

CHAPTER 254

PERSONAL PROPERTY TAX CREDIT

H.F. 400

AN ACT relating to the personal property tax credit, and the affidavit required therefor.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Chapter three hundred fifty-six (356), section forty-one (41),
2 Acts of the Sixty-second General Assembly, is hereby amended by adding
3 the following thereto:

4 "There is hereby granted a credit of not to exceed two thousand seven
5 hundred (2,700) dollars against the assessed value of tangible personal prop-
6 erty as defined in section thirty-nine (39), chapter three hundred fifty-six
7 (356), Acts of the Sixty-second General Assembly, owned by a person or bus-
8 iness enterprise.

9 For the purposes of this section:

10 1. 'Person' means an individual, partnership, joint venture, association,
11 corporation, trust, or estate.

12 2. 'Business enterprise' means a person engaged in business."

1 SEC. 2. Amend chapter three hundred fifty-six (356), section forty-two
2 (42), Acts of the Sixty-second General Assembly, by striking in line ten (10)
3 and line twenty-three (23) the figure "1967" and inserting in lieu thereof the
4 figure "1969".

1 SEC. 3. Chapter three hundred fifty-six (356), section forty-three (43),
2 Acts of the Sixty-second General Assembly, is amended by striking all of
3 lines one (1) through fifteen (15), inclusive and inserting in lieu thereof the
4 following new section:

5 "Sec. 43. No person or business enterprise in the state shall be allowed
6 a credit on personal property tax in excess of two thousand seven hundred
7 (2,700) dollars assessed valuation. Any person or business enterprise who
8 owns personal property subject to taxation in more than one county of the
9 state shall designate in reporting such property to the assessor for the pur-
10 pose of assessment as required in section thirty-nine (39) of this Act in
11 which counties of the state the property is located and may claim the entire
12 credit in one county or a proportionate part thereof in each county where the
13 property is situated, and in no case shall he claim more than the two
14 thousand seven hundred (2,700) dollars assessed value for all personal prop-
15 erty assessed in all counties.

16 Each year, on or before July first, the taxpayer shall deliver to the asses-
17 sessor an application for personal property tax credit and state by such affi-
18 davit or affidavits filed in each county where his personal property is situ-
19 ated, that he has not claimed a total personal property tax credit in all
20 counties in excess of a total of two thousand seven hundred (2,700) dollars
21 assessed valuation.

22 It shall be the duty of the assessor to examine claims for such credit
23 filed with him and recommend on each such claim the disallowance thereof
24 where it appears that an owner of tangible personal property has attempted
25 to divide the ownership thereof for purpose of obtaining additional credit
26 beyond the amount of two thousand seven hundred (2,700) dollars in a year.

27 If any person fails to make application for the credits provided for under
 28 this chapter as herein required, he shall be deemed to have waived the per-
 29 sonal property tax credit for the year in which he failed to make claim.
 30 Any person making a false affidavit for the purpose of obtaining the
 31 credit provided for in this section, or who knowingly receives such credit
 32 without being legally entitled thereto, or who makes claim for credit of
 33 more than two thousand seven hundred (2,700) dollars in the state shall
 34 be guilty of a misdemeanor and upon conviction thereof shall be fined not
 35 more than one hundred (100) dollars or imprisoned in the county jail for not
 36 more than thirty (30) days or be both so fined and imprisoned."

1 **SEC. 4.** Chapter three hundred fifty-six (356), section forty-four (44),
 2 Acts of the Sixty-second General Assembly, is amended by striking all of
 3 lines one (1) through eleven (11), inclusive and inserting in lieu there-
 4 of the following new section:

5 "Sec. 44. If personal property is owned separately by a husband and
 6 wife, they may divide the credit or one may take the entire credit, but in
 7 no case may a husband and wife receive a total credit of more than two
 8 thousand seven hundred (2,700) dollars unless husband, wife or minor
 9 children own farm units separately. If personal property is owned by sep-
 10 arate business enterprises and the business enterprises are controlled or
 11 owned by the same person, the separate business enterprises may divide
 12 the credit or one may take the entire credit, but in no case may separate
 13 business enterprises which are controlled or owned by the same person re-
 14 ceive a total exemption of more than two thousand seven hundred (2,700)
 15 dollars.

16 Business enterprises are controlled or owned by the same person if
 17 over fifty (50) percent of their assets or shares of stock are controlled or
 18 owned by the same person, or if they are in fact controlled and managed
 19 by the same person, regardless of how actual title to the assets or shares
 20 of stock are held. The assessor shall deliver the sworn affidavits to the coun-
 21 ty auditor by August first of each year."

1 **SEC. 5.** Chapter three hundred fifty-six (356), section forty-five (45),
 2 Acts of the Sixty-second General Assembly, is hereby amended by adding
 3 thereto the following:

4 "The department of revenue shall have the responsibility of auditing
 5 credits allowed in 1969 and each year thereafter in all counties in the state,
 6 and such audit shall be completed within eighteen months from July first of
 7 the year the claims were filed. A copy of the audit containing disallowed
 8 credits shall be sent to the county auditor, the county treasurer and state
 9 comptroller, and such individuals shall be directed to correct their books and
 10 records accordingly. The amount of such erroneous credit shall be charged
 11 to the county by the state comptroller. The director of revenue shall be
 12 authorized and directed to disallow any claim where the audit or investi-
 13 gation revealed that the claimant was not entitled to the credit claimed.
 14 Persons and business enterprises may appeal any disallowed personal prop-
 15 erty credit to the state board of tax review."

1 **SEC. 6.** Chapter three hundred fifty-six (356), section forty-eight (48),
 2 Acts of the Sixty-second General Assembly, is hereby amended by adding
 3 thereto the following:

4 "Any person making a false affidavit for the purpose of obtaining the
5 credit provided for in this section or who knowingly receives such credit
6 without being legally entitled thereto or makes claim for credit in more
7 than one county in the state shall be guilty of a misdemeanor, and upon
8 conviction thereof shall be fined not more than one hundred (100) dollars
9 or imprisoned in the county jail for not more than thirty (30) days or be
10 both fined and imprisoned. Jurisdiction shall be in each county in which an
11 affidavit has been filed."

1 SEC. 7. This Act, being deemed of immediate importance, shall be in
2 full force and effect from and after its passage and publication in The Clay-
3 ton County Register, a newspaper published at Elkader, Iowa, and in the
4 Hardin County Index, a newspaper published at Eldora, Iowa.

Approved May 14, 1969.

I hereby certify that the foregoing Act, House File 400, was published in The Clayton County Register, Elkader, Iowa, May 22, 1969 and in the Hardin County Index, Eldora, Iowa, May 23, 1969.

MELVIN D. SYNHORST, *Secretary of State.*

CHAPTER 255

VALUATION AND ASSESSMENT OF PROPERTY

H. F. 784

AN ACT relating to the valuation and assessment of real and personal property.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Chapter three hundred fifty-four (354), section one (1),
2 Acts of the Sixty-second General Assembly, amending section four hundred
3 forty-one point twenty-one (441.21), Code 1966, is hereby amended as fol-
4 lows:

5 1. By striking lines nineteen (19) through twenty-six (26), inclusive, and
6 inserting in lieu thereof the following:

7 "be taken into consideration in arriving at its market value. In arriving
8 at market value, sale prices of property in abnormal transactions not re-
9 flecting market value shall not be taken into account; or shall be adjusted
10 to eliminate the effect of factors which distort market value, including but
11 not limited to sales to immediate family of the seller, foreclosure or other
12 forced sales, contract sales, discounted purchase transactions or purchase
13 of adjoining land or other land to be operated as a unit.

14 Actual value of property in one county shall be equalized as compared
15 with actual value of property in an adjoining county. If a variation of five
16 percent or more exists between the actual values of similar, closely adja-
17 cent property in adjoining counties in Iowa, the director of revenue shall
18 determine whether adequate reasons exist for such variation. If no such
19 reasons exist, the director of revenue shall direct assessors to make adjust-
20 ments in such actual values to reduce the variation to five percent or less.

21 In assessing and determining the actual value of agricultural property
22 fifty percent consideration shall be given to each of the following factors:

23 a. The productivity and net earning capacity determined on the basis
24 of the use for agricultural purposes capitalized at a rate representing a