**SF 295 - Property Tax Reform and Relief**

***Dates to Know***

**Lucas Beenken – Iowa State Association of Counties**

**July 2013**

Assessment Year 2013 – January 1, 2013

* Valuation for business property tax credit, 95% rollback on commercial, industrial, and railway property, and permissible allowable valuation growth reduction to 3% all retroactively applicable to AY2013.
* Property tax exemption of specified amount of assessed value of telecommunications property with percentage based on value retroactively applicable to AY2013.
* Property Assessment Appeals Board provisions with retroactive applicability to AY2013 include allowing one or more members of the board to hear an appeal and make a decision on behalf of the board, and allowing participation in an appeals hearing via electronic communication.

Assessment Year 2014 – January 1, 2014

* 90% rollback on commercial, industrial, and railway property applicable to AY2014.
* Full implementation of property tax exemption of specified amount of assessed value of telecommunications property with percentage based on 2014 assessed value.

January 15, 2014

* Claims for business property tax credit for taxes due and payable in FY2015 shall be filed by January 15, 2014.

April 1, 2014

* Property assessments must be complete and assessment rolls mailed out by April 1 of each year, beginning in 2014.

April 1 – May 4, 2014

* Property owners may request an informal review of their assessment(s) with the assessor’s office between April 1 and May 4 each year, beginning in 2014.

April 7 – May 5, 2014

* Property owners may file a protest with the board of review between April 7 and May 5 each year, beginning in 2014.

June 30, 2014

* By June 30 of each year the county auditor shall certify to the department of revenue:
	+ All claims for the business property tax credit that have been allowed by the board of supervisors.
	+ The actual value of such parcels and property units applicable to the fiscal year for which the credit is claimed that are subject to assessment and taxation prior to imposition of any applicable assessment limitation.
	+ The consolidated levy rates for such parcels and the average consolidated levy rates for such property units applicable to the fiscal year for which the credit is claimed.
	+ The taxing districts in which the parcel or property unit is located.
* Following the report, the department of revenue will certify to the county auditor (approximately two weeks later) the amounts of the business property tax credits allowed in the county. The auditor will then enter the credits against the tax levied on each eligible parcel or property unit. Each taxing district shall receive its share of the credit allowed on each qualifying parcel or property unit within that taxing district in the same proportion as that district’s levy relates to the total consolidated levy for that parcel or property unit. The county auditor will designate on the tax lists the credit as being paid from the fund and the county treasurer shall show on each taxpayer receipt the amount of credit received from the fund.

Fiscal Year 2015 – July 1, 2014-June 30, 2015

* Business property tax credit funded with $50 million standing appropriation.
* Repayment claims for reimbursement to counties for reduction in future revenue due to commercial/industrial rollback is fully funded with standing appropriation.
* Property tax exemption of specified amount of assessed value of telecommunications property with percentage based on value for taxes due and payable in FY2015. Exemption of the following amount of assessed value:
	+ 20% of value between $0 - $20 million
	+ 17.5% of value between $20 million - $55 million
	+ 12.5% of value between $55 million - $500 million
	+ 10% of value over $500 million

Date To Be Determined

* By a date to be determined by rules established by the department of revenue, the county auditor shall annually prepare and submit a report to the department that includes the commercial and industrial property tax replacement claims for each taxing district. The replacement claims are for the reduction in future revenue due to the legislatively imposed rollback. The report must include the difference between the actual value as determined by the assessor and the assessed value (taking into account the rollback) as well as the levy rate for that taxing district. The replacement claim amount is determined by multiplying the difference between the actual value and the assessed value by the levy rate and dividing by 1,000.

September 2014

* First installment (second in March) of the replacement claims for reduction in future revenue due to commercial/industrial rollback is paid to each county treasurer each fiscal year, beginning in FY2015. The treasurer shall apportion the replacement claim payments among the eligible taxing districts in the county in the same proportion as each district’s levy relates to the consolidated levy for a given property.

November 15, 2014

* First installment (second on March 15) of payments certified by the department of revenue for the business property tax credits allowed in each county is paid to each county treasurer each fiscal year, beginning in FY2015.

Assessment Year 2015

* Legislatively imposed rollback for the new multiresidential classification begins.
	+ Rollback for multiresidential property for AY2015 reduced from 90% (commercial property rollback) to 86.25%.
	+ Rollback decreases an additional 3.75% per year through AY2022 and then multiresidential property becomes coupled with the rollback for residential property.

March 2015

* Second installment (first in September) of the replacement claims for reduction in future revenue due to commercial/industrial rollback is paid to each county treasurer each fiscal year, beginning in FY2015. The treasurer shall apportion the replacement claim payments among the eligible taxing districts in the county in the same proportion as each district’s levy relates to the consolidated levy for a given property.

March 15, 2015

* Claims for the business property tax credit are due by March 15 preceding the fiscal year during which the taxes for which the credit is claimed are due and payable, beginning March 15 preceding FY2016.
	+ Not applicable to businesses that already applied by January 15, 2014, deadline for taxes due and payable in FY2015.
	+ A business only has to apply once unless the property is sold, transferred, or changes classifications.
* Second installment (first on November 15) of payments certified by the department of revenue for the business property tax credits allowed in each county is paid to each county treasurer each fiscal year, beginning in FY2015.

Fiscal Year 2016 – July 1, 2015-June 30, 2016

* Business property tax credit funded with $100 million standing appropriation.
* Repayment claims for reimbursement to counties for reduction in future revenue due to commercial/industrial rollback is fully funded with standing appropriation.
* Property tax exemption of specified amount of assessed value of telecommunications property with percentage based on value for taxes due and payable in FY2016. Exemption of the following amount of assessed value:
	+ 40% of value between $0 - $20 million
	+ 35% of value between $20 million - $55 million
	+ 25% of value between $55 million - $500 million
	+ 20% of value over $500 million

Fiscal Year 2017 – July 1, 2016-June 30, 2017

* Business property tax credit funded with $125 million standing appropriation.
	+ Standing appropriation capped at $125 million for all subsequent years.
* Repayment claims for reimbursement to counties for reduction in future revenue due to commercial/industrial rollback is fully funded with standing appropriation.
	+ Standing appropriation capped at FY2017 dollar amount for all subsequent years.

July 1, 2018

* Sunset of Property Assessment Appeal Board (PAAB) extended to July 1, 2018.

Please direct questions or comments to Lucas Beenken: lbeenken@iowacounties.org or (515)369-7016