

437B.11 Allocation of revenue.

1. The director and the department of management shall compute the allocation of all replacement tax revenues among the local taxing districts in accordance with [this section](#) and shall report such allocation by local taxing districts to the county treasurers on or before August 15 following a tax year.

2. The director shall determine and report to the department of management the total replacement taxes to be collected from each taxpayer for the tax year on or before July 30 following such tax year.

3. *a.* All replacement taxes owed by a taxpayer shall be allocated among the local taxing districts in which such taxpayer's property is located in accordance with a general allocation formula determined by the department of management on the basis of general property tax equivalents. General property tax equivalents shall be determined by applying the levy rates reported by each local taxing district to the department of management on or before June 30 following a tax year to the taxable value of taxpayer property allocated to each such local taxing district as adjusted and reported to the department of management in such tax year by the director pursuant to the procedures required pursuant to [section 437B.15](#). The general allocation formula for a tax year shall allocate to each local taxing district that portion of the replacement taxes owed by each taxpayer which bears the same ratio as such taxpayer's general property tax equivalents for each local taxing district bears to such taxpayer's total general property tax equivalents for all local taxing districts in Iowa.

b. If, during the tax year, a taxpayer transferred operating property or an interest in operating property to another taxpayer, the transferee taxpayer's replacement tax associated with that property shall be allocated, for the tax year in which the transfer occurred, under [this section](#) in accordance with the general allocation formula on the basis of the general property tax equivalents of the transferor taxpayer.

c. Notwithstanding the provisions of [this section](#), if during the tax year a person who was not a taxpayer during the prior tax year acquires a new major addition, as defined in [section 437B.2, subsection 8](#), paragraph "a", subparagraph (4), the replacement tax associated with that major addition shall be allocated, for that tax year, under [this section](#) in accordance with the general allocating formula on the basis of the general property tax equivalents established under paragraph "a" of [this subsection](#), except that the levy rates established and reported to the department of management on or before June 30 following the tax year in which the major addition was acquired shall be applied to the prorated assessed value of the major addition. For purposes of this paragraph, "*prorated assessed value of the major addition*" means the assessed value of the major addition as of January 1 of the year following the tax year in which the major addition was acquired multiplied by the percentage derived by dividing the number of months that the major addition existed during the tax year by twelve, counting any portion of a month as a full month.

4. On or before August 31 following tax years 2013, 2014, and 2015, each county treasurer shall compute a special utility property tax levy or tax credit for each taxpayer for which a replacement tax liability for each such tax year is reported to the county treasurer pursuant to [subsection 1](#), and shall notify the taxpayer of the amount of such tax levy or tax credit. The amount of the special utility property tax levy or credit shall be determined for each taxpayer by the county treasurer by comparing the taxpayer's total replacement tax liability allocated to taxing districts in the county pursuant to [this section](#) with the anticipated tax revenues from the taxpayer for all taxing districts in the county. If the taxpayer's total replacement tax liability allocated to taxing districts in the county is less than the anticipated tax revenues from the taxpayer for all taxing districts in the county, the county treasurer shall levy a special utility property tax equal to the shortfall which shall be added to and collected with the replacement tax owed by the taxpayer to the county treasurer for the tax year pursuant to [section 437B.4, subsection 3](#). If the taxpayer's total replacement tax liability allocated to taxing districts in the county exceeds the anticipated tax revenues from the taxpayer for all taxing districts in the county, the county treasurer shall issue a credit to the taxpayer which shall be applied to reduce the taxpayer's replacement tax liability to the county treasurer for the tax year. If the taxpayer's total replacement tax liability allocated

to taxing districts in the county equals the anticipated tax revenues from the taxpayer for all taxing districts in the county, no levy or credit is required. Replacement tax liability for purposes of [this subsection](#) means replacement tax liability before credits allowed by [section 437B.4, subsection 5](#). A recalculation of a special utility property tax levy or credit shall not be made as a result of a subsequent recalculation of replacement tax liability under [section 437B.4, subsection 5](#), or adjustment to assessed value under [section 437B.15](#). “*Anticipated tax revenues from a taxpayer*” means the product of the total levy rates imposed by the taxing districts and the value of taxpayer property allocated to the taxing districts and reported to the county auditor. Special utility property tax levies and credits shall be treated as replacement taxes for purposes of [section 437B.7](#). If a special utility property tax levy payment becomes delinquent, the delinquent payment shall accrue interest and penalty in the same manner and amount as the replacement tax under [section 437B.9](#).

5. The replacement tax, as adjusted by any special utility property tax levy or credit and remitted to a county treasurer by each taxpayer, shall be treated as a property tax when received and shall be disbursed by the county treasurer as taxes on real estate. Notwithstanding the allocation provisions of [this section](#), nothing in [this section](#) shall deny any municipality which has enacted an ordinance or entered into an agreement for the division and allocation of taxes authorized under [section 403.19](#) and under which ordinance or agreement the taxes collected in respect of properties owned by any of the taxpayers remitting replacement taxes pursuant to the provisions of [this chapter](#) are being divided and allocated, the right to receive its share of the replacement tax revenues collected for any year which would otherwise be paid to such municipality under the terms of any such ordinance or agreement had [this chapter](#) not been enacted. To the extent that adjustment must be made to the allocation described in [this section](#) to give effect to the terms of such ordinances or agreements, the department of management and the county treasurer shall make such adjustments.

6. In lieu of the adjustment provided for in [subsection 5](#), the assessed value of property described in [section 403.19, subsection 1](#), may be reduced by the city or county by the amount of the taxable value of the property described in [section 437B.12](#) included in such area on January 1, 2011, pursuant to amendment of the ordinance adopted by such city or county pursuant to [section 403.19](#).

7. The utility replacement tax task force created in [section 437A.15](#) shall study the effects of the replacement tax on local taxing authorities, local taxing districts, consumers, and taxpayers through January 1, 2019. If the task force recommends modifications to the replacement tax that will further the purposes of tax neutrality for local taxing authorities, local taxing districts, taxpayers, and consumers, consistent with the stated purposes of [this chapter](#), the department of management shall transmit those recommendations to the general assembly.

[2013 Acts, ch 94, §20, 35, 36; 2016 Acts, ch 1128, §9, 16, 19](#)

Referred to in [§437B.4](#)

2016 amendment to subsection 7 takes effect May 27, 2016, and applies retroactively to January 1, 2016; [2016 Acts, ch 1128, §16, 19](#)