

**House File 2310 - Introduced**

HOUSE FILE 2310  
BY CHAMBERS

**A BILL FOR**

1 An Act exempting from the inheritance tax any agricultural land  
2 passing to nieces or nephews and including an applicability  
3 provision.

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

1 Section 1. Section 450.10, subsection 6, Code Supplement  
2 2011, is amended to read as follows:

3 6. a. Property, interest in property, or income  
4 passing to the surviving spouse, and parents, grandparents,  
5 great-grandparents, and other lineal ascendants, children  
6 including legally adopted children and biological children  
7 entitled to inherit under the laws of this state, stepchildren,  
8 and grandchildren, great-grandchildren, and other lineal  
9 descendants, is not taxable under this section.

10 b. Agricultural land passing to a niece or nephew is not  
11 taxable under this section. For purposes of this paragraph,  
12 "agricultural land" means real property owned by a person in  
13 tracts of ten acres or more and not laid off into lots of  
14 less than ten acres or divided by streets and alleys into  
15 parcels of less than ten acres, and that has been used for  
16 the production of agricultural commodities during three out  
17 of the past five years. Such use of property includes but  
18 is not limited to the raising, harvesting, handling, drying,  
19 or storage of crops used for feed, food, seed, or fiber; the  
20 care or feeding of livestock; the handling or transportation  
21 of crops or livestock; the storage, treatment, or disposal  
22 of livestock manure; and the application of fertilizers,  
23 soil conditioners, pesticides, and herbicides on crops.  
24 "Agricultural land" includes land on which is located farm  
25 residences or outbuildings used for agricultural purposes and  
26 land on which is located facilities, structures, or equipment  
27 for agricultural purposes. "Agricultural land" includes  
28 land taken out of agricultural production for purposes of  
29 environmental protection or preservation.

30 Sec. 2. APPLICABILITY. This Act applies to estates of  
31 decedents dying on or after July 1, 2012.

32 EXPLANATION

33 This bill exempts agricultural land passing to a niece  
34 or nephew from the inheritance tax. "Agricultural land" is  
35 defined in the bill.

H.F. 2310

1 The bill applies to estates of decedents dying on or after  
2 July 1, 2012.