

CHAPTER 426

AGRICULTURAL LAND TAX CREDIT

Referred to in [§2.48](#), [331.512](#)

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426.1 Agricultural land credit fund.

There is created as a permanent fund in the office of the treasurer of state a fund to be known as the agricultural land credit fund, and for the purpose of establishing and maintaining this fund for each fiscal year there is appropriated thereto from funds in the general fund not otherwise appropriated the sum of thirty-nine million one hundred thousand dollars of which the first ten million dollars shall be transferred to and deposited into the family farm tax credit fund created in [section 425A.1](#). Any balance in said fund on June 30 shall revert to the general fund.

[C39, §[6943.156](#); C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.1]

[93 Acts, ch 180, §11](#)

Referred to in [§425A.1](#), [426.7](#), [441.73](#)

426.2 Definition.

“*Agricultural lands*” as used in [this chapter](#) shall mean and include land in tracts of ten acres or more excluding any buildings or other structures located on such land, and not laid off into lots of less than ten acres or divided by streets and alleys into parcels of less than ten acres, lying within any school corporation in this state and in good faith used for agricultural or horticultural purposes.

Any land laid off or platted into lots of less than ten acres belonging to and a part of other lands of more than ten acres and in good faith used for agricultural or horticultural purposes shall be entitled to the benefits of [this chapter](#).

[C39, §[6943.165](#); C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.2]

426.3 Where credit given.

The agricultural land credit fund shall be apportioned each year in the manner hereinafter provided so as to give a credit against the tax on each tract of agricultural lands within the several school districts of the state in which the levy for the general school fund exceeds five dollars and forty cents per thousand dollars of assessed value; the amount of such credit on each tract of such lands shall be the amount the tax levied for the general school fund exceeds the amount of tax which would be levied on said tract of such lands were the levy for the general school fund five dollars and forty cents per thousand dollars of assessed value for the previous year, except in the case of a deficiency in the agricultural land credit fund to pay said credits in full, in which case the credit on each eligible tract of such lands in the state shall be proportionate and shall be applied as hereinafter provided.

[C39, §[6943.157](#), [6943.164](#); C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.3]

426.4 and 426.5 Reserved.

426.6 Computation by auditor — appeal.

1. The agricultural land tax credit allowed each year shall be computed as follows: On or before April 1, the county auditor shall list by school districts all tracts of agricultural lands which are entitled to credit, together with the taxable value for the previous year, together with the budget from each school district for the previous year, and the tax rate determined for the general fund of the district in the manner prescribed in [section 444.3](#) for the previous year, and if such tax rate is in excess of five dollars and forty cents per thousand dollars of

assessed value, the auditor shall multiply the tax levy which is in excess of five dollars and forty cents per thousand dollars of assessed value by the total taxable value of the agricultural lands entitled to credit in the district, and on or before April 1, certify the amount to the department of revenue.

2. In the event the county auditor denies a credit upon any such lands, the auditor shall immediately mail to the owner at the owner's last known address notice of the decision thereon. The owner may, within thirty days thereafter, appeal to the board of supervisors of the county wherein the land involved is situated by serving notice of said appeal upon the chairperson of said board. The board shall hear such appeal promptly and shall determine anew all questions involved in said appeal and shall within ten days after such hearing, mail to the owner at the owner's last known address, notice of its decision. In the event of disallowance the owner may, within ten days from the date such notice is mailed, appeal such disallowance by the board of supervisors to the district court of that county by serving written notice of appeal on the county auditor. The appeal shall be tried de novo and may be heard in term time or vacation. The decision of the district court thereon shall be final.

[C39, §6943.160 – 6943.163; C46, §426.4 – 426.6; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.6]

[86 Acts, ch 1245, §442](#); [2001 Acts, ch 143, §3](#); [2002 Acts, ch 1119, §54](#); [2003 Acts, ch 145, §286](#); [2021 Acts, ch 76, §150](#)

Referred to in [§331.401, 426.7](#)

426.7 Warrants authorized by director.

After receiving from the county auditors the certifications provided for in [section 426.6](#), and during the following fiscal year, the director of revenue shall authorize the department of administrative services to draw warrants on the agricultural land credit fund created in [section 426.1](#), payable to the county treasurers in the amount certified by the county auditors of the respective counties and mail the warrants to the county auditors on July 15 of each year taking into consideration the relative budget and cash position of the state resources. However, if the agricultural land credit fund is insufficient to pay in full the total of the amounts certified to the director of revenue, the director shall prorate the fund to the county treasurers and notify the county auditors of the pro rata percentage on or before June 15.

[C39, §6943.157; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.7]

[83 Acts, ch 172, §6](#); [86 Acts, ch 1244, §52](#); [2001 Acts, ch 143, §4](#); [2003 Acts, ch 145, §286](#); [2004 Acts, ch 1101, §52](#)

426.8 Apportionment by auditor.

Upon receiving the pro rata percentage from the director of revenue, the county auditor shall determine the amount to be credited to each tract of agricultural land, and shall enter upon tax lists as a credit against the tax levied on each tract of agricultural land on which there has been made an allowance of credit before delivering said tax lists to the county treasurer. Upon receipt of the warrant by the county auditor, the auditor shall deliver said warrant to the county treasurer for apportionment. The county treasurer shall show on each tax receipt the amount of tax credit for each tract of agricultural land. In case of change of ownership the credit shall follow the title.

[C39, §6943.158; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.8]

[86 Acts, ch 1245, §443](#); [2003 Acts, ch 145, §286](#); [2004 Acts, ch 1101, §53](#)

Referred to in [§331.559](#)

426.9 Reserved.

426.10 Rules.

The director of revenue shall prescribe forms and rules, not inconsistent with [this chapter](#), necessary to carry out its purposes.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.10]

[86 Acts, ch 1245, §444](#); [2003 Acts, ch 145, §286](#)