

February 18, 1963.

Tax Revision. *Withdrawn 2/27/63*

House File 281

By DIETZ.

Passed House, Date.....

Passed Senate, Date.....

Vote: Ayes..... Nays.....

Vote: Ayes..... Nays.....

Approved.....

A BILL FOR

An Act relating to the taxation of real property owned by any educational institution of this state.

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

1 Section 1. Section four hundred twenty-seven point one
 2 (427.1), Code 1962, is amended by striking from subsection
 3 eleven (11), lines three (3), four (4) and five (5) the words
 4 "as a part of its endowment fund, to the extent of one hundred
 5 sixty acres in any civil township" and inserting in lieu thereof
 6 the following:

7 "except as follows:

8 From and after January 1, 1964, real property owned or held
 9 by any educational institution, not supported wholly or in
 10 part by public funds, and leased or otherwise used with a view
 11 to pecuniary profit, shall be evaluated, assessed and taxed for
 12 all purposes as other such property is taxed.

13 However, for such taxes payable in the year 1965 each such
 14 institution shall receive a credit for eighty percent of the
 15 tax; for taxes payable in the year 1966 the credit shall be
 16 sixty percent; for taxes payable in 1967 the credit shall be
 17 forty percent; for taxes payable in 1968 the credit shall be
 18 twenty percent.

19 In each year previous to the allowance of such credit the
 20 county auditor shall certify to the state tax commission the

21 amount of credit to be allowed in dollars and cents to each
22 such institution in his county. Upon receipt of such certi-
23 fication the commission shall requisition the state comptroller
24 to draw his warrant payable to the county treasurer of each
25 such county to cover the credit allowed to the institutions in
26 the county. There is hereby appropriated from the general fund
27 of the state each such year an amount sufficient to pay such tax
28 credits.”

EXPLANATION OF HOUSE FILE 281

This bill is proposed to gradually take property off the tax exempt status which is not directly used for educational or experimental purposes, and to alleviate the present burden on individual townships from a concentration of such property. It also gives endowment fund managers time to readjust their management to a nonexempt status over a period of years.