

# State of Iowa Property Tax Assessments Statutes

## **Basis for Property Tax Assessments – Market Value**

Taxable property is assessed, except as otherwise provided, at 100% of its actual value on January 1 of the assessment year (Sec. 441.21, Code of Iowa; Rule 701-71.2). Actual value defined: The actual value of all property subject to assessment and taxation is its fair and reasonable market value, except as otherwise provided. Market value is the fair and reasonable exchange in the year in which the property is listed and valued between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and each being familiar with all the facts relating to the particular property. Sale prices of the property or comparable property in normal transactions reflecting market value, and the probable availability or unavailability of persons interested in purchasing the property, is taken into consideration in arriving at its market value. In arriving at market value, sale prices of property in abnormal transactions not reflecting market value are not taken into account or are adjusted to eliminate the effect of factors which distort market value, including, but not limited to, sales to immediate family of the seller, foreclosure or other forced sales, contract sales, discounted purchase transactions, or purchase of adjoining land or other land to be operated as a unit (Sec. 441.21, Code of Iowa).

Solar energy systems: Any construction or installation of a solar energy system on property classified as agricultural, residential, commercial, or industrial property will not increase the actual, assessed and taxable values of the property for five full assessment years. The assessor must disregard any market value added to a building because of a solar energy system (Sec. 441.21, Code of Iowa; see also Solar Energy Property Tax Procedures, Iowa Department of Revenue, May 18, 2016, CCH IOWA TAXREPORTS, ¶ 201-376). Wind energy conversion property: A city council or county board of supervisors may provide by ordinance for the special valuation of wind energy conversion property (Rule 701—80.13, IAC). Electric transmission lines: The Director determines the value per mile of electric transmission line or lines owned or operated by each company by dividing the total value ascertained by the number of miles of line within Iowa located outside of cities and towns. The result is the actual value per mile of transmission line or lines within Iowa located outside of cities and towns (Sec. 437.6, Code of Iowa). Pipeline companies: The assessment of a pipeline company and its equipment must take into consideration the gross earnings and net earnings for the entire property, and per mile, for the year ending December 31 preceding, and any other matters necessary to make a just and equitable assessment (Sec. 438.13, Code of Iowa). Water utilities: Water companies pay a water delivery replacement tax instead of the property tax. The



replacement tax is based on the number of gallons of water delivered to consumers in the water utility's service area during the tax year, multiplied by the replacement delivery tax rate in effect for the service area (Sec. 437B.3, Code of Iowa; Rules 701 — 78.1 (437B) through 701 — 78.23 (437B)).

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### **Real Property Defined**

Real property for tax purposes (Sec. 427A.1(1), Code of Iowa) is defined as: (1) Land and water rights. Mineral rights held separately from the surface estate are assessed and taxed separately from the land (In re Appeal of Colby, (IA SCt 1918) 184 Iowa 1104, 169 NW443); (2) Substances contained in or growing upon the land, before severance from the land, and rights to such substances; (3) Buildings, structures, or improvements, that are constructed on or in the land, attached to the land, or placed upon a foundation whether or not attached to the foundation; (4) Buildings, structures, equipment, machinery, or improvements that are attached to the buildings, structures, or improvements defined in (3) above; (5) Machinery used in manufacturing establishments; (6) Property taxed as horizontal property; (7) Rights to space above the land; (8) Property assessed by the Department of Revenue and Finance ("the Department") (public utilities, electric companies, transmission lines, pipeline companies, and railroads); (9) Property used but not owned by companies described in (8) above, that would be assessed by the Department if the persons owned the property; (10) Computers; and (11) Transmission towers and antennae not a part of a household.

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### **Personal Property Defined**

Not assessed or listed.

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### **Intangible Property Taxes**

The intangible property of credit unions, loan agencies, and investment companies is subject to tax.