

House Study Bill 706 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON JUDICIARY BILL BY
CHAIRPERSON HOLT)

A BILL FOR

1 An Act relating to mobile homes and manufactured homes property
2 taxes, and including applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 435.22, subsection 1, paragraph b,
2 subparagraphs (1) and (3), Code 2024, are amended to read as
3 follows:

4 (1) If the owner of the home is an Iowa resident, has
5 attained the age of twenty-three years on or before December 31
6 of the base year, and has an income when included with that of
7 a spouse which is less than eight forty thousand five hundred
8 dollars per year, the annual tax shall not be imposed on the
9 home. ~~If the income is eight thousand five hundred dollars or~~
10 ~~more but less than sixteen thousand five hundred dollars, the~~
11 ~~annual tax shall be computed as follows:~~

12 If the Household	Annual Tax Per
13 Income is:	Square Foot:
14 \$ 8,500 — 9,499.99	3.0 cents
15 9,500 — 10,499.99	6.0
16 10,500 — 12,499.99	10.0
17 12,500 — 14,499.99	13.0
18 14,500 — 16,499.99	15.0

19 (3) ~~Beginning with the 1998 base year, the income dollar~~
20 ~~amounts set forth in this paragraph "b" shall be multiplied~~
21 ~~by the cumulative adjustment factor for that base year as~~
22 ~~determined in [section 425.23, subsection 4.](#)~~

23 Sec. 2. Section 435.22, subsection 2, paragraphs a and b,
24 Code 2024, are amended to read as follows:

25 a. For the sixth through ninth years after the year of
26 manufacture the annual tax is ninety percent of the tax
27 computed according to [subsection 1](#), paragraph "a" or "b",
28 ~~whichever is applicable~~ unless subsection 1, paragraph "b",
29 applies.

30 b. For all homes ten or more years after the year of
31 manufacture the annual tax is eighty percent of the tax
32 computed according to [subsection 1](#), paragraph "a" or "b",
33 ~~whichever is applicable~~ unless subsection 1, paragraph "b",
34 applies.

35 Sec. 3. APPLICABILITY. This Act applies to taxes due and

1 payable in fiscal years beginning on or after July 1, 2025.

2

EXPLANATION

3

The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5

This bill relates to the taxation of mobile homes and
6 manufactured homes.

7

The bill modifies income threshold amounts applicable to the
8 reduced square footage tax rates applicable to mobile homes and
9 manufactured homes. These amounts are currently adjusted for
10 inflation. For the year beginning July 1, 2024, the annual tax
11 is not imposed on an owner with an annual income of less than
12 \$13,048, and an owner with an annual income between \$13,408 and
13 \$25,328 pays the annual tax at one of five reduced rates. The
14 bill provides that the tax is not imposed on an owner with an
15 annual income of less than \$40,000, does not provide a reduced
16 rate, and does not adjust the \$40,000 threshold for inflation.
17 The bill applies to taxes due and payable for fiscal years
18 beginning on or after July 1, 2025.