COMPUTATION BY DEPARTMENT OF
1 28 MANAGEMENT.
1 29 1. On or before May 15 of each year, the department of
1 30 management shall calculate the tax rate for each of the
1 31 several school districts to be used by the county auditor in
1 32 computing the amount of credit that shall be owed to
1 33 commercial property taxpayers in the county for taxes due and
1 34 payable in the ensuing fiscal year.
1 35 2. The department of management shall use the following
2 1 formula to calculate the tax rate per one thousand dollars of
2 2 assessed value of taxable property for each school district:
2 3 a. Calculate the additional property tax levy rate under
2 4 section 257.4 for the budget year.
2 5 b. Calculate the additional property tax levy rate under
2 6 section 257.4 as if the combined district cost for the budget
2 7 year was equal to the combined district cost for the base
2 8 year.
2 9 c. Subtract the amount in paragraph "b" from the amount in
2 10 paragraph "a". If the amount in paragraph "a" does not exceed
2 11 the amount in paragraph "b", there is no credit for the budget
2 12 year and the department shall notify the county auditors of
2 13 that fact.
2 14 d. On or before May 15 the department shall certify the
2 15 applicable tax rates to each county auditor.
2 16 Sec. 5. NEW SECTION. 426C.5 APPORTIONMENT BY AUDITOR.
2 17 Upon receiving the applicable tax rates from the department
2 18 of management, the county auditor shall determine the amount
2 19 to be credited to each parcel of commercial property and shall

2 20 enter such amounts upon the tax list as a credit against the
2 21 tax levied on each parcel of commercial property before
2 22 delivering the tax list to the county treasurer. The county
2 23 treasurer shall show on the tax statement the amount of tax
2 24 credit for each parcel of commercial property. In case of
2 25 change of ownership, the credit shall follow the title.

2 26 Sec. 6. NEW SECTION. 426C.6 WARRANTS AUTHORIZED BY
2 27 DIRECTOR.

2 28 1. The county auditor shall certify to the department of
2 29 management the total amount of credits provided to commercial
2 30 property taxpayers in the county.

2 31 2. During the following budget year, the department of
2 32 management shall draw warrants on the commercial property tax
2 33 credit fund created in section 426C.1, payable to the county
2 34 treasurers, in the amount certified by the county auditors of
2 35 the respective counties and shall mail the warrants to the
3 1 counties. The amount due each county shall be paid in two
3 2 payments on November 15 and March 15 of each fiscal year. The
3 3 two payments shall be as nearly equal as possible. Upon
3 4 receipt of the warrant by the county auditor, the auditor
3 5 shall deliver the warrant to the county treasurer.

3 6 Sec. 7. APPLICABLE DATE. This Act applies to property
3 7 taxes due and payable on or after July 1, 2008.

3 8 EXPLANATION

3 9 This bill provides commercial property taxpayers with an
3 10 annual property tax credit equal to the increase in the
3 11 additional property tax levy caused by an increase in the
3 12 state percent of growth. Commercial property is defined as
3 13 real estate that is assessed as commercial and industrial
3 14 property, except for property used for human habitation.

3 15 The bill creates a commercial property tax credit fund in
3 16 the office of state treasurer and annually appropriates an
3 17 amount sufficient to pay the credits. The credit amount each
3 18 year is the amount of tax that is levied that is more than the
3 19 commercial property taxpayer would have paid in the base year
3 20 due to the state percent of growth. The bill defines "base
3 21 year" as the budget year beginning July 1, 2007.

3 22 The department of management is responsible for calculating
3 23 the tax rates upon which the credit will be computed. The
3 24 county auditor is responsible for determining how much each
3 25 parcel of commercial property will be credited and for
3 26 delivering the adjusted tax list to the county treasurer. The
3 27 county treasurer shall show on each commercial property tax
3 28 statement the amount of the tax credit.

3 29 The bill applies to property taxes due and payable on or
3 30 after July 1, 2008.

3 31 LSB 2271XS 82

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