

**CHAPTER 139****TAXATION OF METHANE GAS AND OTHER GAS CONVERSION PROPERTY**

S.F. 520

**AN ACT** relating to the property tax exemption for methane gas and other gas conversion property and providing a retroactive applicability date and an effective date.

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

Section 1. Section 427.1, subsection 29, unnumbered paragraph 2, Code 2001, is amended to read as follows:

For purposes of this subsection, "methane gas conversion property" means personal property, real property, and improvements to real property, and machinery, equipment, and computers assessed as real property pursuant to section 427A.1, subsection 1, paragraphs "e" and "j", used in an operation connected with, or in conjunction with, a publicly owned sanitary landfill to collect methane gas or other gases produced as a by-product of waste decomposition and to convert the gas to energy, or to collect waste that would otherwise be collected by, or deposited with, a publicly owned sanitary landfill in order to decompose the waste to produce methane gas or other gases and to convert the gas to energy. However, property used to decompose the waste and convert the waste to gas is not eligible for this exemption.

Sec. 2. **FILING OF CLAIMS.** As a result of the retroactive application of this Act, a taxpayer may file a claim for credit of electric generation tax with the appropriate chief financial officer for the 1998, 1999, 2000, and 2001 tax years, no later than July 1, 2001. In order to qualify for a credit of electric generation tax, the taxpayer must also file a claim for property tax exemption under section 427.1, subsection 29, for assessment years 1998, 1999, 2000, and 2001, by June 1, 2001, and be approved by the appropriate assessing authority. If a claim for credit is allowed for any of those tax years and the electric generation taxes remain unpaid for any of those tax years, the amount of electric generation taxes due, including interest, penalty, and other additions to the taxes, shall be credited to the taxpayer. If a claim for electric generation tax credit or for property tax exemption for any one of those years is filed pursuant to this Act and is denied by the city or county to which the tax is owed, the claimant may, within fifteen days of the denial, apply to the director of revenue and finance for a hearing on the claim.

Sec. 3. **IMPLEMENTATION OF ACT.** Section 25B.7 shall not apply to this Act.

Sec. 4. **EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISIONS.** This Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 1998, for purposes of taxes levied pursuant to section 437A.6. Those taxpayers who would not be subject to tax under section 437A.6 had the taxpayer been deemed exempt from property tax under section 427.1, subsection 29, shall be eligible to claim a credit for electric generation taxes pursuant to section 2 of this Act. Such taxpayer shall be deemed exempt from property taxation for purposes of section 427.1, subsection 29, but the taxpayer shall not be eligible for a refund or abatement of property taxes.

Approved May 16, 2001