

JAN 10 2005  
WAYS AND MEANS

HOUSE FILE 18  
BY KUHN and FREVERT

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to a tax credit for pollution-control and  
2 recycling property connected to property used for the care and  
3 feeding of livestock, and providing for the Act's  
4 applicability.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 18

1 Section 1. Section 427.1, subsection 19, unnumbered  
2 paragraphs 8 and 9, Code 2005, are amended to read as follows:

3 For the purposes of this subsection, ~~"pollution-control~~  
4 ~~property"~~:

5 a. "Pollution-control property" means personal property or  
6 improvements to real property, or any portion thereof, used  
7 primarily to control or abate pollution of any air or water of  
8 this state or used primarily to enhance the quality of any air  
9 or water of this state and "recycling property" means personal  
10 property or improvements to real property or any portion of  
11 the property, used primarily in the manufacturing process and  
12 resulting directly in the conversion of waste plastic,  
13 wastepaper products, waste paperboard, or waste wood products  
14 into new raw materials or products composed primarily of  
15 recycled material. In the event such property shall also  
16 serve other purposes or uses of productive benefit to the  
17 owner of the property, only such portion of the assessed  
18 valuation thereof as may reasonably be calculated to be  
19 necessary for and devoted to the control or abatement of  
20 pollution, to the enhancement of the quality of the air or  
21 water of this state, or for recycling shall be exempt from  
22 taxation under this subsection.

23 "Pollution-control property" or "recycling property" does  
24 not include property used for purposes related to the care and  
25 feeding of livestock as defined in section 169C.1, except for  
26 property which is eligible for a family farm tax credit as  
27 provided in chapter 425A. The exemption calculated for  
28 pollution-control property or recycling property used for the  
29 purpose of care and feeding of livestock and which is eligible  
30 for a family farm tax credit is limited to the first one  
31 hundred thousand dollars of the property's assessed value.

32 b. ~~For-the-purposes-of-this-subsection,~~ ~~"pollution"~~  
33 "Pollution" means air pollution as defined in section 455B.131  
34 or water pollution as defined in section 455B.171.

35 c. "Water of the state" means the water of the state as

1 defined in section 455B.171.

2 d. "Enhance the quality" means to diminish the level of  
3 pollutants below the air or water quality standards  
4 established by the environmental protection commission of the  
5 department of natural resources.

6 Sec. 2. APPLICABILITY. This Act is applicable for tax  
7 years beginning on and after January 1, 2006.

8 EXPLANATION

9 This bill amends Code section 427.1, which provides a  
10 number of exemptions from property taxation. The section  
11 includes an exemption for certain types of pollution-control  
12 and recycling property as certified by the department of  
13 natural resources. The bill limits this tax exemption for  
14 such property that is related to the care and feeding of  
15 livestock by requiring that the property used for the care and  
16 feeding of livestock must be eligible for a family farm tax  
17 credit under Code chapter 425A. The bill also provides that  
18 the tax credit still available is limited to the first  
19 \$100,000 of the property's assessed value.

20 The bill is applicable for tax years beginning on and after  
21 January 1, 2006.

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