

Senate Study Bill 3123 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act relating to assessment of telecommunications company
2 property for purposes of property taxation, and including
3 effective date and retroactive applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 427A.1, subsection 1, paragraph h, Code
2 2009, is amended to read as follows:

3 *h.* Property assessed by the department of revenue pursuant
4 to sections 428.24 to 428.29, ~~or chapters 433,~~ chapter 433 if
5 such property was first assessed for taxation in this state
6 before January 1, 1996, or chapters 434, 437, 437A, and 438.

7 Sec. 2. Section 427A.1, Code 2009, is amended by adding the
8 following new subsection:

9 NEW SUBSECTION. 6A. Notwithstanding the other provisions
10 of this section, property described in this section that was
11 first assessed for taxation in this state on or after January
12 1, 1996, shall not be assessed and taxed as real property
13 to the extent it consists of cable, wire, conduit, vaults,
14 switches, or other equipment or fixtures used primarily to
15 provide or facilitate the electronic transmission, conveyance,
16 or routing of voice, data, audio, video, or any other
17 information or signal to a point, or between or among points,
18 regardless of the content or technology utilized and regardless
19 of whether the property would otherwise be considered attached
20 to the real property.

21 Sec. 3. Section 427B.17, subsection 5, unnumbered paragraph
22 1, Code 2009, is amended to read as follows:

23 This section shall not apply to property assessed by the
24 department of revenue pursuant to sections 428.24 to 428.29,
25 ~~or chapters 433,~~ chapter 433 if such property was first
26 assessed for taxation in this state before January 1, 1996, or
27 chapters 434, 437, 437A, and 438, and such property shall not
28 receive the benefits of this section.

29 Sec. 4. Section 433.4, Code Supplement 2009, is amended to
30 read as follows:

31 **433.4 Assessment.**

32 1. The director of revenue shall on or before October 31
33 each year, proceed to find the actual value of the property
34 of these companies in this state, taking into consideration
35 the information obtained from the statements required, and any

1 further information the director can obtain, ~~using the same as~~
2 ~~a means for determining the actual cash value of the property~~
3 ~~of these companies within this state.~~

4 2. The For property of a company that was first assessed
5 for taxation in this state before January 1, 1996, the director
6 shall also take into consideration the information described
7 in subsection 1 and the valuation of all property of these
8 companies, including franchises and the use of the property
9 in connection with lines outside the state, and making these
10 deductions as may be necessary on account of extra value
11 of property outside the state as compared with the value
12 of property in the state, in order that the actual cash
13 value of the property of the company within this state may
14 be ascertained. The assessment shall include all property
15 of every kind and character whatsoever, real, personal, or
16 mixed, used by the companies in the transaction of telegraph
17 and telephone business; and the property so included in the
18 assessment shall not be taxed in any other manner than as
19 provided in this chapter.

20 3. For property of a company that was first assessed
21 for taxation in this state on or after January 1, 1996, the
22 director shall determine the value of the property of these
23 companies within this state in the same manner as all other
24 property assessed as commercial property by the local assessor
25 under chapters 427, 427A, 427B, 428, and 441; provided that
26 such property that is not otherwise exempt shall be valued at
27 an amount no greater than the cost of such property, reduced
28 by accounting depreciation and by any appropriate adjustments
29 for functional and economic obsolescence, and in determining
30 said values the director shall not use any minimum amount
31 or percentage of original cost as the base or minimum value
32 for any item or class of property, regardless of whether the
33 property is still in service.

34 Sec. 5. Section 476.1D, unnumbered paragraph 2, Code 2009,
35 is amended by striking the unnumbered paragraph.

1 extent it consists of cable, wire, conduit, vaults, switches,
2 or other equipment or fixtures used primarily to provide or
3 facilitate the electronic transmission, conveyance, or routing
4 of voice, data, audio, video, or any other information or
5 signal to a point, or between or among points, regardless of
6 the content or technology utilized and regardless of whether
7 the property would otherwise be considered "attached" to the
8 real property.

9 The bill provides that telecommunications company property
10 that was first assessed for taxation on or after January 1,
11 1996, and classified as machinery used in manufacturing,
12 and computers and related equipment, currently not subject
13 to special valuation provisions conferring property tax
14 exempt status, shall be made subject to those provisions and
15 considered either exempt from property taxation or valued at 0
16 percent of their net acquisition cost.

17 The bill takes effect upon enactment and applies
18 retroactively to assessment years beginning on or after January
19 1, 2010.