



Iowa Department of Revenue

Director: Courtney M. Kay-Decker
Hoover State Office Building
Des Moines, Iowa 50319
www.iowa.gov/tax

Today is Wednesday
June 26, 2013

ISAA President Bruce Hovden
Floyd County Assessor

RE: Iowa Administrative Code rule 701-71.3 (1)“c”

Dear President Hovden:

Assessors have indicated their concern that they may have the responsibility to increase agricultural property values in a non-equalization year to make up for the valuation reductions that occur as a result of the interim application process under Iowa Administrative Code rule 701-71.3(1)“b”. Based on discussions with the Department’s legal staff, the Department believes that assessors are not required, or allowed, to increase agricultural property values to make up for the reduction of values as a result of the interim application process.

The aggregate valuation of agricultural land and buildings determined each equalization year, less building adjustments, are spread to all acres through the use of CSR’s obtained from the modern soil survey. The adjustments that are authorized under the rule are only for parcels that qualify under rule 71.3(1)“b” and which are specifically identified in the application submitted by the taxpayer pursuant to paragraph “c”. These adjustments are not intended in any way to apply to, or otherwise affect, the value previously determined for other cropland and non-cropland acres within the county.

Any eventual adjustments to other acres as a result of the non-cropland CSR adjustment authorized under paragraph “b” can only be accomplished once a county or city has fully implemented the non-crop land adjustments required in paragraph “b”.

Sincerely,

Julie G Roisen, MA CAE
Property Tax Division Administrator
Iowa Department of Revenue

Cc: Director Courtney M. Kay-Decker